

THE SPRING ARTS AND HERITAGE CENTRE

England & Wales · Charity number 297353

Details

Other names	HAVANT ARTS CENTRE COMPANY LIMITED, HAVANT ARTS ACTIVE, THE SPRING ARTS & HERITAGE CENTRE
Status	Registered
Legal form	Charitable company
Company number	02088483
Registered	1987-09-09
Register	View on the Charity Commission register

Contact

Address The Spring Arts & Heritage Centre
Old Town Hall
56 East Street
Havant
Hampshire
PO9 1BS

Phone 023 9224 7000

Email info@thespring.co.uk

Website www.thespring.co.uk

Activities

Objects: THE OBJECTS OF THE CHARITY ARE FOR THE BENEFIT OF THE PUBLIC THE ADVANCEMENT OF KNOWLEDGE AND UNDERSTANDING OF ARTS, HERITAGE AND CULTURE AMONG THE INHABITANTS OF GREAT BRITAIN AND IN PARTICULAR AMONG THE INHABITANTS OF THE BOROUGH OF HAVANT AND THE SURROUNDING LOCALITY.

Activities: The Spring Arts and Heritage Centre is a small place where big things happen. Our vibrant and exciting cultural events make Havant, Hampshire and the surrounding region a better place to live. The Spring provides a range of arts and creative events in the organisation's building and across the region. It is also the professional museum for Havant Borough.

Classification

- **How:** Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services
- **What:** Education/training, Arts/culture/heritage/science, Environment/conservation/heritage, Recreation
- **Who:** Children/young People, Elderly/old People, People With Disabilities, The General Public/mankind

Geography

- **Area of benefit:** BOROUGH OF HAVANT AND THE SURROUNDING LOCALITY
- Hampshire
- West Sussex

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£712,381	£666,821	£297,239	19
2024-03-31	£682,774	£707,286	£251,679	18
2023-03-31	£553,875	£716,982	£276,191	16
2022-03-31	£609,301	£570,448	£439,298	15
2021-03-31	£599,761	£337,315	£400,445	15

Trustees

Name	Role	Appointed
Brendan Charles McCarthy		2025-07-30
Hannah Murphy		2025-07-01
James Daley		2025-11-11
Jane Sweet		2026-05-06
Laura Bern		2025-07-01
Linda Pope		2026-05-06
Lucy Flannery		2025-03-31
Rachel Bowns		2023-01-16
Sarah Shephard		2020-02-10
Tracey Stakes		2025-07-30

THE SPRING ARTS AND HERITAGE CENTRE

England & Wales - Charity number 297353

Accounts

**REGISTERED COMPANY NO 02088483
REGISTERED CHARITY NO 297353**

THE SPRING ARTS & HERITAGE CENTRE CO LTD

REPORT OF THE TRUSTEES AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

THE SPRING ARTS & HERITAGE CENTRE CO LTD

CONTENTS OF THE FINANCIAL STATEMENTS

	Page
Report of the Trustees	3
Report of the Independent Auditors	10
Statement of Financial Activities	14
Balance Sheet	15
Cash Flow Statement	16
Notes to the Cash Flow Statement	17
Notes to the Financial Statements	18

REPORT OF THE TRUSTEES

The trustees of The Spring, who are also directors of the charity for the purposes of the Companies Act 2006, are delighted to present their report with the financial statements of the charity for the year ended 31 March 2025. The Trustees have adopted the provisions of Accounts and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Finance Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives, Activities, Achievements and Public Benefit Policy

The Spring Arts & Heritage Centre Co Limited's objects are for the benefit of the public in the advancement of knowledge and understanding of arts, heritage and culture amongst the inhabitants of Great Britain and in particular among the inhabitants of the Borough of Havant and the surrounding locality. The beneficiaries of the Charitable Company's work are the general public. The majority of activities are not restricted to sections of the public, although some projects are tailored towards targeted demographic or identified needs.

Our Purpose: Our Why

Empowering people through arts, creativity and culture.

Our Vision

Through arts, creativity and culture, we want to empower the people of Havant and beyond to discover new ideas, learn new skills and find new futures.

We want to raise people's aspirations, help them achieve their potential and enhance their quality of life.

Together we will make Havant Borough and surrounding areas a place people want to visit, to work in and live in. A place where people thrive.

We believe that everyone deserves the chance to learn new things, explore new ideas and continue to grow.

We recognise that access can be limited and challenging, but we want to work together to challenge the status-quo through the power of arts, creativity and culture.

Our Values

We are open – we believe in being open, clear and inclusive; we approach everything with warmth and

We are connectors – we believe that together we are stronger; we put time and energy into actively connecting communities, artists, audiences and partners

We are courageous – we believe in being brave, bold and fun; we are not afraid of experimenting and trying new things

Our Mission

To facilitate dynamic, creative and cultural opportunities that empower communities and artists across Havant, Hampshire and beyond.

To bring together artists, creatives, participants and audiences, to create, learn and grow together.

To collaborate both locally and nationally, contributing to the local ecology, economic growth and sustainability.

Who We Are

The Spring is an independent Charity and a Company Limited by Guarantee.

We are a cross-artform and heritage organisation that collaborates with artists, creatives and organisations, both locally and nationally.

We are a hub for creativity, learning and cultural opportunities for the community and beyond.

Over the past year The Spring has developed a new 3 year vision, which encompasses the purpose, vision, values and mission expressed above. This was led by the Co-CEOs with detailed involvement from trustees and staff. It charts a new way forward for The Spring and will be refreshed annually.

Review of the Year

The Spring has had a successful year; with the organisation welcoming increased audiences, new partnerships being forged and increased income being generated.

Highlights of the year include:

The Hub

We run a venue as an arts, heritage and community hub in Havant Town as a centre for creativity and connection. We delivered a full cultural programme of live events, workshops, event cinema and exhibitions. We presented 507 events in our theatre, including theatre, comedy, music and event cinema. Comparing the calendar year of 2024 with 2023 we increased revenue by £51,532, sold 624 more tickets in the year and we had 1828 first time bookers.

We held over X creative workshops in addition to hiring out space to local businesses and community groups. Our café is a destination café for local residents as well as for those coming to events and activities within our building. Community groups continued to use us as a base including the Breast Feeding network, Benardos and social prescribing groups.

Opening up Creative Industries

With the support of Arts Council we were able to develop a new pilot project 'Open Up & Take Over' to give young people of Havant Borough opportunities, agency and ownership of their community through the performing arts. The project will actively facilitate creative opportunities and experiences for young people – opening up the creative industries to them in terms of life skills and potential careers. It will connect young people across the Borough, providing shared ambitions and a deeper sense of community. Over 24/25 we raised over £50k towards the project and the activity will take place in 25/26.

We hosted a tech residency for Lost Dog in order for them to remount Paradise Lost in advance of a national tour. We then shared a preview performance with our audiences – something we would not normally be able to do with a company of this scale and renown. We also presented a work-in-progress performance of Tonight Someone Dies by Robin Hatcher which sold out, demonstrating the appetite and demand from our audiences for having a window into the creative journey.

We presented Sue Greenfields 'When the Sirens Were Coming' exhibition, supporting her to use the opportunity to raise the profile of her work which resulted in the artist getting pieces from the exhibition presented in some major venues in London and Surrey.

Creative Wellbeing

Our Open Exhibition this year attracted 82 submissions, of which 42 were selected to exhibit including 6 of which were created by young artists. We programmed an additional term time art workshop alongside our regular programme which proved very popular with 478 people attending the 340 sessions. We continued with our programme of heritage walks which attracted 355 participants, connecting them to the history and landscape of the Borough and other fellow enthusiasts whilst engaging them in physical activity.

We continued to run The Art Space, a free inclusive participatory creative group designed to build confidence and combat loneliness. In 2024 74 Art Space sessions took place, with over 1,200 visits, with over half the attendees having additional needs. We delivered 12 Creative Memory cafes for those living with dementia and their carers, funded by Home Instead, and supported the curation and delivery of the Havant Dementia information day attended by over 150 people from across the Borough.

Throughout the year we have been an active member of the Havant Place Partnership, working closely with health and physical activity partners to secure investment from Sports England into Havant Borough.

Children & Young People

We presented a range of experiences for children, young people and families throughout the year including an intergenerational interactive installation – The Magic Library by Little Bulb – that connected with the Summer Reading Challenge. In situ for the whole of the Summer holidays the exhibition was attended by over 350 families and children wrote stories and creative imaginings that we presented around the building.

At Christmas we presented Little Robin Red Breast by Filskit Theatre both within our venue and across the libraries in the Borough. Over 300 audience members saw the performances.

Our free play space has continued to be popular and is viewed as a safe space for children to play whilst their adults can connect with one another, gain support from their peers and relax.

Placemaking

We completed the National Lottery Heritage funded project. The exploration, audits, feasibility studies, training and pilot activity undertaken as part of the project all directly fed into the development of our new 3 year vision.

We hosted a number of the events for Havant's first programme within the Heritage Open Day initiative which reached over 800 audience members and we joined the Havant Heritage Open Day Consortium in order to help shape future activity.

We secured investment through Future Arts Centres to commission a textiles artist to collaborate with our communities to create a new piece of artwork that marks 80 years since VE/VJ day and gathers the thoughts and views on freedom of the people of Havant Borough. The project will be delivered throughout 2025.

The Trustees and staff of The Spring would like to thank our audiences, community, funders, partners and volunteers for their support this year. The organisation is resilient and is looking forward to the future.

Public Benefit

The Trustees confirm that they have referred to the Charity Commission's guidance on public benefit when reviewing the charities aims and objectives and in planning future activities. The Trustees refer to public benefit throughout this report.

Financial Review

In 2025, The Spring has made a modest unrestricted surplus of £3,167 following an unrestricted deficit in the previous year 2024: (£20,569). The additional income from charitable activities have contributed to this. Income has increased in the professional programme, participation (workshops) and box office services. This is reflected in the charitable activities income figure of £406,871 (2024: £360,958). In 2025 the income mix across the organisation's activities was similar to the prior year. The programme generated 45% of total charitable income (50% in 2024), rental income was maintained at 19% (same in 2024). The Spring's well established participation activities increased slightly to 16% from 14% in the previous year. Finally, income derived from box offices services The Spring provides on behalf of partner organisations increased to 20% (17% in 2024).

The Spring received three grants from its core funders and three grants for project funding. The total amount of grants received from core funders was the same as in the previous year (£195,998).

The organisation's total unrestricted and restricted income for the year increased by 4% to £712,381 (£682,774 in 2024).

Total unrestricted expenditure was £640,450 in 2025 vs £633,747 in 2024. Direct expenditure on the Spring's programme and participation activities was £632,500 vs £617,489 in 2024.

Following a review of the staffing structure carried out in 2024, total staffing costs were £264,820 vs £239,681 in 2025 with an average of 19 employees (18 in 2025).

Utility costs for the year were in line with 2024, These had gone up by up to 75% in the previous years, so the stability in costs eased pressure on the organisation's overhead costs.

Restricted funds that had been raised in previous years were spent in line with planned projects. In 2022-23 The National Lottery Heritage Fund confirmed a grant for reimagining the museum at The Spring. Costs are incurred by The Spring in line with the grant conditions and then claimed back from the National Lottery. Restricted funds at 31 March 2025 were £28,615 (2024: £13,321).

The Spring's Trading Subsidiary made a £590 to the charity this year (2024: £20,001). The Trading Subsidiary's operations support those of The Spring.

Reserves Policy

The Spring's trustees aim to maintain reserves to support the appropriate delivery of the charity's objectives and work and to minimise risk to the organisation.

At the end of the year The Spring had total funds to carry forward of £297,239 (2024: £251,679), consisting of £28,615 (2024: £13,321) of restricted funds and £268,264 (2024: £238,358) of unrestricted funds.

The Trustees have reviewed the reserves policy. Free reserves are unrestricted reserves available for spending, that is unrestricted funds that have not been designated and are not tied up as fixed assets or investments. At 31 March 2025 The Spring had free reserves of £57,337 (2024: £90,045). Free reserves have increased this year due to the transfer of some designated of funds back to general funds.

The Spring's unrestricted reserves are divided into a series of designated funds to best support the organisation. These are:

1) Resilience Fund - £155,000

These are retained for emergency use, and are retained to support the organisation in the event of a dramatic reduction in funding (for example, the ending of a relationship with a revenue funder) or in the event of significant maintenance or repair needs to the building. In extreme circumstances, this fund may be used to cover winding up costs of the charity. A review of unrestricted funds was carried out in the year and the trustees have increased the emergency fund to £155,000 to mitigate against financial risks and by keeping enough general reserves for any potential short term deficits.

2) Infrastructure – Building Fund - £50,000

The Spring Arts & Heritage Centre could not operate without certain key items of equipment of infrastructure. These reserves are designed to support the replacement of key items such as the lighting rig and sound equipment. These reserves may also be used in capital bids as match funds to secure funding for such items.

Structure, Governance and Management

The Spring Arts & Heritage Centre is a company limited by guarantee (incorporated in England and Wales on 12 January 1987). It is governed by a Memorandum of Association. It is registered with the Charity Commission (no. 297353).

Trustees and Management Structure

The Board of Trustees administers the Charitable Company. New Trustees are given an induction which includes Charity Commission guidelines on the responsibilities of Trustees, last year's audited accounts, three previous sets of Board Minutes, the last Management Accounts, the Business Plan and the Memorandum of Association. Trustees are encouraged to attend external training events to assist them in their role.

The Trustees meet at least five times a year, and more when required. The Charitable Company's AGM is held in the autumn. The Board decides the overall policy for the organisation based on its objects. It delegates the day-to-day management to Co-Chief Executives who are not members of the Board and are paid employees of the Charitable Company. Trustees each have an area of responsibility within the organisation's activities and work with the Co-Chief Executives to ensure that their area of expertise is delivering to the overall objectives and the business plan.

Related Parties

Arts Council England and Havant Borough Council provide essential core funding to the Charitable Company. Both organisations are invited to provide officers to attend meetings as Observers to advise the company. The Charitable Company's wholly owned subsidiary, Havant Arts Active, operates the bar, catering and retail facilities at the Charitable Company's premises. The Spring holds 25,100 shares in Havant Arts Active.

Risk Management

The Trustees review the organisation's risk management plan regularly, with the major risks reviewed at each trustee meeting. The risk management plan identifies the risks the charity is exposed to ensure that systems and processes are in place to mitigate them.

The main risks currently identified are:

- The reduction and loss of core funding

- Security of tenure, as the building's lease is currently being negotiated with the Borough Council

Strategies are in place to mitigate and manage all these areas.

In November 2022 The Spring was confirmed as a National Portfolio Organisation for a further three years from 1 April 2023 and NPO funding has been secured for 26/27. 24/25 was the last year of revenue funding from Hampshire County Council. The Spring is pivoting its business model to be less reliant on public funding, increasing partnership working and earned income opportunities as well as developing and implementing and individual giving strategy.

The Executive Director is managing the ongoing conversation with Havant Borough Council regarding the negotiation of the organisation's lease. The Spring is in receipt of professional advice to ensure the appropriate renewal.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

02088483 (England and Wales)

Registered Charity number

297353

Registered office

Havant Arts Centre

East Street

Havant

Hampshire

PO9 1BS

Trustees

The Directors of the Charitable Company are its trustees for the purpose of charity law and throughout this report are collectively known as Trustees.

Mrs M McMurray

Mrs R Bowns

Ms S Shephard

Mr S Garner Gibbons (Resigned 30th April 2025)

Mr N Curry (Resigned 11th November)

Ms L Flannery (Appointed 31st March 2025)

Mr P Hammond (Resigned 31st March 2025)

Mr R McMillan (Resigned 11th November 2025)

Ms F Moody (Resigned 31st March 2025)

Ms L Bern (Appointed 1st July 2025)

Mr J Daley (Appointed 11th November 2025)

Mr B McCarthy (Appointed 30th July 2025)

Ms H Murphy (Appointed 1st July 2025)

Ms T Stakes (Appointed 30th July 2025)

Company Secretary: Ms Fiona Baxter

Co-CEO & Executive Director: Ms F Baxter

Co-CEO & Creative Director: Ms L Woodward

Auditors

MC Audit Limited

Chartered Accountants

Statutory Auditors

Station House

North Street

Havant

Hampshire

PO9 1QU

Bankers

Barclays PLC
Portsmouth
Leicester
Leicestershire
LE87 2BB

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of The Spring Arts & Heritage Centre Co Ltd for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year 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 those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business"

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the Trustees are aware there is no relevant audit information (as defined by section 418 of the Companies Act 2006) of which the charitable companies' auditors are unaware and each Trustee has taken all the steps that he ought to have taken as a Trustee in order to make himself aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

The Auditors are approved annually at the AGM.

This report is prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small groups.

AUDITORS

The auditors, MC Audit Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 11/11/25

and signed on its behalf by:



Mrs M McMurray

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS

Opinion

We have audited the financial statements of The Spring Arts & Heritage Centre Co Ltd (the 'charitable company') for the year ended 31 March 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2025 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS**Our responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

From discussion with management and those charged with governance information about the entity is documented to assess the activity within the organisation. We discuss managements assessment of risk in respect of irregularities, fraud and going concern.

Based on these discussions and our own assessments we determined that the key risk areas were income recognition, going concern and management override concerning the size of the organisation.

We set financial statement materiality level based on the level of income. As a not for profit organisation raising income is its primary focus which is why income was used to determine the level of materiality. Our overall assessment of risk was used to determine performance materiality at an appropriate level.

Substantive audit tests were designed after assessing and testing systems and controls. The systems and controls which have been designed to act as a preventative measure against fraud and error were operating as documented. Substantive testing tested a sample of the population, representative of the population, to identify errors. The testing did not identify any material misstatements in areas tested.

Audit substantive tests concluded no material errors over the key risk areas of income recognition and management override.

The audit considers the organisation is not exposed to material risk of error as a result of assessing laws and regulations that are appropriate to the organisation.

Management assessed there is no going concern risk. The audit undertook a review of budgets, management accounts and the review of board minutes and came to the same conclusion as management.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Stuart Mackie

Stuart Mackie (Senior Statutory Auditor)
for and on behalf of MC Audit Limited
Chartered Accountants
Statutory Auditors
Station House
North Street
Havant
Hampshire
PO9 1QU

Date: 18/12/2025

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2025**

	Notes	Unrestricted funds £	Restricted Funds £	2025 Total Funds £	2024 Total Funds £
INCOME AND ENDOWMENTS FROM					
Donations, legacies and grants	2	221,113	68,763	289,876	292,658
Charitable activities					
Performance activities	5	406,871	-	406,871	360,958
Other trading activities	3	5,152	-	5,152	5,269
Investment income	4	5,922	-	5,922	4,846
Other income		4,560	-	4,560	19,043
Total		643,617	68,763	712,381	682,774
EXPENDITURE ON					
Raising funds	6	(11,207)	-	(11,207)	(16,258)
Charitable activities					
Performance activities	7	(629,243)	(26,371)	(655,614)	(691,028)
Total		(640,450)	(26,371)	(666,821)	(707,286)
NET (EXPENDITURE)/INCOME		3,167	42,392	45,560	(24,512)
Transfers between funds	19	27,098	(27,098)	-	-
NET MOVEMENT IN FUNDS		30,265	15,294	45,560	(24,512)
RECONCILIATION OF FUNDS					
Total funds brought forward		238,358	13,321	251,679	276,191
TOTAL FUNDS CARRIED FORWARD		268,623	28,615	297,239	251,679

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

BALANCE SHEET AT 31 MARCH 2025

		31 MARCH 2025 £	31 MARCH 2024 £
	Notes		
FIXED ASSETS			
Tangible Assets	14	15,112	23,854
Investments	15	<u>25,100</u>	<u>25,100</u>
		40,212	48,954
CURRENT ASSETS			
Debtors	16	20,043	60,593
Cash at Bank		<u>339,940</u>	<u>292,718</u>
		359,984	353,311
CREDITORS			
Amounts falling due within one year	17	(102,957)	(150,586)
NET CURRENT ASSETS		<u>257,027</u>	<u>202,725</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>297,239</u>	<u>251,679</u>
NET ASSETS		<u><u>297,239</u></u>	<u><u>251,679</u></u>
FUNDS			
Unrestricted funds:			
Undesignated		63,623	110,170
Designated		205,001	128,188
Restricted funds		<u>28,615</u>	<u>13,321</u>
SHAREHOLDERS' FUNDS		<u><u>297,239</u></u>	<u><u>251,679</u></u>

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved by the Board of Trustees on 11/11/25 and were signed on its behalf by:



Trustee Mrs M McMurray

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2025

		31 MARCH 2025 £	31 MARCH 2024 £
	Notes		
Cash flows from operating activities:			
Cash generated from operations	1	<u>52,714</u>	<u>55,375</u>
Net cash provided by (used in) operating activities		<u>52,714</u>	<u>55,375</u>
Cash flows from investing activities			
Proceeds from the sale of plant and equipment		0	1,644
Purchase of tangible fixed assets	14	(11,414)	(1,299)
Interest received		<u>5,922</u>	<u>4,846</u>
Net cash provided by (used in) investing activities		<u>(5,492)</u>	<u>5,191</u>
Change in cash and cash equivalents in the reporting period		47,222	60,566
Cash and cash equivalents at the beginning of the reporting period		<u>292,718</u>	<u>232,152</u>
Cash and cash equivalents at the end of the reporting period		<u><u>339,940</u></u>	<u><u>292,718</u></u>

NOTES TO THE CASH FLOW STATEMENT

	2025	2024
Net income (expenditure) for the reporting period (as per the statement of financial activities)	45,560	(24,512)
Adjustments for:		
Depreciation charges	19,597	21,505
Interest received	(5,922)	(4,846)
Loss/(profit) on disposal of fixed assets	561	(1,085)
(Increase)/Decrease in debtors	40,550	533
Increase/(Decrease) in creditors	(47,632)	63,780
Net cash provided by (used in) operating activities	<u>52,714</u>	<u>55,375</u>

NOTES TO THE FINANCIAL STATEMENTS**1 ACCOUNTING POLICIES****Basis of preparing the financial statement**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', EFA, the and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value.

Going Concern

The Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

Preparation of consolidated financial statements

The financial statements contain information about The Spring Arts & Heritage Centre Co Ltd as an individual charity and do not contain consolidated financial information as the parent of a group. The charity has taken the option under Section 398 of the Companies Act 2006 not to prepare consolidated financial statements.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources.

Depreciation

Tangible fixed assets are depreciated on a straight line basis over the estimated useful life as follows:

-Fixtures, fittings and equipment 25% per annum.

Individual fixed assets costing £500 or more are capitalised at cost.

Stocks

Stocks are valued at the lower of cost and net realisable value.

NOTES TO THE FINANCIAL STATEMENTS

Fund structure

The Trust has a number of restricted income funds to account for situations where a donor requires that a donation must be spent on a particular purpose or where funds have been raised for a specific purpose.

Unrestricted funds comprise those funds which the Trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the Trustees, at their discretion, have created a fund for a specific purpose.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Financial Instruments

The charity only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable investments in stocks and shares. The measurement basis used for these financial instruments is detailed below.

Debtors and cash at bank

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 in hand includes cash held on deposit or in a current account.

Creditors and provisions

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.

NOTES TO THE FINANCIAL STATEMENTS

2 DONATION, LEGACIES AND GRANTS

	2025	2024
Donations	8,744	31,200
Grants	<u>281,132</u>	<u>261,458</u>
	<u><u>289,876</u></u>	<u><u>292,658</u></u>

Grants received, included in the above, are as follows:

	2025	2024
Hampshire County Council Core Funding	45,000	45,000
Havant Borough Council Core Funding	28,750	28,750
NPO Core Funding	122,208	122,208
Garfield Weston	20,000	0
Hampshire County Council - Project Funding	0	6,000
Open up & Take Over	24,605	0
National Lottery Heritage Fund - Project Funding	38,569	59,500
National Lottery Heritage Fund - CCR	0	0
Havant Lottery Magic Library	2,000	0
	<u>281,132</u>	<u>261,458</u>

3 OTHER TRADING ACTIVITIES

	2025	2024
Fundraising events	1,687	1,409
Membership fees	<u>3,465</u>	<u>3,860</u>
	<u><u>5,152</u></u>	<u><u>5,269</u></u>

4 INVESTMENT INCOME

	2025	2024
Deposit account interest	<u>5,922</u>	<u>4,846</u>
	<u><u>5,922</u></u>	<u><u>4,846</u></u>

All investment income is derived from assets held in the United Kingdom.

5 INCOME FROM CHARITABLE ACTIVITIES

	2025	2024
Lettings income	77,581	69,913
Professional programme (including Visual Arts)	185,582	180,538
Participation programme	63,514	49,427
Box office service	<u>80,194</u>	<u>61,080</u>
	<u><u>406,871</u></u>	<u><u>360,958</u></u>

NOTES TO THE FINANCIAL STATEMENTS

6 RAISING FUNDS

Raising donations and legacies

	2025	2024
Staff costs	3,557	2,474
Fundraising costs	7,650	13,784
	<u>11,207</u>	<u>16,258</u>

7 CHARITABLE ACTIVITIES COSTS

	2025	2024
Performance activities		
Direct costs	419,702	460,067
Support costs (see note 8)	232,507	230,961
	<u>652,209</u>	<u>691,028</u>

8 SUPPORT COSTS

	2025	2024
Performance activities		
Management	225,916	224,662
Governance costs	6,592	6,299
	<u>232,507</u>	<u>230,961</u>

Support costs, included in the above, are as follows:

	2025	2024
Management		
Wages	75,009	54,296
Social security	10,032	11,005
Pensions	3,700	4,125
Insurance and licenses	8,240	9,363
Utilities and maintenance	52,784	54,986
Administration, postage and IT costs	33,916	36,661
Sundry	25,620	28,042
Technical	8,083	14,642
Depreciation of tangible and heritage assets	8,530	11,542
	<u>225,915</u>	<u>224,662</u>

	2025	2024
Governance costs		
Wages	3,557	3,299
Auditors' remuneration	3,035	3,000
	<u>6,592</u>	<u>6,299</u>

NOTES TO THE FINANCIAL STATEMENTS

9 NET INCOME (EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting)

	2025	2024
Auditors' remuneration - current year fee	3,000	3,000
Auditors' remuneration - other services	-	-
Depreciation - owned assets	19,597	21,505
Surplus on disposal of fixed assets	<u>559</u>	<u>(1,085)</u>

10 TRUSTEES' REMUNERATION AND BENEFITS

During the year no trustees received remuneration or other benefits (2024: £nil).

Trustees' expenses

No expenses were paid to any trustee director during the year (2024: Nil)

11 STAFF COSTS

	2025	2024
Wages and salaries	251,087	224,551
Social security costs	10,032	11,005
Other pension costs	<u>3,700</u>	<u>4,125</u>
	<u>264,820</u>	<u>239,681</u>

The average monthly number of employees during the year was as follows:

	2025	2024
Arts Centre staff	<u>19</u>	<u>18</u>

No employee received emoluments in excess of £60,000 (2024: none)

There are no redundancy costs included within wages and salaries (2024: £nil).

During the year £38,729 (2024: £22,920 was paid by The Spring to self employed tutors and theatre programming consultants).

The key management personnel of the charity comprise the trustees, the co-chief executives and the senior management team. The total employment benefits of the key management personnel were £122,894 (2024: £103,760).

NOTES TO THE FINANCIAL STATEMENTS

12 COMPARITIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds	Restricted funds	Total funds
INCOME AND ENDOWMENTS FROM			
Donations and legacies	223,062	69,596	292,658
Charitable activities			
Performance activities	360,958	-	360,958
Other trading activities	5,269	-	5,269
Investment income	4,846	-	4,846
Other income	19,043	-	19,043
Total	613,178	69,596	682,774
EXPENDITURE ON			
Raising funds	(16,258)	-	(16,258)
Charitable activities			
Performance activities	(617,489)	(73,539)	(691,028)
Total	(633,747)	(73,539)	(707,286)
NET INCOME/(EXPENDITURE)	(20,569)	(3,943)	(24,512)
Transfer between funds			
Net movement in funds	(20,569)	(3,943)	(24,512)
RECONCILIATION OF FUNDS			
Total funds brought forward	258,927	17,264	276,191
TOTAL FUNDS CARRIED FORWARD	238,358	13,321	251,679

13 TAXATION

The company is a registered charity and no provision is considered necessary for taxation. No liability to UK corporation tax arose on the trading subsidiary's ordinary activities for the year ended 31 March 2024 (2023: Nil).

NOTES TO THE FINANCIAL STATEMENTS

14 TANGIBLE FIXED ASSETS

	Fixtures & Fittings
COST	
At 31 March 2024	170,460
Additions	11,414
Disposals	<u>(2,063)</u>
At 31 March 2025	<u>179,811</u>
DEPRECIATION	
At 31 March 2024	(146,606)
Charge for the year	(19,597)
Eliminated on disposal	1,504
At 31 March 2025	<u>(164,699)</u>
NET BOOK VALUE	
At 31 March 2024	<u>23,854</u>
At 31 March 2025	<u>15,112</u>

15 FIXED ASSET INVESTMENTS

MARKET VALUE	
At 31 March 2024	<u>25,100</u>
At 31 March 2025	<u>25,100</u>
NET BOOK VALUE	
At 31 March 2024	<u>25,100</u>
Additions	<u>25,100</u>
At 31 March 2025	<u>50,200</u>

There were no investment assets outside the UK.

The company's investments at the balance sheet date in the share capital of companies include the following:

Havant Arts Active Limited
Nature of business: Bar and café

Class of share:	%
Ordinary shares issued at £1	holding 100

	2025	2024
Aggregate capital and reserves	31,949	32,125
Profit/(Loss) for the year	<u>414</u>	<u>18,834</u>

All of the group's investment income arised from UK bank account interest.

NOTES TO THE FINANCIAL STATEMENTS

16 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025	2024
Trade debtors	7,335	6,707
Amounts due from subsidiary undertaking	(130)	20,306
Prepayments and accrued income	12,838	33,580
	<u>20,043</u>	<u>60,593</u>

17 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025	2024
Trade creditors	(47,609)	(27,559)
Social security and other taxes	(3,433)	(4,398)
Other creditors and accruals	(10,163)	(25,098)
Deferred income	(41,752)	(93,531)
	<u>(102,957)</u>	<u>(150,586)</u>

Deferred income comprises monies received in advance for events and workshops held after the year end.

	2025	2024
Brought forward	(93,531)	(52,952)
Amount released to incoming resources	93,531	52,952
Amount deferred in year	(41,752)	(93,531)
Carried forward	<u>(41,752)</u>	<u>(93,531)</u>

18 ANALYSIS OF NET ASSETS BETWEEN FUNDS

			2025	2024
	Unrestricted funds	Restricted funds	Total funds	Total funds
Fixed assets	14,489	623	15,112	23,854
Investments	25,100	-	25,100	25,100
Current assets	331,992	27,992	359,984	353,311
Current liabilities	(102,957)	-	(102,957)	(150,586)
	<u>268,624</u>	<u>28,615</u>	<u>297,239</u>	<u>251,679</u>

NOTES TO THE FINANCIAL STATEMENTS

19 MOVEMENT IN FUNDS

	At 31 March 2024	Net movement in funds	Transfers between funds	At 31 March 2025
Unrestricted funds				
General Fund	110,170	5,247 -	51,794	63,623
Emergency Fund	105,000	-	50,000	155,000
Infrastructure - Building	16,901	(2,080)	35,179	50,000
Patrons' Fund	3,725	- -	3,725	-
Heritage Development	2,562	- -	2,562	-
	<u>238,358</u>	<u>3,167</u>	<u>27,098</u>	<u>268,624</u>
Restricted funds				
Havant Lottery Magic Library	-	688.00	-	688
Dementia Friendly Activities	1,768	603	-	2,371
CIL Energy Efficient Improvement Works	8,106	(7,483)	-	623
Open Up & Take Over	-	24,605	-	24,605
National Lottery Heritage Fund - Museum Reimagination	3,437	23,661	(27,098)	-
Councillor Grants	-	328	-	328
Pantomime	10 -	10	-	-
	<u>13,321</u>	<u>42,392</u>	<u>(27,098)</u>	<u>28,615</u>
TOTAL FUNDS	<u>251,679</u>	<u>45,559</u>	<u>-</u>	<u>297,240</u>

NOTES TO THE FINANCIAL STATEMENTS

19 MOVEMENT IN FUNDS

Net movement in funds, included in the above, are as follows:

	Incoming resources	Resources expended	Movement in funds
Unrestricted funds			
General Fund	643,617	(638,370)	5,247
Emergency Fund	-	-	-
Infrastructure - Building	-	(2,080)	(2,080)
NHLF CCR		0	0
	<u>643,617</u>	<u>(640,450)</u>	<u>3,167</u>
Restricted funds			
Havant Lottery Magic Library	2,000	(1,312)	688
Dementia Friendly Activities	3,088	(2,485)	603
CIL Energy Efficient Improvement Works	0	(7,483)	(7,483)
Open Up & Take Over	24,605	0	24,605
National Lottery Heritage Fund - Museum Reimagination	38,569	(14,908)	23,661
Councillor Grants	500	(172)	328
Pantomime	0	(10)	(10)
	<u>68,763</u>	<u>(26,370)</u>	<u>42,392</u>
TOTAL FUNDS	<u>712,380</u>	<u>(666,820)</u>	<u>45,559</u>

NOTES TO THE FINANCIAL STATEMENTS

19 MOVEMENT IN FUNDS

Comparatives for movement in funds

	At 1 April 2023	Net movement in funds	Transfers between funds	At 31 March 2024
Unrestricted funds				
General Fund	70,612	(19,089)	58,647	110,170
Emergency Fund	36,788	-	68,212	105,000
Infrastructure - Building	18,981	(2,080)	-	16,901
Patrons' Fund	3,125	600	-	3,725
Heritage Development	2,562	-	-	2,562
NPO Delivery	126,859	-	(126,859)	-
Play Artist in Residence	-	-	0	-
	<u>258,927</u>	<u>(20,569)</u>	<u>0</u>	<u>238,358</u>
Restricted funds				
Dementia Friendly Activities	1,374	394	-	1,768
Capital Works	301	(301)	-	-
CIL Energy Efficient Improvement Works	15,589	(7,483)	-	8,106
Jubilee 2022	-	0	-	-
The Art Space	-	-	-	-
National Lottery Heritage Fund - Museum Reimagination	-	3,437	-	3,437
Children's Activities	-	-	-	-
Hampshire Open Studios	-	-	-	-
Summer Reading Challenge	-	-	-	-
Pantomime	-	10	-	10
	<u>17,264</u>	<u>(3,943)</u>	<u>-</u>	<u>13,321</u>
TOTAL FUNDS	<u>276,191</u>	<u>(24,512)</u>	<u>-</u>	<u>251,679</u>

NOTES TO THE FINANCIAL STATEMENTS

19 MOVEMENT IN FUNDS

Comparative net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Movement in funds
Unrestricted funds			
General Fund	612,578	(631,667)	(19,089)
Emergency Fund	-	-	-
Infrastructure - Building	-	(2,080)	(2,080)
Patrons' Fund	600	-	600
	<u>613,178</u>	<u>(633,747)</u>	<u>(20,569)</u>
Restricted funds			
Dementia Friendly Activities	3,407	(3,013)	394
Capital Works	-	(301)	(301)
CIL Energy Efficient Improvement Works	-	(7,483)	(7,483)
National Lottery Heritage Fund - Museum Reimagination	59,500	(56,063)	3,437
Summer Reading Challenge	6,000	(6,000)	0
Pantomime	689	(679)	10
	<u>69,596</u>	<u>(73,539)</u>	<u>(3,943)</u>
TOTAL FUNDS	<u>682,774</u>	<u>(707,286)</u>	<u>(24,512)</u>

NOTES TO THE FINANCIAL STATEMENTS

19 MOVEMENT IN FUNDS

Designated

Emergency Fund	Emergency funds to cover running and closure costs in the event of funding withdrawal.
Infrastructure - Building Patrons' Fund	Funds towards replacement of vital equipment for the building. To support and develop the contemporary theatre programme and subsidise tickets for young people.
Heritage Development	For the improvement and delivery of heritage activities.

Restricted

Dementia Friendly Activities	Previously known as the Memory Café and Forget Me Not Films this is funding to support dementia friendly activities.
CIL Energy Efficient Improvement Works	To fund energy efficient lighting in the theatre.
National Lottery Heritage Fund - Museum Reimagination	Money granted by The National Lottery Heritage Fund to undertake a study into reimagining the Museum. The funding is for professional fees for undertaking the study, for training staff in oral history recording and to put on a Heritage Festival in February 2023. Cost had been incurred in relation to the project, but an application for reimbursement of the expenditure was not submitted until after the year end.
Summer Reading Challenge	Money received from Hampshire County Council for providing a storytelling performance in libraries for the Summer Reading Challenge.
Pantomime	Donations received to help pay for a Community Pantomime.

NOTES TO THE FINANCIAL STATEMENTS

20 RELATED PARTY DISCLOSURES

During the year Havant Arts Active Limited invoiced The Spring Arts and Heritage Centre Company Limited £17,691 (2024: £13,953) for refreshments, hospitality and cleaning materials.

During the year a donation of £590 (2024: £20,001) was made to The Spring Arts and Heritage Centre Company Limited from Havant Arts Active Limited.

During the year The Spring Arts and Heritage Centre Company Limited recharged expenses amounting £5,400 (2024: £5,100) to Havant Arts Active Limited.

At the year end, there was a balance of £1,400 owed to Havant Arts Active Limited. (2024: £20,306 owed by Havant Arts Active Limited)

During the year Filskit Theatre Limited, a company with a trustee in common, invoiced The Spring Arts and Heritage Centre Company £8,650 (2024: £2,750) for performance costs.

During the year no family members of trustees were paid remuneration. (2024: None)

21 LEGAL STATUS OF THE CHARITY

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

THE SPRING ARTS AND HERITAGE CENTRE

England & Wales - Charity number 297353

Accounts

**REGISTERED COMPANY NO 02088483
REGISTERED CHARITY NO 297353**

**THE SPRING ARTS & HERITAGE CENTRE CO LTD
REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

THE SPRING ARTS & HERITAGE CENTRE CO LTD

CONTENTS OF THE FINANCIAL STATEMENTS

	Page
Report of the Trustees	3
Report of the Independent Auditors	14
Statement of Financial Activities	18
Balance Sheet	19
Cash Flow Statement	20
Notes to the Cash Flow Statement	21
Notes to the Financial Statements	22

REPORT OF THE TRUSTEES

The trustees of The Spring, who are also directors of the charity for the purposes of the Companies Act 2006, are delighted to present their report with the financial statements of the charity for the year ended 31 March 2024. The trustees have adopted the provisions of Accounts and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Finance Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives, Activities, Achievements and Public Benefit Policy

The Spring Arts & Heritage Centre Co Limited's objects are for the benefit of the public in the advancement of knowledge and understanding of arts, heritage and culture amongst the inhabitants of Great Britain and in particular among the inhabitants of the Borough of Havant and the surrounding locality. The beneficiaries of the Charitable Company's work are the general public. The majority of activities are not restricted to sections of the public, although some projects are tailored towards targeted demographic or identified needs.

The Spring is a small place where big things happen. Our vibrant and exciting cultural events and activities make Havant, Hampshire and the surrounding region a better place to live.

We deliver cross-art form programmes across the Borough of Havant designed to increase opportunities for engagement with underserved communities. Alongside and embedded within these we run a high quality programme of wider cultural activities including live performance, film, participation and exhibitions within our venue. We are an accredited museum, caring for Havant's heritage collection.

All our work is delivered in accordance with our values:

- We care about audiences. Above all we are interested in reaching and engaging audiences in all stages of their cultural journey, from first time attenders to supporting loyal audiences to take new risks and to become co-creators
- We believe everyone should be able to easily access cultural experiences and opportunities that resonate, reflect their experiences, celebrate their stories and inspire them
- We know arts centres are special, providing cross art-form engagement opportunities not available
- We believe in the power of sharing stories - what they mean, how they shape us and how they can be told
- We value creative play for everyone
- We work responsibly, looking after each other, our community and the planet

The Spring delivers its mission and charitable objectives with careful consideration to the Charity Commission's general guidance on public benefit and in particular to the supplementary guidance on fee charging. The Spring's Business Plan has not been updated in the past year, due to interim staffing arrangements being in place for eight months whilst The Spring was without a Director. The trustees and newly appointed co-Chief Executives will be preparing a new Business Plan and will refresh this annually. This will be a more fluid document than in the past in order to adapt and seize opportunities. The Spring works hard to ensure an appropriate balance between offering activities that are free or accessibly priced and maintaining the income required to successfully deliver the charitable objectives.

REPORT OF THE TRUSTEES

Review of the Year

The Spring has had a successful year; the venue has felt busy throughout with the café becoming a meeting place for a wide range of community groups and users during the week.

Income from the theatre and workshops has increased. Undoubtedly the cost of living crisis has had an impact on ticket sales and the way audiences purchase tickets. A lot of events have seen a shift from booking tickets when the season brochure is launched to making purchases just a few days before. The Spring has had to adapt its marketing and forecasting approach accordingly. The Spring will continue to programme a broad range of events to support artists and provide opportunities for our audiences following our audience development and income generation ambitions.

Activity highlights of the year include:

Children & Families

The Spring continued to offer tickets to selected family events at just £3 per ticket to support first time family visitors and those who would not otherwise be able to afford to access the theatre. Family group discounts were also included on family focused shows with higher ticket prices to support broaden the offer of support for family audiences.

We presented a range of experiences for families at Christmas including a Magic show, an interactive exhibition and a library tour of a theatre show. These proved very popular and attracted audiences of all ages.

In August 2023 we delivered a family focused exhibition to encourage playful approaches to reading and a space for families to read together. This was connected to the national Summer Reading Challenge which supports children to continue reading and access literature and stories through the summer holidays.

Our free play space has continued to be popular and is viewed as a safe space for children to play and their adults to play and gain support from their peers. For example we host a regular breastfeeding support group.

Museum & Heritage

In November 2022 The Spring was awarded a £125,906 grant from The National Lottery Heritage Fund. The grant enabled expert consultation and the creation of a specific heritage development plan for the future of the Museum. It explored how we can improve accessibility, interpretation, and develop a living collection, something that grows with our community. This project enabled the community of Havant to help shape those plans through consultations and local history activities. The project was put on hold for part of 2023/24 as The Spring focused on the recruitment and induction of new Directors. It was restarted in November 2023 and is expected to be completed by August 2024.

We held a very successful heritage summit in partnership with the Havant Local Heritage group. Over 100 local history enthusiasts attended, sharing research projects and personal passions.

We held 14 exhibitions in the year, all with a local theme or by local exhibitors. Many exhibitions had links to schools and colleges in the Borough of Havant. Students from Havant South Downs College researched the history of Hayling Island's holiday camps and put on an inspiring exhibition displaying the results of this research. The Spring also hosted an exhibition of GCSE artwork produced by Park Community School.

REPORT OF THE TRUSTEES

Across the Borough

The Spring has delivered many borough-wide events and activities over the past few years. The number of activities were scaled back this year due to a temporary reduction in staff numbers and financial costs, but some events still went ahead.

Although located at The Spring, The Nature Space took place beyond the walls of the building. The Nature Space brought together an easy-going and varied group of enthusiastic volunteers, meeting fortnightly to nurture and improve the outdoor urban garden spaces at The Spring. There was a focus on attracting and providing homes for wildlife including beetles, bees, butterflies and other mini-beasts as well as bigger species too. The programme aimed to improve the biodiversity of the areas around The Spring, creating an attractive environment for wildlife, plants and humans alike. The Nature Space ran from April 2023 until February 2024..

Alongside the continued programme of our heritage focused walks, we also programmed a number of natural heritage walks that explored areas of the Borough through the evolution of nature and the surrounding landscapes.

REPORT OF THE TRUSTEES

Libraries

In 2021 we developed a partnership with Hampshire County Council that saw us work together to develop and deliver programmes to drive engagement with libraries. This partnership has developed further in 2023-24 with The Spring providing more projects linked to libraries and reading.

In the summer of 2023, The Spring, alongside Commotion Dance presented an interactive storytelling performance. The tour was commissioned by Hampshire County Council and visited 15 libraries in Hampshire. As well as a storytelling performance, families were given the chance to complete mini challenges at this free event that was part of the Summer Reading Challenge.

In October 2023 we delivered another successful Library Tour around the Havant Borough. We presented six performances of The Littlest Yak by LAS Theatre in four different libraries. The event was a pay what you like event, making it accessible to all. A total of 244 tickets were booked for the event, with three of the performances sold out.

The Art Space

In September 2021 we launched The Art Space a free inclusive participatory creative group. It is designed to build confidence, combat loneliness and offer an easy gateway to our visual art workshops. The twice weekly sessions, run by a specialist tutor, are still proving to be popular with regular and new participants. In 2023-24 82 Art Space sessions took place, with over 1,200 visits, with over half the attendees having additional needs.

Dementia Friendly

We continue to provide regular dementia friendly activities through our monthly dementia-friendly film screenings and our Creative Memory Café. Support from Home Instead allowed us to continue this programme into 2023-24.

In May 2023 we ran a Dementia Awareness Day, with an emphasis on creativity for people living with dementia and their carers, as well as providing a safe space to meet others and access advice. This saw over 500 people engage in the day with 12 companies from across Hampshire sharing and delivering activity.

In addition to these highlights, The Spring delivered a full cultural programme of live events, films, workshops and exhibitions. We presented 329 events and films, including theatrical performances, comedy shows, music, heritage walks and talks, live streaming events and films. We hired out space to local businesses and community groups to run their own classes, in addition to running our own workshops and courses. Our weekly Saturday Music Bites sessions allowed visitors to listen to local and emerging music artists whilst enjoying lunch or a drink in the café area.

REPORT OF THE TRUSTEES

2023-24 has been a year of transition in terms of staffing. The Spring was without a Director from April 2023 until January 2024. The team at The Spring managed the day to day running of The Spring with an Interim Director and support from The Board. This led to a focus on the programme within The Spring with less time on outreach projects. An Executive Director and Creative Director, co-CEOs, joined The Spring in January 2024. They will be looking at developing a new strategy for The Spring to ensure the delivery of a broad and exciting programme of events and experiences both within the building and within the wider borough and county. They are also planning for The Spring's long term future.

The Spring was awarded NPO status for 2023-26. The award is vital to The Spring and very much appreciated, although the amount has remained the same since 2019. With costs rising this is a reduction in income in real terms. The Spring is looking at ways to minimise any deficit it makes in future years, by reducing costs where possible and increasing income both through its current operations and new opportunities.

The Trustees and staff of The Spring would like to thank our audiences, community, funders, partners and volunteers for their support this year. The organisation is resilient and viable and is looking forward to the future.

Public Benefit

The trustees confirm that they have referred to the Charity Commission's guidance on public benefit when reviewing the charities aims and objectives and in planning future activities. The trustees refer to public benefit throughout this report.

REPORT OF THE TRUSTEES**FINANCIAL REVIEW****Financial Review**

Customer confidence has continued to increase since the Covid-19 pandemic, although the cost of living crisis has had some impact on sales and has impacted some audiences being able to access wider cultural provision unless it is free or of low cost. Overall, income has increased in the professional programme, participation (workshops) and box office services. This is reflected in the charitable activities income figure of £360,958 (2023: £300,352).

The Spring made an unrestricted deficit of £20,569 (2023: £136,176). The additional income from charitable activities and savings on direct costs have contributed to this.

The Spring received several grants during the Covid-19 pandemic in the past two financial years. In 2023-24 The Spring received three grants from its core funders and a small grant for project funding. The total amount of grants received from core funders was the same as in the previous year.

A review of the staffing structure was carried out during the recruitment of the new Directors. The full cost of the new structure did not come into effect until February 2024. Overall staff costs increased by £13,962, just 6.2%.

The new staff structure is needed to ensure The Spring is able to continue with the day-to-day operations, but allow long term planning and strategies to be implemented. This will involve building a lot more relationships with third parties. The budget for staff costs for 2024-25 includes a 10.5% increase compared to this year. With grant income likely to decrease and other costs still rising. The Spring made the difficult decision to stop being a Real Living Wage employer from April 2024.

Utility costs decreased by almost £4,000, 12% in 2023-24 from the previous financial year due to decreases in the cost of gas and electricity. These had gone up by 75% in the previous year, so this was a welcome fall in costs.

The NPO Delivery fund was established in prior years from revenue grants that had not been drawn on in full for delivery. It was set up to cover any deficits arising in future financial years. Future deficits are usually covered by general reserves, so a designated fund is not required. The balance of the NPO Delivery fund was transferred back to general reserves at the end of the financial year. General funds at 31 March 2024 were £110,170 (2023: £70,612). All designations are made in line with the Reserves Policy detailed below.

Restricted funds that had been raised in previous years were spent in line with planned projects. In 2022-23 The National Lottery Heritage Fund confirmed a grant for reimagining the museum at The Spring. Costs are incurred by The Spring in line with the grant conditions and then claimed back from the National Lottery. At 31 March 2024 The Spring had spent £88,899 (2023: £32,836) on the project. Restricted funds at 31 March 2024 were £13,321 (2023: £17,264).

REPORT OF THE TRUSTEES

The Spring's Trading Subsidiary made a £20,001 gift to the charity this year (2023: £8,522). The Trading Subsidiary's operations support those of The Spring. The Spring's Christmas display in the main café area attracted new visitors to the venue resulting in increased café sales. Customers returned in January and the café is now a popular meeting place in Havant. Popular music events also helped increase bar sales.

Reserves Policy

The Spring's trustees aim to maintain reserves to support the appropriate delivery of the charity's objectives and work and to minimise risk to the organisation.

At the end of the year The Spring had total funds to carry forward of £251,679 (2023: £276,191), consisting of £13,321 (2023: £17,264) of restricted funds and £238,358 (2023: £258,927) of unrestricted funds.

The Trustee Directors have reviewed the reserves policy. Free reserves are unrestricted reserves available for spending, that is unrestricted funds that have not been designated and are not tied up as fixed assets or investments. At 31 March 2024 The Spring had free reserves of £73,045 (2023: £22,587). Free reserves have increased this year due to the transfer of some designated of funds back to general funds.

The Spring aims to increase its unrestricted reserves in accordance with Charity Commission guidelines.

The Spring's unrestricted reserves are divided into a series of designated funds to best support the organisation. These are:

1) Emergency Fund

These are retained for emergency use, and are retained to support the organisation in the event of a dramatic reduction in funding (for example, the ending of a relationship with a revenue funder) or in the event of significant maintenance or repair needs to the building. In extreme circumstances, this fund may be used to cover winding up costs of the charity. The trustees aim to build this reserve to £105,000, the equivalent of three months non-grant income. A review of unrestricted funds was carried out in the year and the trustees have increased the emergency fund to the full £105,000. The emergency fund may need to be increased in future years as non-grant income is expected to increase.

2) NPO Delivery

This fund has been developed since The Spring joined Arts Council England's National Portfolio in 2018. At that time the trustees recognised that, due to reducing funding from local authorities, The Spring would be required to achieve and designate a surplus in the first years of the NPO agreement in order to offset deficits towards the end of the funding period. The NPO period was extended due to the Covid-19 pandemic. The Spring was confirmed as a National Portfolio Organisation for a further three years from 1 April 2023.

The amount originally designated was to cover the period 1 April 2021 to 31 March 2023. As this time has passed, the trustees have chosen to undesignate this fund and transfer the balance of £126,859 back to general funds. Reallocating these funds has also increased the amount of free reserves available at the end of the financial year.

REPORT OF THE TRUSTEES

3) Patrons Fund

The Patron's Fund is designated funds to use on partially funding lower cost tickets for students and attracting artists for the contemporary theatre programme. It is created from the donations given by Patrons.

4) Infrastructure – Building Fund

The Spring Arts & Heritage Centre could not operate without certain key items of equipment of infrastructure. These reserves are designed to support the replacement of key items such as the lighting rig and sound equipment. These reserves may also be used in capital bids as match funds to secure funding for such items.

5) Artistic and Heritage Development

This fund is for new and developing cultural projects that are beyond the scope of our day to day activities programme. It may also be used as a contribution of match funds when project fundraising.

REPORT OF THE TRUSTEES

Structure, Governance and Management

The Spring Arts & Heritage Centre is a company limited by guarantee (incorporated in England and Wales on 12 January 1987). It is governed by a Memorandum of Association. It is registered with the Charity Commission (no. 297353).

Trustee Directors and Management Structure

The Board of Trustee Directors administers the Charitable Company. The Board has eight Trustee Directors elected by membership. It can co-opt up to a further three Trustee Directors.

New Trustee Directors are given access to an induction pack including Charity Commission guidelines on the responsibilities of Trustee Directors, last year's audited accounts, three previous sets of Board Minutes, the last Management Accounts, the Business Plan and the Memorandum of Association. Trustee Directors are encouraged to attend external training events to assist them in their role.

The Trustees meet at least five times a year, and more when required. The Charitable Company's AGM is held in the autumn. The Board decides the overall policy for the organisation based on its objects. It delegates the day-to-day management to co-Chief Executives who are not members of the Board and are paid employees of the Charitable Company. Trustees each have an area of responsibility within the organisation's activities and work with the co-Chief Executives to ensure that their area of expertise is delivering to the overall objectives and the business plan.

The Director and Chief Executive appointed in November 2022 worked at The Spring until March 2023. The trustees reviewed the whole staffing structure rather than just appointing a replacement. An Executive Director and Creative Director joined The Spring in January 2024. They are co-Chief Executives of The Spring.

Related Parties

Arts Council England, Hampshire County Council and Havant Borough Council provide essential core funding to the Charitable Company. All organisations are invited to provide officers to attend meetings as Observers to advise the company. The Charitable Company's wholly owned subsidiary, Havant Arts Active, operates the bar, catering and retail facilities at the Charitable Company's premises. The Spring holds 25,100 shares in Havant Arts Active.

REPORT OF THE TRUSTEES

Risk Management

The Trustee Directors review the organisation's risk management plan regularly, with the major risks reviewed at each trustee meeting. The risk management plan identifies the risks the charity is exposed to ensure that systems and processes are in place to mitigate them.

The main risks currently identified are:

- The reduction and loss of core funding
- The transition to a new Director and Chief Executive
- Security of tenure, as the building's lease is currently being negotiated with the Borough Council

Strategies are in place to mitigate and manage all these areas.

In November 2022 The Spring was confirmed as a National Portfolio Organisation for a further three years from 1 April 2023. The new funding agreement requires additional quarterly reporting from the Trustees to Arts Council England. We are confident that The Spring supports the ambitions of our funders.

The transition to the new Directors is being managed by the trustees. A comprehensive recruitment strategy is in place with plans for significant transitional management and induction for the successful candidates.

The Executive Director is managing the ongoing conversation with Havant Borough Council regarding the negotiation of the organisation's lease. The Spring is in receipt of professional advice to ensure the appropriate renewal.

Income levels have increased as audience confidence increases. Increasing audience levels across the programme and venue is one avenue which will help The Spring to generate additional income to contribute to direct costs and some overheads. We will be reviewing our business model for the future, exploring complimentary income strands and The Spring will be looking for project funding as well as other opportunities to diversify our income through a focus on individual giving and partnership development. Core grants will decrease next year as one of our core funders will no longer be providing a grant for general running costs but we hope to continue and develop the delivery partnership we have with them.

Internal control risks are minimised by the implementation of procedures of authorisation of all financial transactions, including the division of responsibilities via the financial staffing structure. All procedures are reviewed annually to ensure they continue to meet the needs of the organisation.

REPORT OF THE TRUSTEES

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
02088483 (England and Wales)

Registered Charity number
297353

Registered office
Havant Arts Centre
East Street
Havant
Hampshire
PO9 1BS

Trustees

The Directors of the Charitable Company are its trustees for the purpose of charity law and throughout this report are collectively known as Trustee Directors.

The Trustee Directors serving during the year and since the year end were as follows:

Mr S Garner-Gibbons
Mrs M McMurray
Mrs R Bowns
Mr N Curry
Mr P Hammond
Mr P Jessop (Resigned 27 July 2023)
Mr R McMillan
Ms F Moody
Ms S Shephard

In addition there are three Observers who have the opportunity to attend Board Meetings. The Observers serving during the year and since the year end were as follows:

Councillor L Bowerman	HBC Observer
Councillor Mrs J Branson	HCC Observer

Company Secretary:	Mrs J Worrall
Interim Chief Executive:	Mrs S Dickinson (Appointed 24 March 2023, Resigned 8 January 2024)
Chief Executives:	Ms F Baxter (Appointed 8 January 2024)
	Ms L Woodward (Appointed 8 January 2024)

REPORT OF THE TRUSTEES

Auditors

Morris Crocker Limited
Chartered Accountants
Statutory Auditors
Station House
North Street
Havant
Hampshire
PO9 1QU

Bankers

Barclays PLC
Portsmouth
Leicester
Leicestershire
LE87 2BB

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of The Spring Arts & Heritage Centre Co Ltd for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year 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 those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

REPORT OF THE TRUSTEES

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the Trustees are aware there is no relevant audit information (as defined by section 418 of the Companies Act 2006) of which the charitable companies' auditors are unaware and each Trustee has taken all the steps that he ought to have taken as a Trustee in order to make himself aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.


The Auditors are approved annually at the AGM.

This report is prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small groups.

AUDITORS

The auditors, Morris Crocker Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 31 JULY 2024 and signed on its behalf by:



Trustee

S Garner-Gibbons

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS**Opinion**

We have audited the financial statements of The Spring Arts & Heritage Centre Co Ltd (the 'charitable company') for the year ended 31 March 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS**Our responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

From discussion with management and those charged with governance information about the entity is documented to assess the activity within the organisation. We discuss managements assessment of risk in respect of irregularities, fraud and going concern.

Based on these discussions and our own assessments we determined that the key risk areas were income recognition, going concern and management override concerning the size of the organisation.

We set financial statement materiality level based on the level of income. As a not for profit organisation raising income is its primary focus which is why income was used to determine the level of materiality. Our overall assessment of risk was used to determine performance materiality at an appropriate level.

Substantive audit tests were designed after assessing and testing systems and controls. The systems and controls which have been designed to act as a preventative measure against fraud and error were operating as documented. Substantive testing tested a sample of the population, representative of the population, to identify errors. The testing did not identify any material misstatements in areas tested.

Audit substantive tests concluded no material errors over the key risk areas of income recognition and management override.

The audit considers the organisation is not exposed to material risk of error as a result of assessing laws and regulations that are appropriate to the organisation.

Management assessed there is no going concern risk. The audit undertook a review of budgets, management accounts and the review of board minutes and came to the same conclusion as management.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Stuart Mackie (Senior Statutory Auditor)
for and on behalf of Morris Crocker Limited
Chartered Accountants
Statutory Auditors
Station House
North Street
Havant
Hampshire
PO9 1QU

Date: 29 August 2024

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2024

	Notes	Unrestricted funds £	Restricted Funds £	2024 Total Funds £	2023 Total Funds £
INCOME AND ENDOWMENTS FROM					
Donations, legacies and grants	2	223,062	69,596	292,658	240,780
Charitable activities					
Performance activities	5	360,958	-	360,958	300,352
Other trading activities	3	5,269	-	5,269	4,861
Investment income	4	4,846	-	4,846	1,479
Other income		19,043	-	19,043	6,403
Total		613,178	69,596	682,774	553,875
EXPENDITURE ON					
Raising funds	6	(16,258)	-	(16,258)	(10,600)
Charitable activities					
Performance activities	7	(617,489)	(73,539)	(691,028)	(706,382)
Total		(633,747)	(73,539)	(707,286)	(716,982)
NET (EXPENDITURE)/INCOME		(20,569)	(3,943)	(24,512)	(163,107)
Transfers between funds	19	-	-	-	-
NET MOVEMENT IN FUNDS		(20,569)	(3,943)	(24,512)	(163,107)
RECONCILIATION OF FUNDS					
Total funds brought forward		258,927	17,264	276,191	439,298
TOTAL FUNDS CARRIED FORWARD		238,358	13,321	251,679	276,191

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

BALANCE SHEET AT 31 MARCH 2024

		31 MARCH 2024 £	31 MARCH 2023 £
	Notes		
FIXED ASSETS			
Tangible Assets	14	23,854	44,619
Investments	15	<u>25,100</u>	<u>25,100</u>
		48,954	69,719
CURRENT ASSETS			
Debtors	16	60,593	61,126
Cash at Bank		<u>292,718</u>	<u>232,152</u>
		353,311	293,278
CREDITORS			
Amounts falling due within one year	17	(150,586)	(86,806)
NET CURRENT ASSETS		<u>202,725</u>	<u>206,472</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>251,679</u>	<u>276,191</u>
NET ASSETS		<u><u>251,679</u></u>	<u><u>276,191</u></u>
FUNDS			
Unrestricted funds:			
Undesignated		110,170	70,612
Designated		128,188	188,315
Restricted funds		<u>13,321</u>	<u>17,264</u>
SHAREHOLDERS' FUNDS		<u><u>251,679</u></u>	<u><u>276,191</u></u>

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved by the Board of Trustees on 31 July 2024 and were signed on its behalf by:



Trustee

S Garner-Gibbons

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2024

		31 MARCH 2024 £	31 MARCH 2023 £
	Notes		
Cash flows from operating activities:			
Cash generated from operations	1	<u>55,375</u>	<u>(150,038)</u>
Net cash provided by (used in) operating activities		<u>55,375</u>	<u>(150,038)</u>
Cash flows from investing activities			
Proceeds from the sale of plant and equipment		1,644	-
Purchase of tangible fixed assets	14	(1,299)	(5,488)
Interest received		<u>4,846</u>	<u>1,479</u>
Net cash provided by (used in) investing activities		<u>5,191</u>	<u>(4,009)</u>
Change in cash and cash equivalents in the reporting period		60,566	(154,047)
Cash and cash equivalents at the beginning of the reporting period		<u>232,152</u>	<u>386,199</u>
Cash and cash equivalents at the end of the reporting period		<u><u>292,718</u></u>	<u><u>232,152</u></u>

NOTES TO THE CASH FLOW STATEMENT

	2024	2023
Net income (expenditure) for the reporting period (as per the statement of financial activities)	(24,512)	(163,107)
Adjustments for:		
Depreciation charges	21,505	31,325
Interest received	(4,846)	(1,479)
Loss/(profit) on disposal of fixed assets	(1,085)	-
(Increase)/Decrease in debtors	533	(34,698)
Increase/(Decrease) in creditors	63,780	17,921
	<hr/>	<hr/>
Net cash provided by (used in) operating activities	<u>55,375</u>	<u>(150,038)</u>

NOTES TO THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES

Basis of preparing the financial statement

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', EFA, the and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value.

Going Concern

The Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

Preparation of consolidated financial statements

The financial statements contain information about The Spring Arts & Heritage Centre Co Ltd as an individual charity and do not contain consolidated financial information as the parent of a group. The charity has taken the option under Section 398 of the Companies Act 2006 not to prepare consolidated financial statements.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources.

Depreciation

Tangible fixed assets are depreciated on a straight line basis over the estimated useful life as follows:

-Fixtures, fittings and equipment 25% per annum.

Individual fixed assets costing £500 or more are capitalised at cost.

Stocks

Stocks are valued at the lower of cost and net realisable value.

NOTES TO THE FINANCIAL STATEMENTS

Fund structure

The Trust has a number of restricted income funds to account for situations where a donor requires that a donation must be spent on a particular purpose or where funds have been raised for a specific purpose.

Unrestricted funds comprise those funds which the Trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the Trustees, at their discretion, have created a fund for a specific purpose.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Financial Instruments

The charity only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable investments in stocks and shares. The measurement basis used for these financial instruments is detailed below.

Debtors and cash at bank

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 in hand includes cash held on deposit or in a current account.

Creditors and provisions

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.

NOTES TO THE FINANCIAL STATEMENTS

2 DONATION, LEGACIES AND GRANTS

	2024	2023
Donations	31,200	16,286
Grants	261,458	224,494
	<u>292,658</u>	<u>240,780</u>

Grants received, included in the above, are as follows:

	2024	2023
Hampshire County Council Core Funding	45,000	45,000
Havant Borough Council Core Funding	28,750	28,950
NPO Core Funding	122,208	122,208
Hampshire County Council - Project Funding	6,000	500
National Lottery Heritage Fund - Project Funding	59,500	27,836
	<u>261,458</u>	<u>224,494</u>

3 OTHER TRADING ACTIVITIES

	2024	2023
Fundraising events	1,409	635
Membership fees	3,860	4,226
	<u>5,269</u>	<u>4,861</u>

4 INVESTMENT INCOME

	2024	2023
Deposit account interest	4,846	1,479
	<u>4,846</u>	<u>1,479</u>

All investment income is derived from assets held in the United Kingdom.

5 INCOME FROM CHARITABLE ACTIVITIES

	2024	2023
Lettings income	69,913	64,284
Professional programme (including Visual Arts)	180,538	140,475
Participation programme	49,427	44,101
Box office service	61,080	51,492
	<u>360,958</u>	<u>300,352</u>

NOTES TO THE FINANCIAL STATEMENTS

6 RAISING FUNDS**Raising donations and legacies**

	2024	2023
Staff costs	2,474	3,506
Fundraising costs	13,784	7,094
	<u>16,258</u>	<u>10,600</u>

7 CHARITABLE ACTIVITIES COSTS

	2024	2023
Performance activities		
Direct costs	460,067	471,083
Support costs (see note 8)	230,961	235,299
	<u>691,028</u>	<u>706,382</u>

8 SUPPORT COSTS

	2024	2023
Performance activities		
Management	224,662	227,804
Governance costs	6,299	7,495
	<u>230,961</u>	<u>235,299</u>

Support costs, included in the above, are as follows:

	2024	2023
Management		
Wages	54,296	47,933
Social security	11,005	11,990
Pensions	4,125	4,182
Insurance and licenses	9,363	6,061
Utilities and maintenance	54,986	63,841
Administration, postage and IT costs	36,661	44,449
Sundry	28,042	25,047
Technical	14,642	10,975
Depreciation of tangible and heritage assets	11,542	13,326
	<u>224,662</u>	<u>227,804</u>
Governance costs		
Wages	3,299	4,675
Auditors' remuneration	3,000	2,820
	<u>6,299</u>	<u>7,495</u>

NOTES TO THE FINANCIAL STATEMENTS

9 NET INCOME (EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting)

	2024	2023
Auditors' remuneration - current year fee	3,000	2,820
Auditors' remuneration - other services	-	-
Depreciation - owned assets	21,505	31,325
Surplus on disposal of fixed assets	<u>(1,085)</u>	<u>-</u>

10 TRUSTEES' REMUNERATION AND BENEFITS

During the year no trustees received remuneration or other benefits (2023: £nil).

Trustees' expenses

No expenses were paid to any trustee director during the year (2023: Nil)

11 STAFF COSTS

	2024	2023
Wages and salaries	224,551	209,547
Social security costs	11,005	11,990
Other pension costs	4,125	4,182
	<u>239,681</u>	<u>225,719</u>

The average monthly number of employees during the year was as follows:

	2024	2023
Arts Centre staff	<u>18</u>	<u>16</u>

No employee received emoluments in excess of £60,000 (2023: none)

There are no redundancy costs included within wages and salaries (2023: £nil).

During the year £22,920 (2023: £26,847) was paid by The Spring to self employed tutors and theatre programming consultants.

The key management personnel of the charity comprise the trustees, the co-chief executives and the senior management team. The total employment benefits of the key management personnel were £103,760 (2023: £115,899).

NOTES TO THE FINANCIAL STATEMENTS

12 COMPARITIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds	Restricted funds	Total funds
INCOME AND ENDOWMENTS FROM			
Donations and legacies	211,329	29,451	240,780
Charitable activities			
Performance activities	300,352	-	300,352
Other trading activities	4,861	-	4,861
Investment income	1,479	-	1,479
Other income	6,403	-	6,403
Total	524,424	29,451	553,875
EXPENDITURE ON			
Raising funds	(10,600)	-	(10,600)
Charitable activities			
Performance activities	(650,000)	(56,382)	(706,382)
Total	(660,600)	(56,382)	(716,982)
NET INCOME/(EXPENDITURE)	(136,176)	(26,931)	(163,107)
Transfer between funds	(5,000)	5,000	-
Net movement in funds	(141,176)	(21,931)	(163,107)
RECONCILIATION OF FUNDS			
Total funds brought forward	400,103	39,195	439,298
TOTAL FUNDS CARRIED FORWARD	258,927	17,264	276,191

13 TAXATION

The company is a registered charity and no provision is considered necessary for taxation. No liability to UK corporation tax arose on the trading subsidiary's ordinary activities for the year ended 31 March 2024 (2023: Nil).

NOTES TO THE FINANCIAL STATEMENTS

14 TANGIBLE FIXED ASSETS

	Fixtures & Fittings
COST	
At 1 April 2023	171,224
Additions	1,299
Disposals	(2,063)
At 31 March 2024	<u>170,460</u>
DEPRECIATION	
At 1 April 2023	(126,605)
Charge for the year	(21,505)
Eliminated on disposal	1,504
At 31 March 2024	<u>(146,606)</u>
NET BOOK VALUE	
At 1 April 2023	<u>44,619</u>
At 31 March 2024	<u>23,854</u>

15 FIXED ASSET INVESTMENTS

MARKET VALUE	
At 1 April 2023	<u>25,100</u>
At 31 March 2024	<u>25,100</u>
NET BOOK VALUE	
At 1 April 2023	<u>25,100</u>
At 31 March 2024	<u>25,100</u>

There were no investment assets outside the UK.

The company's investments at the balance sheet date in the share capital of companies include the following:

Havant Arts Active Limited
Nature of business: Bar and café

	%		
Class of share:	holding		
Ordinary shares issued at £1	100		
		2024	2023
Aggregate capital and reserves		32,125	33,292
Profit/(Loss) for the year		<u>18,834</u>	<u>7,695</u>

All of the group's investment income arised from UK bank account interest.

NOTES TO THE FINANCIAL STATEMENTS

16 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
Trade debtors	6,707	6,212
Amounts due from subsidiary undertaking	20,306	6,860
Prepayments and accrued income	33,580	48,054
	<u>60,593</u>	<u>61,126</u>

17 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
Trade creditors	(27,559)	(6,259)
Social security and other taxes	(4,398)	(4,258)
Other creditors and accruals	(25,098)	(23,337)
Deferred income	(93,531)	(52,952)
	<u>(150,586)</u>	<u>(86,806)</u>

Deferred income comprises monies received in advance for events and workshops held after the year end.

	2024	2023
Brought forward	(52,952)	(33,261)
Amount released to incoming resources	52,952	33,261
Amount deferred in year	(93,531)	(52,952)
Carried forward	<u>(93,531)</u>	<u>(52,952)</u>

18 ANALYSIS OF NET ASSETS BETWEEN FUNDS

			2024	2023
	Unrestricted funds	Restricted funds	Total funds	Total funds
Fixed assets	15,748	8,106	23,854	44,619
Investments	25,100	-	25,100	25,100
Current assets	348,096	5,215	353,311	293,278
Current liabilities	(150,586)	-	(150,586)	(86,806)
	<u>238,358</u>	<u>13,321</u>	<u>251,679</u>	<u>276,191</u>

NOTES TO THE FINANCIAL STATEMENTS

19 MOVEMENT IN FUNDS

	At 1 April 2023	Net movement in funds	Transfers between funds	At 31 March 2024
Unrestricted funds				
General Fund	70,612	(19,089)	58,647	110,170
Emergency Fund	36,788	-	68,212	105,000
Infrastructure - Building	18,981	(2,080)	-	16,901
Piano Fund	-	-	-	-
Classical Music Development	-	-	-	-
Patrons' Fund	3,125	600	-	3,725
Heritage Development	2,562	-	-	2,562
NPO Delivery	126,859	-	(126,859)	-
Play Artist in Residence	-	-	-	-
The Art Space	-	-	-	-
	<u>258,927</u>	<u>(20,569)</u>	<u>-</u>	<u>238,358</u>
Restricted funds				
Family Festival	-	-	-	-
Dementia Friendly Activities	1,374	394	-	1,768
Capital Works	301	(301)	-	-
CIL Energy Efficient Improvement Works	15,589	(7,483)	-	8,106
Jubilee 2022	-	-	-	-
The Art Space	-	-	-	-
National Lottery Heritage Fund - Museum Reimagination	-	3,437	-	3,437
Children's Activities	-	-	-	-
Hampshire Open Studios	-	-	-	-
Summer Reading Challenge	-	-	-	-
Pantomime	-	10	-	10
	<u>17,264</u>	<u>(3,943)</u>	<u>-</u>	<u>13,321</u>
TOTAL FUNDS	<u>276,191</u>	<u>(24,512)</u>	<u>-</u>	<u>251,679</u>

NOTES TO THE FINANCIAL STATEMENTS

19 MOVEMENT IN FUNDS

Net movement in funds, included in the above, are as follows:

	Incoming resources	Resources expended	Movement in funds
Unrestricted funds			
General Fund	612,578	(631,667)	(19,089)
Emergency Fund	-	-	-
Infrastructure - Building	-	(2,080)	(2,080)
Piano Fund	-	-	-
Classical Music Development	-	-	-
Patrons' Fund	600	-	600
Heritage Development	-	-	-
NPO Delivery	-	-	-
Play Artist in Residence	-	-	-
The Art Space	-	-	-
	<u>613,178</u>	<u>(633,747)</u>	<u>(20,569)</u>
Restricted funds			
Family Festival	-	-	-
Dementia Friendly Activities	3,407	(3,013)	394
Capital Works	-	(301)	(301)
CIL Energy Efficient Improvement Works	-	(7,483)	(7,483)
Jubilee 2022	-	-	-
The Art Space	-	-	-
National Lottery Heritage Fund - Museum Reimagination	59,500	(56,063)	3,437
Children's Activities	-	-	-
Hampshire Open Studios	-	-	-
Summer Reading Challenge	6,000	(6,000)	-
Pantomime	689	(679)	10
	<u>69,596</u>	<u>(73,539)</u>	<u>(3,943)</u>
TOTAL FUNDS	<u>682,774</u>	<u>(707,286)</u>	<u>(24,512)</u>

NOTES TO THE FINANCIAL STATEMENTS

19 MOVEMENT IN FUNDS

Comparatives for movement in funds

	At 1 April 2022	Net movement in funds	Transfers between funds	At 31 March 2023
Unrestricted funds				
General Fund	79,187	(91,575)	83,000	70,612
Emergency Fund	36,788	-	-	36,788
Infrastructure - Building	21,054	(2,073)	-	18,981
Piano Fund	1,330	(1,330)	-	-
Classical Music Development	405	(405)	-	-
Patrons' Fund	3,495	(370)	-	3,125
Heritage Development	2,562	-	-	2,562
NPO Delivery	196,860	-	(70,001)	126,859
Play Artist in Residence	55,742	(37,743)	(17,999)	-
The Art Space	2,680	(2,680)	-	-
	<u>400,103</u>	<u>(136,176)</u>	<u>(5,000)</u>	<u>258,927</u>
Restricted funds				
Family Festival	2,000	(2,000)	-	-
Dementia Friendly Activities	3,209	(1,835)	-	1,374
Capital Works	7,414	(7,113)	-	301
CIL Energy Efficient Improvement Works	23,072	(7,483)	-	15,589
Jubilee 2022	3,500	(3,500)	-	-
The Art Space	-	-	-	-
National Lottery Heritage Fund - Museum Reimagination	-	(5,000)	5,000	-
Children's Activities	-	-	-	-
Hampshire Open Studios	-	-	-	-
Summer Reading Challenge	-	-	-	-
Pantomime	-	-	-	-
	<u>39,195</u>	<u>(26,931)</u>	<u>5,000</u>	<u>17,264</u>
TOTAL FUNDS	<u>439,298</u>	<u>(163,107)</u>	<u>-</u>	<u>276,191</u>

NOTES TO THE FINANCIAL STATEMENTS

19 MOVEMENT IN FUNDS

Comparative net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Movement in funds
Unrestricted funds			
General Fund	523,474	(615,049)	(91,575)
Emergency Fund	-	-	-
Infrastructure - Building	-	(2,073)	(2,073)
Piano Fund	-	(1,330)	(1,330)
Classical Music Development	-	(405)	(405)
Patrons' Fund	950	(1,320)	(370)
Heritage Development	-	-	-
NPO Delivery	-	-	-
Play Artist in Residence	-	(37,743)	(37,743)
The Art Space	-	(2,680)	(2,680)
	<u>524,424</u>	<u>(660,600)</u>	<u>(136,176)</u>
Restricted funds			
Family Festival	-	(2,000)	(2,000)
Dementia Friendly Activities	615	(2,450)	(1,835)
Capital Works	-	(7,113)	(7,113)
CIL Energy Efficient Improvement Works	-	(7,483)	(7,483)
Jubilee 2022	-	(3,500)	(3,500)
The Art Space	-	-	-
National Lottery Heritage Fund - Museum Reimagination	27,836	(32,836)	(5,000)
Children's Activities	500	(500)	-
Hampshire Open Studios	500	(500)	-
Summer Reading Challenge	-	-	-
Pantomime	-	-	-
	<u>29,451</u>	<u>(56,382)</u>	<u>(26,931)</u>
TOTAL FUNDS	<u>553,875</u>	<u>(716,982)</u>	<u>(163,107)</u>

NOTES TO THE FINANCIAL STATEMENTS

19 MOVEMENT IN FUNDS

Designated

Emergency Fund	Emergency funds to cover running and closure costs in the event of funding withdrawal.
Infrastructure - Building	Funds towards replacement of vital equipment for the building.
Piano Fund	For the provision of a new baby grand piano.
Classical Music Development	For the improvement and delivery of classical music activities.
Patrons' Fund	To support and develop the contemporary theatre programme and subsidise tickets for young people.
Heritage Development	For the improvement and delivery of heritage activities.
NPO Delivery	For the delivery of NPO objectives in 2021/2022 to 2022/2023. As this period of time has passed the balance has been transferred back to general funds.
Play Artist in Residence	Funds for a Play Artist in Residence programme from 2021-2023. The programme was completed in January 2023.
The Art Space	Provision of a free and inclusive weekly drop in session for people to take part in visual art activities who may not otherwise be able to.

Restricted

Family Festival	In support of a Family Festival in 2021/22.
Dementia Friendly Activities	Previously known as the Memory Café and Forget Me Not Films this is funding to support dementia friendly activities.
Capital Works	Installation of air conditioning and acoustic separation in the theatre and upgraded video screening capabilities. The balance of this fund represents the net book value of the assets purchased.
CIL Energy Efficient Improvement Works	To fund energy efficient lighting in the theatre.
Jubilee 2022	To fund Jubilee celebrations and activities in June 2022.
The Art Space	Provision of a free and inclusive weekly drop in session for people to take part in visual art activities who may not otherwise be able to.

NOTES TO THE FINANCIAL STATEMENTS

National Lottery Heritage Fund - Museum Reimagination	Money granted by The National Lottery Heritage Fund to undertake a study into reimagining the Museum. The funding is for professional fees for undertaking the study, for training staff in oral history recording and to put on a Heritage Festival in February 2023. Cost had been incurred in relation to the project, but an application for reimbursement of the expenditure was not submitted until after the year end.
Children's Activities	Money received from Waitrose and Partners to provide activities for children in the 2022 school summer holidays.
Hampshire Open Studios	Money received from Hampshire County Council to advertise in the Hampshire Open Studios Brochure for August 2023.
Summer Reading Challenge	Money received from Hampshire County Council for providing a storytelling performance in libraries for the Summer Reading Challenge.
Pantomime	Donations received to help pay for a Community Pantomime.

20 RELATED PARTY DISCLOSURES

During the year Havant Arts Active Limited invoiced The Spring Arts and Heritage Centre Company Limited £13,953 (2023: £16,771) for refreshments, hospitality and cleaning materials.

During the year a donation of £20,001 (2023: £8,500) was made to The Spring Arts and Heritage Centre Company Limited from Havant Arts Active Limited.

During the year The Spring Arts and Heritage Centre Company Limited recharged expenses amounting £5,100 (2023: £5,075) to Havant Arts Active Limited.

At the year end, there was a balance of £20,306 (2023: £6,860) owed by Havant Arts Active Limited.

During the year Filskit Theatre Limited, a company with a trustee in common, invoiced The Spring Arts and Heritage Centre Company £2,750 (2023: £1,225) for performance costs.

During the year no family members of trustees were paid remuneration. (2023: Two family members of a trustee V Bird were employed by the charity during the year with a remuneration of £57,901.)

21 LEGAL STATUS OF THE CHARITY

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

THE SPRING ARTS AND HERITAGE CENTRE

England & Wales - Charity number 297353

Accounts

**REGISTERED COMPANY NO 02088483
REGISTERED CHARITY NO 297353**

**THE SPRING ARTS & HERITAGE CENTRE CO LTD
REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

THE SPRING ARTS & HERITAGE CENTRE CO LTD

CONTENTS OF THE FINANCIAL STATEMENTS

	Page
Report of the Trustees	3
Report of the Independent Auditors	15
Statement of Financial Activities	19
Balance Sheet	20
Cash Flow Statement	21
Notes to the Cash Flow Statement	22
Notes to the Financial Statements	23

REPORT OF THE TRUSTEES

The trustees of The Spring, who are also directors of the charity for the purposes of the Companies Act 2006, are delighted to present their report with the financial statements of the charity for the year ended 31 March 2023. The trustees have adopted the provisions of Accounts and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Finance Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives, Activities, Achievements and Public Benefit Policy

The Spring Arts & Heritage Centre Company Limited's objects are for the benefit of the public in the advancement of knowledge and understanding of arts, heritage and culture amongst the inhabitants of Great Britain and in particular among the inhabitants of the Borough of Havant and the surrounding locality. The beneficiaries of the Charitable Company's work are the general public and the majority of activities are not restricted to sections of the public.

The Spring is a small place where big things happen. Our vibrant and exciting cultural events and activities make Havant, Hampshire and the surrounding region a better place to live.

We deliver two core strands of work: Priority Programmes and our wider cultural activities. Priority Programmes are cross art-form projects, designed to increase opportunities for engagement with underserved communities. Alongside and embedded within these we run a high quality programme of wider cultural activities including live performance, film, participation and exhibitions. We are an accredited museum, caring for Havant's heritage collection.

All our work is delivered in accordance with our values:

- We care about audiences. Above all we are interested in reaching and engaging audiences in all stages of their cultural journey, from first time attenders to supporting loyal audiences to take new risks and to become co-creators
- We believe everyone should be able to easily access cultural experiences and opportunities that resonate, reflect their experiences, celebrate their stories and inspire them
- We know arts centres are special, providing cross art-form engagement opportunities not available
- We believe in the power of sharing stories - what they mean, how they shape us and how they can be told
- We value creative play for everyone
- We work responsibly, looking after each other, our community and the planet

The Spring delivers its mission and charitable objectives through the delivery of a Business Plan that is refreshed annually. The plan has been developed by the trustees and Chief Executive with careful consideration to the Charity Commission's general guidance on public benefit and in particular to the supplementary guidance on fee charging. The Spring works hard to ensure an appropriate balance between offering activities that are free or accessibly priced and maintaining the income required to successfully deliver the charitable objectives.

REPORT OF THE TRUSTEES

Review of the Year

The Spring has had a challenging year attracting audiences following the pandemic. Customers have been slow to return to certain types of events at The Spring, but there have been some sell out performances during the year.

The Spring followed the same business model as in the previous year, focusing on our Priority Programmes. These Priority Programmes include:

Families Together: a series of inclusive opportunities for intergenerational family groups

The Spring continued to offer tickets to family events at just £3 per ticket. Many of these events were well attended, with some being sold out.

In August 2022 we provided a range of activities for families during the summer holidays. We screened four family films for £3 per ticket. We also provided a free play space in the Mezzanine Gallery with various creative activities and challenges suitable for all.

Our winter installation again provided a free experience for the community. We worked with Little Bulb Theatre to create The Magic Library. This was a fun, immersive Christmas event for families to celebrate the magic of libraries. Inspired by their visit, children were able to go home and write a story for a competition. The entries were fabulous, with lots of creative writing. The stories are being published in a book. The Magic Library experience was attended by 3,136 people.

Museum Development: building a community museum fit for the 21st Century

In November 2022 The Spring was awarded a £125,906 grant from The National Lottery Heritage Fund. The grant is for the next phase in transforming our heritage offer in our Museum Reimagination Programme. This phase focuses on consultation and the creation of a development plan.

This is an inspiring project and we have ambitious plans to reimagine our museum by improving accessibility, interpretation, and developing a living collection, something that grows with our community. This project will enable the community of Havant to help shape those plans through consultations and local history activities.

The Spring put on a creative and engaging Heritage Festival on Saturday 25 February 2023 as part of the project. There were activities and heritage talks suitable for all ages. The event was well attended, with more than 1,000 people taking part.

This phase of the project is expected to be completed by January 2024. The funding will be received over the course of the project as expenditure is incurred.

REPORT OF THE TRUSTEES

Play Artist in Residence: an innovative programme designed to explore and deliver play in cultural settings

In September 2021 we launched the first Play Artist in Residence Scheme. We recruited artists for a season of work to deliver playful interactions for our audiences and the wider community. The programme was in place for four seasons with a different emphasis on play for each of these. The scheme has also resulted in a collaboration with a local school and artist, producing an art exhibition about periods. This exhibition has local heritage links too, as a Tampax factory was based in Havant for nearly 45 years.

The project was not extended after December 2022. The remaining funds that had been designated to this project were reallocated to general funds to support The Spring's core activities.

Beyond the Walls: a programme of borough-wide outreach activity

The Spring delivered a number of Beyond the Walls events and activities across the Havant Borough.

Will and When, a production by Commotion Dance, was performed at The Spring and at the Waterloo Fete as part of the Queen's Jubilee celebrations.

Take Ten was a performance installation encouraging audiences to slow down and be present in the here and now. The six performances by Fluid Motion Theatre Company took place in July 2022 at Havant Park, Waterloo Precinct and Hayling Island Seafront. An estimated 300 people took part.

In October 2022 we delivered another successful Library Tour around the Havant Borough. We presented seven performances of Christopher Nibble by Topsy Turvy Theatre in four different libraries. The event was a pay what you like event, making it accessible to all. It was enjoyed by 230 people.

Libraries and Literature: working with Hampshire Libraries to pilot ideas and drive engagement with the Library Service

In 2021 we developed a partnership with Hampshire County Council that saw us work together to develop and deliver programmes to drive engagement with libraries. This partnership has developed further in 2022-23 with The Spring providing more projects linked to libraries and reading. The library tour, Magic Library experience and Summer Gadgets exhibition are three of these.

The Art Space: inclusive participatory visual art activities

In September 2021 we launched The Art Space. This inclusive visual art activity offers use of the Art Space and materials to participants for free. It is designed to build confidence, combat loneliness and offer an easy gateway to our visual art workshops. The twice weekly sessions, run by a specialist tutor, are still proving to be popular. In 2022-23 66 Art Space sessions took place, with over 990 visits, with over half the attendees having additional needs.

REPORT OF THE TRUSTEES

Dementia Friendly Spring: a programme of dementia friendly experiences

We continue to provide regular dementia friendly activities through our monthly film screenings and our Creative Memory Café. Support from Home Instead allows us to continue this programme into 2023-24.

In May 2022 we ran a Dementia Awareness Day, providing free workshops and advice as well as creative activities. A second event took place in May 2023, with more emphasis on creativity and activities for people living with dementia.

In addition to our Priority Programmes, The Spring delivered a full cultural programme of live events, films, workshops and exhibitions.

We presented 308 events and films, including theatrical performances, comedy shows, music, heritage walks, live streaming events and films. We hired out space to local businesses and community groups to run their own classes, in addition to running our own workshops. We presented 337 workshop sessions, weekly art sessions, one day workshops and two-three day courses. Our weekly Saturday Music Bites sessions allow visitors to listen to local music whilst enjoying lunch or a drink in the café area.

We held seven exhibitions over a combined 427 days, with over 9,000 visitors. The Spring commissioned a new Creative Intervention, Patterns of Life, Memory and Place. Suzie Johanson created this exhibition, inspired by The Butterick factory that was based in Havant. The programme also included a touring exhibition – Bird Photographer of the Year 2022.

2022-23 has been another amazing year for The Spring. After two years of Covid restrictions audiences were cautious about returning to venues like The Spring. Numbers have increased throughout the year and we were so pleased to see people back at The Spring. Thanks to funding received this year and in previous years, The Spring has been able to cover the significant deficit that has occurred this year and maintains reserves to cover the deficit forecast for 2023-24.

The Spring has been awarded NPO status for a further three years from 2023-26. The award is vital to The Spring and very much appreciated, although the amount remains the same as for the past four years. With costs rising, particularly utilities, this is a reduction in income in real terms. The Spring is looking at ways to minimise any deficit it makes in future years, by reducing costs where possible and increasing income. This has been made harder as The Spring has had no Director from late March 2023. The recruitment of a new Director is expected to take at least six months. All the tasks are being covered by the remaining staff, which leaves very little time for new initiatives.

The Trustees and staff of The Spring would like to thank our audiences, community, funders, partners and volunteers for their understanding and support this year. The organisation is resilient and viable and is looking forward to the future.

REPORT OF THE TRUSTEES

Public Benefit

The trustees confirm that they have referred to the Charity Commission's guidance on public benefit when reviewing the charities aims and objectives and in planning future activities. The trustees refer to public benefit throughout this report.

FINANCIAL REVIEW

Financial Review

The Spring was operational for the whole of the financial year, the first time since 2018-19. The Covid-19 pandemic continued to affect the finances of The Spring, with low audience numbers in the first part of the year. Customer confidence increased and this is reflected in the performance activities income figure of £300,352 (2022: £191,640). The figures are very encouraging and almost back to pre-Covid levels.

The Spring made an unrestricted deficit of £136,176 (2022: surplus of £86,967). A reduction in grant income and some significant increases in costs have contributed to this.

The Spring received several grants during the Covid-19 pandemic in the past two financial years. In 2022-23 The Spring received three grants from its core funders and a small grant for project funding. The grants received from core funders were £30,000 less than in the previous year.

The Spring became a Real Living Wage employer in April 2022. All employees were paid at least £9.90 per hour in 2022-23, £0.40 more per hour than the legal requirement and 11.1% more than in the previous financial year. The introduction of the Real Living Wage resulted in a review of all wages and salaries. This, along with some changes in roles and staff, has resulted in an overall increase in wages costs of £27,060, 13.6%.

Utility costs increased by almost £15,000, 75% in 2022-23 from the previous financial year. Savings were made where possible by reducing the temperature by a couple of degrees, but heating and lighting the building is essential.

The Play Artist in Residence programme started in September 2021, and was completed in December 2022. Funding had been designated for this project in previous years. In 2022-23, £37,743 was spent on the project. Unspent funds of £17,999 were transferred back to the general reserve.

The NPO Delivery fund was established in prior years from revenue grants that had not been drawn on in full for delivery. In 2022-23 £70,001 were utilised from this fund to offset some of the deficit in the year. General funds at 31 March 2023 were £70,612 (2022: £79,187). All designations are made in line with the Reserves Policy detailed below.

Restricted funds that had been raised in previous years were spent in line with planned projects. In 2022-23 The National Lottery Heritage Fund confirmed a grant for reimagining the museum at The Spring. The focus is on consultation and the creation of a development plan, as well as putting on a Heritage Festival. Costs are incurred by The Spring in line with the grant conditions and then claimed back from the National Lottery. At 31 March 2023 The Spring had spent £32,836 on the project. The total restricted deficit for the year was £26,931 (2022: £28,114).

REPORT OF THE TRUSTEES

The Spring's Trading Subsidiary made a £8,522 gift to the charity this year (2022: £4,554). The Trading Subsidiary's operations support those of The Spring. The reduced audience numbers at the start of the year impacted on the income of the Trading Subsidiary. As customers returned to The Spring the income from the Trading Subsidiary's increased.

Reserves Policy

The Spring's trustees aim to maintain reserves to support the appropriate delivery of the charity's objectives and work and to minimise risk to the organisation.

At the end of the year The Spring had total funds to carry forward of £276,191 (2022: £439,298), consisting of £17,264 (2022: £39,195) of restricted funds and £258,927 (2022: £400,103) of unrestricted funds.

The Trustee Directors have reviewed the reserves policy and are aware that free reserves are currently insufficient. Free reserves are unrestricted reserves available for spending, that is unrestricted funds that have not been designated and are not tied up as fixed assets or investments. At 31 March 2023 The Spring had free reserves of £22,587 (2022: (£22,015)).

The Spring aims to increase its unrestricted reserves in accordance with Charity Commission guidelines.

The Spring's unrestricted reserves are divided into a series of designated funds to best support the organisation. These are:

1) Emergency Fund

These are retained for emergency use, and are retained to support the organisation in the event of a dramatic reduction in funding (for example, the ending of a relationship with a revenue funder) or in the event of significant maintenance or repair needs to the building. In extreme circumstances, this fund may be used to cover winding up costs of the charity. The trustees aim to build this reserve to £105,000, the equivalent of three months non-grant income.

2) NPO Delivery

This fund has been developed since The Spring joined Arts Council England's National Portfolio in 2018. At that time the trustees recognised that, due to reducing funding from local authorities, The Spring would be required to achieve and designate a surplus in the first years of the NPO agreement in order to offset deficits towards the end of the funding period. The NPO period was extended due to the Covid-19 pandemic and the Delivery Fund was £196,860 on 31 March 2022. This fund was used to offset the part of the current year deficit. At 31 March 2023 the NPO Delivery Fund was £126,859. The forecast deficit for 2023-24 should be covered by general reserves. The trustees may choose to re-designate this fund at the end of the next financial year.

REPORT OF THE TRUSTEES

3) Play Artist in Residence

The Play Artist in Residence programme was made possible thanks to funding received in 2020-21 and 2021-22. The funding was unrestricted but was designated by the trustees in order to best manage the programme. Spending continued from this fund until January 2023 and the unspent £17,999 was transferred back to general funds.

4) Patrons Fund

The Patron's Fund is designated funds to use on partially funding lower cost tickets for students and attracting artists for the contemporary theatre programme. It is created from the donations given by Patrons.

5) Infrastructure – Building Fund

The Spring Arts & Heritage Centre could not operate without certain key items of equipment of infrastructure. These reserves are designed to support the replacement of key items such as the lighting rig and sound equipment. These reserves may also be used in capital bids as match funds to secure funding for such items.

6) Artistic and Heritage Development

This fund is for new and developing cultural projects that are beyond the scope of our day to day activities programme. It may also be used as a contribution of match funds when project fundraising.

7) Classical Music Development Fund

The Classical Music Development Fund includes an amount donated by a supporter of The Spring. It is designated for use towards the classical music programme as a reflection of the interests of the donor and was fully utilised in October 2022.

8) Piano Fund

The Piano Fund was set up for the provision of a new baby grand piano. This was purchased in October 2018 and the fund balance represents the net book value of the piano. The piano has now been written down in full.

9) The Art Space

The Art Space Fund was set up for the provision of a weekly drop in art session. The sessions are free and inclusive for people to take part in visual art activities who may not otherwise be able to. The sessions are supported by a session leader. The fund was set up with restricted donations and funds designated by the Trustee Directors. At the 31 March 2023 all restricted and designated funding had been spent on the project. It continues to be funded from general reserves.

REPORT OF THE TRUSTEES

Structure, Governance and Management

The Spring Arts & Heritage Centre is a company limited by guarantee (incorporated in England and Wales on 12 January 1987). It is governed by a Memorandum of Association. It is registered with the Charity Commission (no. 297353).

Trustee Directors and Management Structure

The Board of Trustee Directors administers the Charitable Company. The Board has nine Trustee Directors elected by membership plus one nominated Trustee Director from Havant Borough Council. It can co-opt up to a further three Trustee Directors.

New Trustee Directors are given access to an induction pack including Charity Commission guidelines on the responsibilities of Trustee Directors, last year's audited accounts, three previous sets of Board Minutes, the last Management Accounts, the Business Plan and the Memorandum of Association. Trustee Directors are encouraged to attend external training events to assist them in their role.

The Trustees meet at least five times a year, and more when required. The Charitable Company's AGM is held in the autumn. The Board decides the overall policy for the organisation based on its objects. It delegates the day-to-day management to a Chief Executive who is not a member of the Board and is a paid employee of the Charitable Company. Trustees each have an area of responsibility within the organisation's activities and work with the Chief Executive to ensure that their area of expertise is delivering to the overall objectives and the business plan.

The Director and Chief Executive and Company Secretary, who had been in the post for over nine years, left the organisation in May 2022. A new director was appointed in November 2022 and worked at The Spring until March 2023. The trustees are working on the recruitment of a new leader for the organisation, with a review of the whole staffing structure and transition plans in place.

Related Parties

Arts Council England, Hampshire County Council and Havant Borough Council provide essential core funding to the Charitable Company. All organisations are invited to provide officers to attend meetings as Observers to advise the company. Havant Borough Council provides one councillor as a trustee. The Charitable Company's wholly owned subsidiary, Havant Arts Active, operates the bar, catering and retail facilities at the Charitable Company's premises. The Spring holds 25,100 shares in Havant Arts Active.

REPORT OF THE TRUSTEES

Risk Management

The Trustee Directors review the organisation's risk management plan regularly, with the major risks reviewed at each trustee meeting. The risk management plan identifies the risks the charity is exposed to ensure that systems and processes are in place to mitigate them.

The main risks currently identified are:

- The reduction and loss of core funding
- The transition to a new Director and Chief Executive
- Security of tenure, as the building's lease is currently being negotiated with the Borough Council

Strategies are in place to mitigate and manage all these areas.

In November 2022 The Spring was confirmed as a National Portfolio Organisation for a further three years from 1 April 2023. The new funding agreement requires additional quarterly reporting from the Trustees to Arts Council England. We are confident that The Spring supports the ambitions of our funders.

The transition to a new Director is being managed by the trustees. A comprehensive recruitment strategy is in place with plans for significant transitional management and induction for the successful candidate.

The trustees are managing the ongoing conversation with Havant Borough Council regarding the negotiation of the organisation's lease. The Spring is in receipt of professional advice to ensure the appropriate renewal.

Income levels have increased as audience confidence increases. Audience levels will need to increase to help The Spring generate enough income to cover its costs. Core grants will remain static for the next two years, resulting in a decrease in real terms as inflation increases costs. A new Marketing Manager will be starting at The Spring in July 2023 and will focus on building up audience attendance. A fundraising consultancy firm is being used to generate additional income from grants.

Internal control risks are minimised by the implementation of procedures of authorisation of all financial transactions, including the division of responsibilities via the financial staffing structure. All procedures are reviewed annually to ensure they continue to meet the needs of the organisation.

REPORT OF THE TRUSTEES

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
02088483 (England and Wales)

Registered Charity number
297353

Registered office
Havant Arts Centre
East Street
Havant
Hampshire
PO9 1BS

Trustees

The Directors of the Charitable Company are its trustees for the purpose of charity law and throughout this report are collectively known as Trustee Directors.

The Trustee Directors serving during the year and since the year end were as follows:

Mr P Jessop (Resigned 27 July 2023)
Mr P Hammond
Mrs V Bird (Resigned 13 February 2023)
Mr N Curry
Councillor Mrs J Branson (Exchanged role May 2022) HCC Observer
Mr R McMillan
Mr S Garner-Gibbons
Mrs M McMurray
Ms F Moody
Ms S Shephard
Mr T Spurgin (Resigned 7 November 2022)
Councillor L Bowerman (Exchanged role May 2022) HBC Observer
Mrs R Bowns (Appointed 16 January 2023)

Company Secretary: Mrs S Fullerlove (Resigned 24 May 2022)
Company Secretary: Mrs J Worrall (Appointed 24 May 2022)
Chief Executive: Mrs S Fullerlove (Resigned 27 May 2022)
Interim Chief Executive: Mrs S Dickinson (Appointed 27 May 2022, Resigned 7 November 2022)
Chief Executive: Ms C Pierce (Appointed 7 November 2022, Resigned 24 March 2023)
Interim Chief Executive: Mrs S Dickinson (Appointed 24 March 2023)

REPORT OF THE TRUSTEES

Auditors

Morris Crocker Limited
Chartered Accountants
Statutory Auditors
Station House
North Street
Havant
Hampshire
PO9 1QU

Bankers

Barclays PLC
Portsmouth
Leicester
Leicestershire
LE87 2BB

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of The Spring Arts & Heritage Centre Co Ltd for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year 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 those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

REPORT OF THE TRUSTEES

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the Trustees are aware there is no relevant audit information (as defined by section 418 of the Companies Act 2006) of which the charitable companies' auditors are unaware and each Trustee has taken all the steps that he ought to have taken as a Trustee in order to make himself aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.


The Auditors are approved annually at the AGM.

This report is prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small groups.

AUDITORS

The auditors, Morris Crocker Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 30th August 2023 and signed on its behalf by:



Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS

Opinion

We have audited the financial statements of The Spring Arts & Heritage Centre Co Ltd (the 'charitable company') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

From discussion with management and those charged with governance information about the entity is documented to assess the activity within the organisation. We discuss managements assessment of risk in respect of irregularities, fraud and going concern.

Based on these discussions and our own assessments we determined that the key risk areas were income recognition, going concern and management override concerning the size of the organisation.

We set financial statement materiality level based on the level of income. As a not for profit organisation raising income is its primary focus which is why income was used to determine the level of materiality. Our overall assessment of risk was used to determine performance materiality at an appropriate level.

Substantive audit tests were designed after assessing and testing systems and controls. The systems and controls which have been designed to act as a preventative measure against fraud and error were operating as documented. Substantive testing tested a sample of the population, representative of the population, to identify errors. The testing did not identify any material misstatements in areas tested.

Audit substantive tests concluded no material errors over the key risk areas of income recognition and management override.

The audit considers the organisation is not exposed to material risk of error as a result of assessing laws and regulations that are appropriate to the organisation.

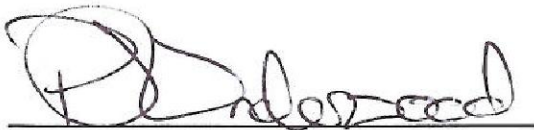
Management assessed there is no going concern risk. The audit undertook a review of budgets, management accounts and the review of board minutes and came to the same conclusion as management.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Paul Underwood (Senior Statutory Auditor)
for and on behalf of Morris Crocker Limited
Chartered Accountants
Statutory Auditors
Station House
North Street
Havant
Hampshire
PO9 1QU

Date: 18 September 2023

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2023**

	Notes	Unrestricted funds £	Restricted Funds £	2023 Total Funds £	2022 Total Funds £
INCOME AND ENDOWMENTS FROM					
Donations, legacies and grants	2	211,329	29,451	240,780	403,580
Charitable activities					
Performance activities	5	300,352	-	300,352	191,640
Other trading activities	3	4,861	-	4,861	6,021
Investment income	4	1,479	-	1,479	-
Other income		6,403	-	6,403	8,060
Total		524,424	29,451	553,875	609,301
EXPENDITURE ON					
Raising funds	6	(10,600)	-	(10,600)	(10,234)
Charitable activities					
Performance activities	7	(650,000)	(56,382)	(706,382)	(560,214)
Total		(660,600)	(56,382)	(716,982)	(570,448)
NET (EXPENDITURE)/INCOME		(136,176)	(26,931)	(163,107)	38,853
Transfers between funds	19	(5,000)	5,000	-	-
NET MOVEMENT IN FUNDS		(141,176)	(21,931)	(163,107)	38,853
RECONCILIATION OF FUNDS					
Total funds brought forward		400,103	39,195	439,298	400,445
TOTAL FUNDS CARRIED FORWARD		258,927	17,264	276,191	439,298

CONTINUING OPERATIONS


All income and expenditure has arisen from continuing activities.

BALANCE SHEET AT 31 MARCH 2023

		31 MARCH 2023 £	31 MARCH 2022 £
	Notes		
FIXED ASSETS			
Tangible Assets	14	44,619	70,456
Investments	15	<u>25,100</u>	<u>25,100</u>
		69,719	95,556
CURRENT ASSETS			
Debtors	16	61,126	26,428
Cash at Bank		<u>232,152</u>	<u>386,199</u>
		293,278	412,627
CREDITORS			
Amounts falling due within one year	17	(86,806)	(68,885)
NET CURRENT ASSETS		<u>206,472</u>	<u>343,742</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>276,191</u>	<u>439,298</u>
NET ASSETS		<u><u>276,191</u></u>	<u><u>439,298</u></u>
FUNDS			
Unrestricted funds:			
Undesignated		70,612	79,187
Designated		188,315	320,916
Restricted funds		<u>17,264</u>	<u>39,195</u>
SHAREHOLDERS' FUNDS		<u><u>276,191</u></u>	<u><u>439,298</u></u>

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved by the Board of Trustees on 30th AUGUST 2023 and were signed on its behalf by:



 Trustee

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2023

		31 MARCH 2023 £	31 MARCH 2022 £
	Notes		
Cash flows from operating activities:			
Cash generated from operations	1	<u>(150,038)</u>	<u>109,400</u>
Net cash provided by (used in) operating activities		<u>(150,038)</u>	<u>109,400</u>
Cash flows from investing activities			
Proceeds from the sale of plant and equipment		-	355
Purchase of tangible fixed assets	14	(5,488)	(44,708)
Interest received		<u>1,479</u>	<u>11</u>
Net cash provided by (used in) investing activities		<u>(4,009)</u>	<u>(44,342)</u>
Change in cash and cash equivalents in the reporting period		(154,047)	65,058
Cash and cash equivalents at the beginning of the reporting period		<u>386,199</u>	<u>321,141</u>
Cash and cash equivalents at the end of the reporting period		<u><u>232,152</u></u>	<u><u>386,199</u></u>

NOTES TO THE CASH FLOW STATEMENT

	2023	2022
Net income (expenditure) for the reporting period (as per the statement of financial activities)	(163,107)	38,853
Adjustments for:		
Depreciation charges	31,325	33,996
Interest received	(1,479)	(11)
Loss/(profit) on disposal of fixed assets	-	(3)
(Increase)/Decrease in debtors	(34,698)	28,185
Increase/(Decrease) in creditors	17,921	8,380
	<hr/>	<hr/>
Net cash provided by (used in) operating activities	<u>(150,038)</u>	<u>109,400</u>

NOTES TO THE FINANCIAL STATEMENTS**1 ACCOUNTING POLICIES****Basis of preparing the financial statement**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', EFA, the and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value.

Going Concern

The Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

Preparation of consolidated financial statements

The financial statements contain information about The Spring Arts & Heritage Centre Co Ltd as an individual charity and do not contain consolidated financial information as the parent of a group. The charity has taken the option under Section 398 of the Companies Act 2006 not to prepare consolidated financial statements.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources.

Depreciation

Tangible fixed assets are depreciated on a straight line basis over the estimated useful life as follows:

-Fixtures, fittings and equipment 25% per annum.

Individual fixed assets costing £500 or more are capitalised at cost.

Stocks

Stocks are valued at the lower of cost and net realisable value.

NOTES TO THE FINANCIAL STATEMENTS

Fund structure

The Trust has a number of restricted income funds to account for situations where a donor requires that a donation must be spent on a particular purpose or where funds have been raised for a specific purpose.

Unrestricted funds comprise those funds which the Trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the Trustees, at their discretion, have created a fund for a specific purpose.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Financial Instruments

The charity only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable investments in stocks and shares. The measurement basis used for these financial instruments is detailed below.

Debtors and cash at bank

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 in hand includes cash held on deposit or in a current account.

Creditors and provisions

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.

NOTES TO THE FINANCIAL STATEMENTS

2 DONATION, LEGACIES AND GRANTS

	2023	2022
Donations	16,286	11,121
Grants	224,494	392,459
	<u>240,780</u>	<u>403,580</u>

Grants received, included in the above, are as follows:

	2023	2022
Hampshire County Council Core Funding	45,000	75,000
Havant Borough Council Core Funding	28,950	28,950
NPO Core Funding	122,208	122,208
Hampshire County Council - Project Funding	500	3,500
National Lottery Heritage Fund - Project Funding	27,836	-
Havant Borough Council - Project Funding	-	10,264
Culture Recovery Fund	-	93,300
Havant Borough Council - Covid 19 Funding	-	43,800
Coronavirus Job Retention Scheme	-	13,437
Here & Now Project	-	2,000
	<u>224,494</u>	<u>392,459</u>

3 OTHER TRADING ACTIVITIES

	2023	2022
Fundraising events	635	708
Membership fees	4,226	5,313
	<u>4,861</u>	<u>6,021</u>

4 INVESTMENT INCOME

	2023	2022
Deposit account interest	1,479	-
	<u>1,479</u>	<u>-</u>

All investment income is derived from assets held in the United Kingdom.

5 INCOME FROM CHARITABLE ACTIVITIES

	2023	2022
Lettings income	64,284	52,642
Professional programme (including Visual Arts)	140,475	89,928
Participation programme	44,101	26,952
Box office service	51,492	22,118
	<u>300,352</u>	<u>191,640</u>

NOTES TO THE FINANCIAL STATEMENTS

6 RAISING FUNDS

Raising donations and legacies

	2023	2022
Staff costs	3,506	5,050
Fundraising costs	7,094	5,184
	<u>10,600</u>	<u>10,234</u>

7 CHARITABLE ACTIVITIES COSTS

	2023	2022
Performance activities		
Direct costs	471,083	374,855
Support costs (see note 8)	235,299	185,359
	<u>706,382</u>	<u>560,214</u>

8 SUPPORT COSTS

	2023	2022
Performance activities		
Management	227,804	175,745
Governance costs	7,495	9,614
	<u>235,299</u>	<u>185,359</u>

Support costs, included in the above, are as follows:

	2023	2022
Management		
Wages	47,933	44,719
Social security	11,990	8,624
Pensions	4,182	2,748
Insurance and licenses	6,061	5,252
Utilities and maintenance	63,841	42,410
Administration, postage and IT costs	44,449	44,774
Sundry	25,047	3,435
Technical	10,975	11,827
Depreciation of tangible and heritage assets	13,326	11,956
	<u>227,804</u>	<u>175,745</u>

	2023	2022
Governance costs		
Wages	4,675	6,734
Auditors' remuneration	2,820	2,880
	<u>7,495</u>	<u>9,614</u>

NOTES TO THE FINANCIAL STATEMENTS

9 NET INCOME (EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting)

	2023	2022
Auditors' remuneration - current year fee	2,820	2,880
Auditors' remuneration - other services	-	-
Depreciation - owned assets	31,325	33,996
Surplus on disposal of fixed assets	-	(3)
	<u> </u>	<u> </u>

10 TRUSTEES' REMUNERATION AND BENEFITS

During the year no trustees received remuneration or other benefits (2022: one trustee received £200 for consultancy work).

Trustees' expenses

No expenses were paid to any trustee director during the year (2022: Nil)

11 STAFF COSTS

	2023	2022
Wages and salaries	209,547	187,287
Social security costs	11,990	8,624
Other pension costs	4,182	2,748
	<u> </u>	<u> </u>
	<u>225,719</u>	<u>198,659</u>

The average monthly number of employees during the year was as follows:

	2023	2022
Arts Centre staff	<u> 16</u>	<u> 15</u>

No employee received emoluments in excess of £60,000 (2022: none)

There are no redundancy costs included within wages and salaries (2022: £4,500).

During the year £26,847 (2022: £9,390) was paid by The Spring to self employed tutors and theatre programming consultants.

The key management personnel of the charity comprise the trustees, the chief executive and the senior management team. The total employment benefits of the key management personnel were £115,899 (2022: £102,211).

NOTES TO THE FINANCIAL STATEMENTS

12 COMPARITIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds	Restricted funds	Total funds
INCOME AND ENDOWMENTS FROM			
Donations and legacies	369,934	33,646	403,580
Charitable activities			
Performance activities	191,640	-	191,640
Other trading activities	6,021	-	6,021
Other income	8,060	-	8,060
Total	575,655	33,646	609,301
EXPENDITURE ON			
Raising funds	(9,842)	(392)	(10,234)
Charitable activities			
Performance activities	(498,846)	(61,368)	(560,214)
Total	(508,688)	(61,760)	(570,448)
NET INCOME/(EXPENDITURE)	66,967	(28,114)	38,853
Transfer between funds	20,000	(20,000)	-
Net movement in funds	86,967	(48,114)	38,853
RECONCILIATION OF FUNDS			
Total funds brought forward	313,136	87,309	400,445
TOTAL FUNDS CARRIED FORWARD	400,103	39,195	439,298

13 TAXATION

The company is a registered charity and no provision is considered necessary for taxation. No liability to UK corporation tax arose on the trading subsidiary's ordinary activities for the year ended 31 March 2023 (2022: Nil).

NOTES TO THE FINANCIAL STATEMENTS

14 TANGIBLE FIXED ASSETS

	Fixtures & Fittings
COST	
At 1 April 2022	165,736
Additions	5,488
Disposals	-
At 31 March 2023	<u>171,224</u>
DEPRECIATION	
At 1 April 2022	(95,280)
Charge for the year	(31,325)
Eliminated on disposal	-
At 31 March 2023	<u>(126,605)</u>
NET BOOK VALUE	
At 1 April 2022	<u>70,456</u>
At 31 March 2023	<u>44,619</u>

15 FIXED ASSET INVESTMENTS

MARKET VALUE	
At 1 April 2022	<u>25,100</u>
At 31 March 2023	<u>25,100</u>
NET BOOK VALUE	
At 1 April 2022	<u>25,100</u>
At 31 March 2023	<u>25,100</u>

There were no investment assets outside the UK.

The company's investments at the balance sheet date in the share capital of companies include the following:

Havant Arts Active Limited
Nature of business: Bar and café

Class of share:	%
Ordinary shares issued at £1	holding 100

	2023	2022
Aggregate capital and reserves	33,292	34,119
(Loss)/profit for the year	<u>7,695</u>	<u>10,396</u>

All of the group's investment income arised from UK bank account interest.

NOTES TO THE FINANCIAL STATEMENTS

16 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
Trade debtors	6,212	2,428
Amounts due from subsidiary undertaking	6,860	4,012
Prepayments and accrued income	48,054	19,987
	<u>61,126</u>	<u>26,428</u>

17 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
Trade creditors	(6,259)	(7,747)
Social security and other taxes	(4,258)	-
Other creditors and accruals	(23,337)	(27,877)
Deferred income	(52,952)	(33,261)
	<u>(86,806)</u>	<u>(68,885)</u>

Deferred income comprises monies received in advance for events and workshops held after the year end.

	2023	2022
Brought forward	(33,261)	(30,245)
Amount released to incoming resources	33,261	30,245
Amount deferred in year	(52,952)	(33,261)
Carried forward	<u>(52,952)</u>	<u>(33,261)</u>

18 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted funds	2023 Total funds	2022 Total funds
Fixed assets	28,729	15,890	44,619	70,456
Investments	25,100	-	25,100	25,100
Current assets	291,904	1,374	293,278	412,627
Current liabilities	(86,806)	-	(86,806)	(68,885)
	<u>258,927</u>	<u>17,264</u>	<u>276,191</u>	<u>439,298</u>

NOTES TO THE FINANCIAL STATEMENTS

19 MOVEMENT IN FUNDS

	At 1 April 2022	Net movement in funds	Transfers between funds	At 31 March 2023
Unrestricted funds				
General Fund	79,187	(91,575)	83,000	70,612
Emergency Fund	36,788	-	-	36,788
Infrastructure - Building	21,054	(2,073)	-	18,981
Piano Fund	1,330	(1,330)	-	-
Classical Music Development	405	(405)	-	-
Patrons' Fund	3,495	(370)	-	3,125
Heritage Development	2,562	-	-	2,562
NPO Delivery	196,860	-	(70,001)	126,859
Play Artist in Residence	55,742	(37,743)	(17,999)	-
The Art Space	2,680	(2,680)	-	-
	<u>400,103</u>	<u>(136,176)</u>	<u>(5,000)</u>	<u>258,927</u>
Restricted funds				
Family Festival	2,000	(2,000)	-	-
Dementia Friendly Activities	3,209	(1,835)	-	1,374
Capital Works	7,414	(7,113)	-	301
CIL Energy Efficient Improvement Works	23,072	(7,483)	-	15,589
Jubilee 2022	3,500	(3,500)	-	-
The Art Space	-	-	-	-
National Lottery Heritage Fund - Museum Reimagination	-	(5,000)	5,000	-
Children's Activities	-	-	-	-
Hampshire Open Studios	-	-	-	-
	<u>39,195</u>	<u>(26,931)</u>	<u>5,000</u>	<u>17,264</u>
TOTAL FUNDS	<u>439,298</u>	<u>(163,107)</u>	<u>-</u>	<u>276,191</u>

NOTES TO THE FINANCIAL STATEMENTS

19 MOVEMENT IN FUNDS

Net movement in funds, included in the above, are as follows:

	Incoming resources	Resources expended	Movement in funds
Unrestricted funds			
General Fund	523,474	(615,049)	(91,575)
Emergency Fund	-	-	-
Infrastructure - Building	-	(2,073)	(2,073)
Piano Fund	-	(1,330)	(1,330)
Classical Music Development	-	(405)	(405)
Patrons' Fund	950	(1,320)	(370)
Heritage Development	-	-	-
NPO Delivery	-	-	-
Play Artist in Residence	-	(37,743)	(37,743)
The Art Space	-	(2,680)	(2,680)
	<u>524,424</u>	<u>(660,600)</u>	<u>(136,176)</u>
Restricted funds			
Family Festival	-	(2,000)	(2,000)
Dementia Friendly Activities	615	(2,450)	(1,835)
Capital Works	-	(7,113)	(7,113)
CIL Energy Efficient Improvement Works	-	(7,483)	(7,483)
Jubilee 2022	-	(3,500)	(3,500)
The Art Space	-	-	-
National Lottery Heritage Fund - Museum Reimagination	27,836	(32,836)	(5,000)
Children's Activities	500	(500)	-
Hampshire Open Studios	500	(500)	-
	<u>29,451</u>	<u>(56,382)</u>	<u>(26,931)</u>
TOTAL FUNDS	<u>553,875</u>	<u>(716,982)</u>	<u>(163,107)</u>

NOTES TO THE FINANCIAL STATEMENTS

19 MOVEMENT IN FUNDS

Comparatives for movement in funds

	At 1 April 2021	Net movement in funds	Transfers between funds	At 31 March 2022
Unrestricted funds				
General Fund	2,893	96,294	(20,000)	79,187
Emergency Fund	36,788	-	-	36,788
Infrastructure - Building	5,815	(761)	16,000	21,054
Piano Fund	3,993	(2,663)	-	1,330
Classical Music Development	405	-	-	405
Patrons' Fund	3,055	440	-	3,495
Shutdown Donation Fund	18,965	-	(18,965)	-
Heritage Development	2,562	-	-	2,562
NPO Delivery	196,860	-	-	196,860
Play Artist in Residence	41,800	(26,058)	40,000	55,742
The Art Space	-	(285)	2,965	2,680
	<u>313,136</u>	<u>66,967</u>	<u>20,000</u>	<u>400,103</u>
Restricted funds				
Project Funding	6,200	(6,200)	-	-
D'Oyly Carte	3,000	(3,000)	-	-
Get Up and Go	1,387	(1,387)	-	-
Family Festival	2,000	-	-	2,000
Dementia Friendly Activities	1,500	1,709	-	3,209
Capital Works	19,172	(11,758)	-	7,414
Here & Now Project	2,000	(2,000)	-	-
Experiential Curation	20,000	-	(20,000)	-
Coronavirus Job Retention Scheme	-	-	-	-
CIL Energy Efficient Improvement Works	32,050	(8,978)	-	23,072
Jubilee 2022	-	3,500	-	3,500
The Art Space	-	-	-	-
	<u>87,309</u>	<u>(28,114)</u>	<u>(20,000)</u>	<u>39,195</u>
TOTAL FUNDS	<u>400,445</u>	<u>38,853</u>	<u>-</u>	<u>439,298</u>

NOTES TO THE FINANCIAL STATEMENTS

19 MOVEMENT IN FUNDS

Comparative net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Movement in funds
Unrestricted funds			
General Fund	574,105	(477,811)	96,294
Emergency Fund	-	-	-
Infrastructure - Building	-	(761)	(761)
Piano Fund	-	(2,663)	(2,663)
Classical Music Development	-	-	-
Patrons' Fund	1,550	(1,110)	440
Shutdown Donation Fund	-	-	-
Heritage Development	-	-	-
NPO Delivery	-	-	-
Play Artist in Residence	-	(26,058)	(26,058)
The Art Space	-	(285)	(285)
	<u>575,655</u>	<u>(508,688)</u>	<u>66,967</u>
Restricted funds			
Project Funding	8,000	(14,200)	(6,200)
D'Oyly Carte	-	(3,000)	(3,000)
Get Up and Go	2,264	(3,651)	(1,387)
Family Festival	-	-	-
Dementia Friendly Activities	2,815	(1,106)	1,709
Capital Works	-	(11,758)	(11,758)
Here & Now Project	2,000	(4,000)	(2,000)
Experiential Curation	-	-	-
Coronavirus Job Retention Scheme	13,437	(13,437)	-
CIL Energy Efficient Improvement Works	-	(8,978)	(8,978)
Jubilee 2022	3,500	-	3,500
The Art Space	1,630	(1,630)	-
	<u>33,646</u>	<u>(61,760)</u>	<u>(28,114)</u>
TOTAL FUNDS	<u>609,301</u>	<u>(570,448)</u>	<u>38,853</u>

NOTES TO THE FINANCIAL STATEMENTS

19 MOVEMENT IN FUNDS

Designated

Emergency Fund	Emergency funds to cover running and closure costs in the event of funding withdrawal.
Infrastructure - Building	Funds towards replacement of vital equipment for the building.
Piano Fund	For the provision of a new baby grand piano.
Classical Music Development	For the improvement and delivery of classical music activities.
Patrons' Fund	To support and develop the contemporary theatre programme and subsidise tickets for young people.
Shutdown Donations	For the delivery of the Summer programme in 2020 and 2021.
Heritage Development	For the improvement and delivery of heritage activities.
NPO Delivery	For the delivery of NPO objectives in 2021/2022 to 2022/2023.
Play Artist in Residence	Funds for a Play Artist in Residence programme from 2021-2023. The programme was completed in January 2023.
The Art Space	Provision of a free and inclusive weekly drop in session for people to take part in visual art activities who may not otherwise be able to.

Restricted

Project Funding	Funding in support of the business plan objectives.
D'Oyly Carte	In support of the Beyond the Walls programme.
Get Up and Go	In support of the Get Up and Go initiative.
Family Festival	In support of a Family Festival in 2021/22.
Dementia Friendly Activities	Previously known as the Memory Café and Forget Me Not Films this is funding to support dementia friendly activities.
Capital Works	Installation of air conditioning and acoustic separation in the theatre and upgraded video screening capabilities. The balance of this fund represents the net book value of the assets purchased.
Here & Now Project	Previously known as the Cycle Project this was funding for a cycle project in Summer 2020. This was not able to take place due to Covid restrictions. The project was changed to the Signs of Solidarity project recognising lockdown heroes in the Havant Borough.
Experiential Curation	To continue our Beyond the Walls and Theatre Plus work and to fund creative interventions projects.
Coronavirus Job Retention Scheme	Monies received from HMRC in relation to the Coronavirus Job Retention Scheme to reimburse staff costs during the Covid 19 pandemic.
CIL Energy Efficient Improvement Works	To fund energy efficient lighting in the theatre.
Jubilee 2022	To fund Jubilee celebrations and activities in June 2022.
The Art Space	Provision of a free and inclusive weekly drop in session for people to take part in visual art activities who may not otherwise be able to.

NOTES TO THE FINANCIAL STATEMENTS

National Lottery Heritage Fund - Museum Reimagination	Money granted by The National Lottery Heritage Fund to undertake a study into reimagining the Museum. The funding is for professional fees for undertaking the study, for training staff in oral history recording and to put on a Heritage Festival in February 2023. Cost had been incurred in relation to the project, but an application for reimbursement of the expenditure was not submitted until after the year end.
Children's Activities	Money received from Waitrose and Partners to provide activities for children in the 2022 school summer holidays.
Hampshire Open Studios	Money received from Hampshire County Council to advertise in the Hampshire Open Studios Brochure for August 2023.

20 RELATED PARTY DISCLOSURES

During the year Havant Arts Active Limited invoiced The Spring Arts and Heritage Centre Company Limited £16,771 (2022: £11,588) for refreshments, hospitality and cleaning materials.

During the year a donation of £8,500 (2022: £4,554) was made to The Spring Arts and Heritage Centre Company Limited from Havant Arts Active Limited.

During the year The Spring Arts and Heritage Centre Company Limited recharged expenses amounting £5,075 (2022: £5,706) to Havant Arts Active Limited.

At the year end, there was a balance of £6,860 (2022: £4,012) owed by Havant Arts Active Limited.

During the year £nil (2022: £200) was paid to the trustee S Shephard for consultancy services.

During the year Filskit Theatre Limited, a company with a trustee in common, invoiced The Spring Arts and Heritage Centre Company £1,225 (2022: £nil) for performance costs.

Two family members of a trustee V Bird were employed by the charity during the year with a remuneration of £57,901 (2022: £51,207).

21 LEGAL STATUS OF THE CHARITY

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

THE SPRING ARTS AND HERITAGE CENTRE

England & Wales - Charity number 297353

Accounts

REGISTERED COMPANY NO 02088483
REGISTERED CHARITY NO 297353

THE SPRING ARTS & HERITAGE CENTRE CO LTD
REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

THE SPRING ARTS & HERITAGE CENTRE CO LTD

CONTENTS OF THE FINANCIAL STATEMENTS

	Page
Report of the Trustees	3
Report of the Independent Auditors	15
Statement of Financial Activities	19
Balance Sheet	20
Cash Flow Statement	21
Notes to the Cash Flow Statement	22
Notes to the Financial Statements	23

REPORT OF THE TRUSTEES

The trustees of The Spring, who are also directors of the charity for the purposes of the Companies Act 2006, are delighted to present their report with the financial statements of the charity for the year ended 31 March 2022. The trustees have adopted the provisions of Accounts and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Finance Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives, Activities, Achievements and Public Benefit Policy

The Spring Arts & Heritage Centre Company Limited's objects are for the benefit of the public in the advancement of knowledge and understanding of arts, heritage and culture amongst the inhabitants of Great Britain and in particular among the inhabitants of the Borough of Havant and the surrounding locality. The beneficiaries of the Charitable Company's work are the general public and the majority of activities are not restricted to sections of the public.

The Spring is a small place where big things happen. Our vibrant and exciting cultural events and activities make Havant, Hampshire and the surrounding region a better place to live.

We deliver two core strands of work: Priority Programmes and our wider cultural activities. Priority Programmes are cross art-form projects, designed to increase opportunities for engagement with underserved communities. Alongside and embedded within these we run a high quality programme of wider cultural activities including live performance, film, participation and exhibitions. We are an accredited museum, caring for Havant's heritage collection.

All our work is delivered in accordance with our values:

- We care about audiences. Above all we are interested in reaching and engaging audiences in all stages of their cultural journey, from first time attenders to supporting loyal audiences to take new risks and to become co-creators
- We believe everyone should be able to easily access cultural experiences and opportunities that resonate, reflect their experiences, celebrate their stories and inspire them
- We know arts centres are special, providing cross art-form engagement opportunities not available elsewhere
- We believe in the power of sharing stories - what they mean, how they shape us and how they can be told
- We value creative play for everyone
- We work responsibly, looking after each other, our community and the planet

The Spring delivers its mission and charitable objectives through the delivery of a Business Plan that is refreshed annually. The plan has been developed by the trustees and Chief Executive with careful consideration to the Charity Commission's general guidance on public benefit and in particular to the supplementary guidance on fee charging. The Spring works hard to ensure an appropriate balance between offering activities that are free or accessibly priced and maintaining the income required to successfully deliver the charitable objectives.

REPORT OF THE TRUSTEES

Review of the Year

The Spring has enjoyed a successful year in 2021-22, starting to build back audiences and engagement following the pandemic.

Within the year we have re-formatted our business model, placing greater emphasis on our Priority Programmes. By delivering these impactful, inclusive programmes we have successfully diversified our audiences.

Our Priority Programmes include:

Families Together: a series of inclusive opportunities for intergenerational family groups

Within the year we have reduced our ticket prices to family events to just £3 per ticket, resulting in a 23% increase in filled capacity for family events.

In August 2021 we offered a free play exhibition in our Mezzanine Gallery. Building on the success of previous years, The Play Gallery was designed to remind families they were part of a larger community and offer them the chance to reconnect through play.

We worked with Angel Exit Theatre Company to create a free immersive winter experience for families, that was delivered in December 2021. The walk-through Fairy Tale Forest was attended by 1800 people, over 33% of whom were first time attenders. This model for creating immersive experiences set us apart from other organisations of our size and we are committed to commissioning another such event in 2022.

Museum Development: building a community museum fit for the 21st Century

In 2021 we re-established our relationship with Tricolor, a heritage consultancy firm who are working with us on the development of funding bids to reimagine our museum. Working with them The Spring will move forward with our ambitions to create a living collection and a museum that more clearly celebrates local stories and resonates with our community.

Play Artist in Residence: an innovative programme designed to explore and deliver play in cultural settings

In 2021 we launched the first Play Artist in Residence Scheme. We recruited three artists who are each employed for a season of work to deliver playful interactions for our audiences and the wider community. Initial activities have been very successful and have supported audience diversification and retention. The programme is confirmed until December 2022 and includes the employment of an independent researcher who will be evaluating the project and supporting the dissemination of learning across the cultural sector.

REPORT OF THE TRUSTEES

Beyond the Walls: a programme of borough-wide outreach activity

Throughout the year we delivered a number of Beyond the Walls events and activities, engaging people across Havant Borough. In August 2021 we presented our largest outdoor event to date at Staunton Country Park. The Four Days Festival re-engaged audiences with a series of free and low cost events, including comedy, family performances and music, and activities in an outdoor and Covid-safe environment.

The summer also saw The Spring work with A Line Art to install the Wriggle and Scribble Playground in the Meridian Shopping Centre. The interactive play trail was in place for over 3 months and was enjoyed by an estimated 3,500 people.

In October 2021 we delivered our first Library Tour since the pandemic. We presented 7 performances of Smile by Mishmash Productions over four days in libraries across Havant. The performance, which included theatre and classical music, was seen by 276 people.

In March 2022 we presented street theatre style events across the borough. Pop Up Pedestal, a theatre and music performance that examines who should be recognised and celebrated in public spaces, was presented in 9 performances across 3 locations. Silly Squirrel, a family street theatre style event, appeared in 4 locations. Together these engaged audiences of over 960 people.

Libraries and Literature: working with Hampshire Libraries to pilot ideas and drive engagement with the Library Service

In 2021 we developed a partnership with Hampshire County Council that sees us work together to develop and deliver programmes to drive engagement with libraries. This was launched with a pilot programme called Fairy Tale Readers in December 2021, in which children were offered the opportunity to be matched with adults in the community to read together. This was designed to support literacy and reading in children and combat loneliness in adults.

The Art Space: inclusive participatory visual art activities

In September 2021 we launched The Art Space. This free, inclusive visual art offers use of the Art Space and materials to participants for free. It is designed to build confidence, combat loneliness and offer an easy gateway to our visual art workshops. Prior to the pandemic this has been a volunteer-led initiative. Following Covid 19 we recognised the need to develop this programme and fundraise to support the recruitment of a specialist tutor. The sessions launched once a week in September 2021 and were extended to twice per week in January 2022 to meet demand. From September to March 32 Art Space sessions took place, with 427 people, including 149 with additional needs, taking advantage of the offer.

REPORT OF THE TRUSTEES

Dementia Friendly Spring: a programme of dementia friendly experiences

In 2021 we relaunched our dementia friendly activities including monthly film screenings and our Creative Memory Café. In March 2022 we had a participant at Memory Café event write his name for the first time in 3 years in order to sign the drawing he'd created.

Within the year we have made some new connections with Havant's local Primary Care Networks. These relationships have helped us reach participants across all areas of our Priority Programmes. They have also supported the attendance of people to our live events programme.

In February 2022 we worked with the local Primary Care Network to offer opportunities via link workers. This included offering tickets to a group of men from a deprived area to attend a dance show about football. The feedback from the social prescriber was: *"They really enjoyed the play – they found it really funny! They all went to the pub afterwards! Which is great as all three are lonely men, who don't have a social life – so this was fantastic."*

In addition to our Priority Programmes, The Spring delivered a full cultural programme of live events, films, workshops and exhibitions.

We reopened on 17 May 2021 following the third Covid-19 national lockdown and resumed live events in June 2021. Programming was initially reduced but we returned to a greater number of events in September 2021. Some events, such as the monthly book group and film review discussion club, remained online until the autumn.

Within the year we presented 261 events and films. The closure at the start of the financial year meant we re-scheduled our annual theatre maintenance and were able to programme events throughout August. This, along with increased workshop programming and weekly free Music Bites (café gigs) saw a greater number of visitors in August. During the closure period, as well as managing our maintenance, we installed some new LED lighting, reducing energy consumption in the theatre.

REPORT OF THE TRUSTEES

Throughout the year we presented 335 workshop sessions, including a series of specialist visual art courses in August. We held 6 exhibitions, with 8454 visitors. Our exhibitions programme included The Hand That Makes The Glove, a new Creative Intervention commission by artist Helen Peters, which celebrated the heritage of the glove making industry in Havant. The programme also included two national touring exhibitions – The Best Art Vinyl competition of 2021 and Karl Blossfeldt: Art Forms in Nature, a touring exhibition from the Hayward Gallery.

2021 -22 has been another remarkable year and the effects of the Covid-19 pandemic continue to be felt, with audience confidence remaining low. The Spring has continued to support audiences with a covid-specific refund policy and guidance to ensure visitors feel safe. We have a number of initiatives in place, such as reduced film ticket prices, to encourage audiences back to The Spring. Thanks to funding received in the year from the Culture Recovery Fund and business grants, The Spring is not reliant on an immediate return to pre-Covid levels of attendance and has the time to work realistically to build audiences.

The Trustees and staff of The Spring would like to thank our audiences, community, funders, partners and volunteers for their understanding and support in this important year as we begin to reset after Covid-19. The pandemic had a significant effect both on our finances and now on how we re-build. The extension of Arts Council NPO funding, which appreciated, has complicated the financial picture and the surplus achieved this year is required to offset a significant deficit which will occur in 2022-23. The organisation is, however, resilient and viable and is looking forward the future.

Public Benefit

The trustees confirm that they have referred to the Charity Commission's guidance on public benefit when reviewing the charities aims and objectives and in planning future activities. The trustees refer to public benefit throughout this report.

FINANCIAL REVIEW

Financial Review

The Covid-19 pandemic has affected the finances of The Spring throughout 2021-22. Audience numbers have been low, which is reflected in the income figures for the year. Income from performance activities was £191,640 (2021: £41,525). This is a significant improvement but still a long way off pre-Covid levels. The Spring has received numerous Covid-19 grants totalling £137,100 that have really helped with this shortfall in income. The Spring also received £13,437 from the Job Retention Scheme to be able to keep paying employees during closure and reduced opening hours.

The Spring made an unrestricted surplus of £86,967 (2021: £222,969) as a result of not drawing on revenue grants in full for delivery. Some of this surplus has been allocated to designated funds to ensure the continuation of specific projects, in particular the Play Artist in Residence programme. General funds at 31 March 2022 were £79,187 (2021: £2,893). These funds will be used to offset budget deficits in 2022-23 before utilising the NPO Delivery Fund. All designations are made in line with the Reserves Policy detailed below.

REPORT OF THE TRUSTEES

Restricted funds that had been raised in previous years were spent in line with planned projects and additional funds remain for future projects, leading to a restricted deficit of £48,114 (2021: £39,477 surplus).

The Spring's Trading Subsidiary made a £4,554 gift to the charity this year (2021: Nil). The Trading Subsidiary was unable to apply for many Covid support grants due to it being based within the same premises as The Spring that had already applied for grants. The Spring provided a donation to the Trading Subsidiary this year to assist with funding during closure and reduced opening hours. The Trading Subsidiary's operations support those of The Spring. The reduced audience numbers will affect the profits of the Trading Subsidiary and future donations to The Spring.

Reserves Policy - updated April 2022

The Spring's trustees aim to maintain reserves to support the appropriate delivery of the charity's objectives and work and to minimise risk to the organisation.

At the end of the year The Spring had total funds to carry forward of £439,298 (2021: £400,445), consisting of £39,195 (2021: £87,309) of restricted funds and £400,103 (2021: £313,136) of unrestricted funds.

The Trustee Directors have reviewed the reserves policy and are aware that free reserves are currently insufficient. Free reserves are unrestricted reserves available for spending, that is unrestricted funds that have not been designated and are not tied up as fixed assets or investments. At 31 March 2022 The Spring had free reserves of £22,015 (2021: (£58,814)).

The Spring aims to increase its unrestricted reserves in accordance with Charity Commission guidelines.

The Spring's unrestricted reserves are divided into a series of designated funds to best support the organisation. These are:

1) Emergency Fund

These are retained for emergency use, and are retained to support the organisation in the event of a dramatic reduction in funding (for example, the ending of a relationship with a revenue funder) or in the event of significant maintenance or repair needs to the building. In extreme circumstances, this fund may be used to cover winding up costs of the charity. The trustees aim to build this reserve to £105,000, the equivalent of three months non-grant income.

2) NPO Delivery

This fund has been developed since The Spring joined Arts Council England's National Portfolio in 2018. At that time the trustees recognised that, due to reducing funding from local authorities, The Spring would be required to achieve and designate a surplus in the first years of the NPO agreement in order to offset deficits towards the end of the funding period. The NPO period was extended due to the Covid-19 pandemic and the Delivery Fund now stands at £196,860. This has been designated to offset the budget deficit expected in 2022-23. By the end of 2022-23 the NPO Delivery Fund is forecast to be at £94,000, at which point the trustees may choose to re-designate this fund.

REPORT OF THE TRUSTEES

3) Play Artist in Residence

The Play Artist in Residence programme has been made possible thanks to funding received in 2020-21. The funding was unrestricted but has been designated by the trustees in order to best manage the programme. Spending will continue from this fund in 2022-23 and we forecast the fund will have reduced to £13,000 by March 2023 without additional fundraising.

4) Patrons Fund

The Patron's Fund is designated funds to use on partially funding lower cost tickets for students and attracting artists for the contemporary theatre programme. It is created from the donations given by Patrons.

5) Infrastructure – Building Fund

The Spring Arts & Heritage Centre could not operate without certain key items of equipment of infrastructure. These reserves are designed to support the replacement of key items such as the lighting rig and sound equipment. These reserves may also be used in capital bids as match funds to secure funding for such items.

6) Artistic and Heritage Development

This fund is for new and developing cultural projects that are beyond the scope of our day to day activities programme. It may also be used as a contribution of match funds when project fundraising.

7) Classical Music Development Fund

The Classical Music Development Fund includes an amount donated by a supporter of The Spring. It is designated for use towards the classical music programme as a reflection of the interests of the donor and is allocated for spending against a family classical music event in October 2022.

8) Piano Fund

The Piano Fund was set up for the provision of a new baby grand piano. This was purchased in October 2018 and the fund balance represents the net book value of the piano.

9) The Art Space

The Art Space Fund was set up for the provision of a weekly drop in art session. The sessions are free and inclusive for people to take part in visual art activities who may not otherwise be able to. The sessions are supported by a session leader. The fund was set up with restricted donations and funds designated by the Trustee Directors. At the 31 March 2022 the restricted donations had been spent on the project, leaving just designated funds.

REPORT OF THE TRUSTEES

Structure, Governance and Management

The Spring Arts & Heritage Centre is a company limited by guarantee (incorporated in England and Wales on 12 January 1987). It is governed by a Memorandum of Association. It is registered with the Charity Commission (no. 297353).

Trustee Directors and Management Structure

The Board of Trustee Directors administers the Charitable Company. The Board has seven Trustee Directors elected by membership plus one nominated Trustee Director from Havant Borough Council. It can co-opt up to a further five Trustee Directors.

New Trustee Directors are given access to an induction pack including Charity Commission guidelines on the responsibilities of Trustee Directors, last year's audited accounts, three previous sets of Board Minutes, the last Management Accounts, the Business Plan and the Memorandum of Association. Trustee Directors are encouraged to attend external training events to assist them in their role.

The Trustees meet at least five times a year, and more when required. The Charitable Company's AGM is held in the autumn. The Board decides the overall policy for the organisation based on its objects. It delegates the day-to-day management to a Chief Executive who is not a member of the Board and is a paid employee of the Charitable Company. Trustees each have an area of responsibility within the organisation's activities and work with the Chief Executive to ensure that their area of expertise is delivering to the overall objectives and the business plan.

Sophie Fullerlove, the Director and Chief Executive and Company Secretary will leave the organisation in May 2022, after over 9 years in post. The trustees are working on the recruitment of a new leader for the organisation, with transition and recruitment plans in place. The trustees extend their greatest thanks to Sophie for her work at The Spring over the last 9 years.

Related Parties

Arts Council England, Hampshire County Council and Havant Borough Council provide essential core funding to the Charitable Company. All organisations are invited to provide officers to attend meetings as Observers to advise the company. Havant Borough Council provides one councillor as a trustee. The Charitable Company's wholly owned subsidiary, Havant Arts Active, operates the bar, catering and retail facilities at the Charitable Company's premises. The Spring holds 25,100 shares in Havant Arts Active.

REPORT OF THE TRUSTEES

Risk Management

The Trustee Directors review the organisation's risk management plan regularly, with the major risks reviewed at each trustee meeting. The risk management plan identifies the risks the charity is exposed to ensure that systems and processes are in place to mitigate them.

The main risks currently identified are:

- The loss of core funding, including Arts Council England National Portfolio funding
- The transition to a new Director and Chief Executive
- Security of tenure, as the building's lease is currently being negotiated with the Borough Council
- Loss of income as a result of low audience numbers as a result of the Covid-19 pandemic

Strategies are in place to mitigate and manage all these areas.

In May 2022 The Spring will submit an application to Arts Council England for the next National Portfolio Investment Round, starting in April 2023. The organisation is currently also in discussions regarding funding from Hampshire County Council. We are confident that The Spring supports the ambitions of our funders.

The transition to a new Director is being managed by the trustees. A comprehensive recruitment strategy is in place with plans for significant transitional management and induction for the successful candidate.

The trustees are managing the ongoing conversation with Havant Borough Council regarding the negotiation of the organisation's lease. The Spring is in receipt of professional advice to ensure the appropriate renewal.

Income levels continue to be impacted by the Covid-19 pandemic with the need to build audience confidence. Marketing and audience development plans are in place and being delivered to build audience levels to pre-Covid attendance.

Internal control risks are minimised by the implementation of procedures of authorisation of all financial transactions, including a new authorisation limits policy developed in 2021 and the division of responsibilities via a new financial staffing structure. All procedures are reviewed annually to ensure they continue to meet the needs of the organisation.

REPORT OF THE TRUSTEES

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
02088483 (England and Wales)

Registered Charity number
297353

Registered office
Havant Arts Centre
East Street
Havant
Hampshire
PO9 1BS

Trustees

The Directors of the Charitable Company are its trustees for the purpose of charity law and throughout this report are collectively known as Trustee Directors.

The Trustee Directors serving during the year and since the year end were as follows:

Mr P Jessop
Mr P Hammond
Mr S Murray (Resigned 23 September 2021)
Mrs V Bird
Mr N Curry
Councillor Mrs J Branson
Mr R Mc Millan
Mr S Garner Gibbons
Mrs M McMurray
Ms F Moody
Ms S Shephard
Mr T Spurgin

Havant Borough Council

Company Secretary: Mrs S Fullerlove (Resigned 24 May 2022)
Company Secretary: Mrs J Worrall (Appointed 24 May 2022)
Chief Executive: Mrs S Fullerlove (Resigned 27 May 2022)

REPORT OF THE TRUSTEES

Auditors

Morris Crocker Limited
Chartered Accountants
Statutory Auditors
Station House
North Street
Havant
Hampshire
PO9 1QU

Bankers

Barclays PLC
18 East Street
Havant
Hampshire
PO9 1AQ

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of The Spring Arts & Heritage Centre Co Ltd for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year 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 those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

REPORT OF THE TRUSTEES

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the Trustees are aware there is no relevant audit information (as defined by section 418 of the Companies Act 2006) of which the charitable companies' auditors are unaware and each Trustee has taken all the steps that he ought to have taken as a Trustee in order to make himself aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

The Auditors are approved annually at the AGM.

This report is prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small groups.

AUDITORS

The auditors, Morris Crocker Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 7 November 2022 and signed on its behalf by:


P Jessop
Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS

Opinion

We have audited the financial statements of The Spring Arts & Heritage Centre Co Ltd (the 'charitable company') for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

From discussion with management and those charged with governance information about the entity is documented to assess the activity within the organisation. We discuss managements assessment of risk in respect of irregularities, fraud and going concern.

Based on these discussions and our own assessments we determined that the key risk areas were income recognition, going concern and management override concerning the size of the organisation.

We set financial statement materiality level based on the level of income. As a not for profit organisation raising income is its primary focus which is why income was used to determine the level of materiality. Our overall assessment of risk was used to determine performance materiality at an appropriate level.

Substantive audit tests were designed after assessing and testing systems and controls. The systems and controls which have been designed to act as a preventative measure against fraud and error were operating as documented. Substantive testing tested a sample of the population, representative of the population, to identify errors. The testing did not identify any material misstatements in areas tested.

Audit substantive tests concluded no material errors over the key risk areas of income recognition and management override.

The audit considers the organisation is not exposed to material risk of error as a result of assessing laws and regulations that are appropriate to the organisation.

Management assessed there is no going concern risk. The audit undertook a review of budgets, management accounts and the review of board minutes and came to the same conclusion as management.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Paul Underwood (Senior Statutory Auditor)

for and on behalf of Morris Crocker Limited

Chartered Accountants

Statutory Auditors

Station House

North Street

Havant

Hampshire

PO9 1QU

Date: 18 November 2022

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Unrestricted funds £	Restricted Funds £	2022 Total Funds £	2021 Total Funds £
INCOME AND ENDOWMENTS FROM					
Donations, legacies and grants	2	369,934	33,646	403,580	552,120
Charitable activities					
Performance activities	4	191,640	-	191,640	41,525
Other trading activities	3	6,021	-	6,021	5,540
Other income		8,060	-	8,060	576
Total		575,655	33,646	609,301	599,761
EXPENDITURE ON					
Raising funds	5	(9,842)	(392)	(10,234)	(5,587)
Charitable activities					
Performance activities	6	(498,846)	(61,368)	(560,214)	(331,728)
Total		(508,688)	(61,760)	(570,448)	(337,315)
NET (EXPENDITURE)/INCOME		66,967	(28,114)	38,853	262,446
Transfers between funds	18	20,000	(20,000)	-	-
NET MOVEMENT IN FUNDS		86,967	(48,114)	38,853	262,446
RECONCILIATION OF FUNDS					
Total funds brought forward		313,136	87,309	400,445	137,999
TOTAL FUNDS CARRIED FORWARD		400,103	39,195	439,298	400,445

CONTINUING OPERATIONS

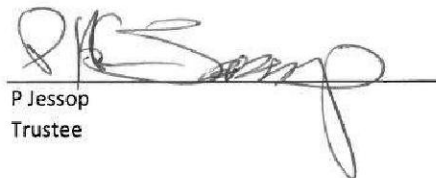
All income and expenditure has arisen from continuing activities.

BALANCE SHEET AT 31 MARCH 2022

		31 MARCH 2022 £	31 MARCH 2021 £
	Notes		
FIXED ASSETS			
Tangible Assets	13	70,456	60,096
Investments	14	<u>25,100</u>	<u>25,100</u>
		95,556	85,196
CURRENT ASSETS			
Debtors	15	26,428	54,613
Cash at Bank		<u>386,199</u>	<u>321,141</u>
		412,627	375,754
CREDITORS			
Amounts falling due within one year	16	(68,885)	(60,505)
NET CURRENT ASSETS		<u>343,742</u>	<u>315,249</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>439,298</u>	<u>400,445</u>
NET ASSETS		<u><u>439,298</u></u>	<u><u>400,445</u></u>
FUNDS			
Unrestricted funds:			
Undesignated		79,187	2,893
Designated		320,916	310,243
Restricted funds		<u>39,195</u>	<u>87,309</u>
SHAREHOLDERS' FUNDS		<u><u>439,298</u></u>	<u><u>400,445</u></u>

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved by the Board of Trustees on 7 November 2022 and were signed on its behalf by:


 P Jessop
 Trustee

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2022

		31 MARCH 2022 £	31 MARCH 2021 £
	Notes		
Cash flows from operating activities:			
Cash generated from operations	1	<u>109,400</u>	<u>247,967</u>
Net cash provided by (used in) operating activities		<u>109,400</u>	<u>247,967</u>
Cash flows from investing activities			
Proceeds from the sale of plant and equipment		355	-
Purchase of tangible fixed assets	13	(44,708)	(21,570)
Purchase of investments	14	-	(25,000)
Interest received		<u>11</u>	<u>8</u>
Net cash provided by (used in) investing activities		<u>(44,342)</u>	<u>(46,562)</u>
Change in cash and cash equivalents in the reporting period		65,058	201,405
Cash and cash equivalents at the beginning of the reporting period		<u>321,141</u>	<u>119,736</u>
Cash and cash equivalents at the end of the reporting period		<u>386,199</u>	<u>321,141</u>

NOTES TO THE CASH FLOW STATEMENT

	2022	2021
Net income (expenditure) for the reporting period (as per the statement of financial activities)	38,853	262,446
Adjustments for:		
Depreciation charges	33,996	25,168
Interest received	(11)	(8)
Loss/(profit) on disposal of fixed assets	(3)	271
(Increase)/decrease in stocks	-	-
(Increase)/Decrease in debtors	28,185	(21,847)
Increase/(Decrease) in creditors	8,380	(18,063)
Net cash provided by (used in) operating activities	<u>109,400</u>	<u>247,967</u>

NOTES TO THE FINANCIAL STATEMENTS**1 ACCOUNTING POLICIES****Basis of preparing the financial statement**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', EFA, the and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value.

Going Concern

The Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern. The Trustees recognise the affects of the coronavirus pandemic will create financial challenges into the future but the company is in a strong position to manage these and to ensure an effective return to services.

Preparation of consolidated financial statements

The financial statements contain information about The Spring Arts & Heritage Centre Co Ltd as an individual charity and do not contain consolidated financial information as the parent of a group. The charity has taken the option under Section 398 of the Companies Act 2006 not to prepare consolidated financial statements.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources.

Depreciation

Tangible fixed assets are depreciated on a straight line basis over the estimated useful life as follows:

-Fixtures, fittings and equipment 25% per annum.

Individual fixed assets costing £500 or more are capitalised at cost.

Stocks

Stocks are valued at the lower of cost and net realisable value.

NOTES TO THE FINANCIAL STATEMENTS

Fund structure

The Trust has a number of restricted income funds to account for situations where a donor requires that a donation must be spent on a particular purpose or where funds have been raised for a specific purpose.

Unrestricted funds comprise those funds which the Trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the Trustees, at their discretion, have created a fund for a specific purpose.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Financial Instruments

The charity only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable investments in stocks and shares. The measurement basis used for these financial instruments is detailed below.

Debtors and cash at bank

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 in hand includes cash held on deposit or in a current account.

Creditors and provisions

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.

NOTES TO THE FINANCIAL STATEMENTS

2 DONATION, LEGACIES AND GRANTS

	2022	2021
Donations	11,121	18,964
Grants	392,459	533,156
	<u>403,580</u>	<u>552,120</u>

Grants received, included in the above, are as follows:

	2022	2021
Hampshire County Council Core Funding	75,000	86,000
Havant Borough Council Core Funding	28,950	28,950
Arts Council England - Here and Now	-	5,000
NPO Core Funding	122,208	122,208
Hampshire County Council - Project Funding	3,500	3,200
Havant Borough Council - Project Funding	10,264	32,914
Garfield Weston - Experiential Curation	-	20,000
NPO Emergency Funding	-	42,900
Culture Recovery Fund	93,300	94,000
Havant Borough Council - Covid 19 Funding	43,800	28,928
Hampshire County Council - Covid 19 Funding	-	2,000
Coronavirus Job Retention Scheme	13,437	66,681
Pfizer (Forget-me-not Cinema)	-	375
Here & Now Project	2,000	-
	<u>392,459</u>	<u>533,156</u>

3 OTHER TRADING ACTIVITIES

	2022	2021
Fundraising events	708	483
Membership fees	5,313	5,057
	<u>6,021</u>	<u>5,540</u>

4 INCOME FROM CHARITABLE ACTIVITIES

	2022	2021
Lettings income	52,642	32,495
Professional programme (including Visual Arts)	89,928	6,145
Participation programme	26,952	2,534
Box office service	22,118	351
	<u>191,640</u>	<u>41,525</u>

NOTES TO THE FINANCIAL STATEMENTS

5 RAISING FUNDS

Raising donations and legacies

	2022	2021
Staff costs	5,050	4,546
Fundraising costs	5,184	1,042
	<u>10,234</u>	<u>5,588</u>

6 CHARITABLE ACTIVITIES COSTS

	2022	2021
Performance activities		
Direct costs	374,855	184,988
Support costs (see note 7)	185,359	146,738
	<u>560,214</u>	<u>331,726</u>

7 SUPPORT COSTS

	2022	2021
Performance activities		
Management	175,745	139,282
Governance costs	9,614	7,457
	<u>185,359</u>	<u>146,739</u>

Support costs, included in the above, are as follows:

	2022	2021
Management		
Wages	44,719	27,852
Social security	8,624	5,097
Pensions	2,748	2,933
Insurance and licenses	5,252	6,868
Utilities and maintenance	42,410	39,210
Administration, postage and IT costs	44,774	43,096
Sundry	3,435	898
Technical	11,827	5,037
Depreciation of tangible and heritage assets	11,956	8,291
	<u>175,745</u>	<u>139,282</u>
	2022	2021
Governance costs		
Wages	6,734	6,061
Auditors' remuneration	2,880	1,396
	<u>9,614</u>	<u>7,457</u>

NOTES TO THE FINANCIAL STATEMENTS

8 NET INCOME (EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting)

	2022	2021
Auditors' remuneration - current year fee	2,880	2,500
Auditors' remuneration - prior year fee	-	(1,224)
Auditors' remuneration - other services	-	120
Depreciation - owned assets	33,996	25,168
Surplus on disposal of fixed assets	<u>(3)</u>	<u>271</u>

9 TRUSTEES' REMUNERATION AND BENEFITS

During the year one trustee (2021: no trustees) received remuneration or other benefits totalling £200 (2021: Nil) for consultancy work

Trustees' expenses

No expenses were paid to any trustee director during the year (2021: Nil)

10 STAFF COSTS

	2022	2021
Wages and salaries	187,287	169,382
Social security costs	8,624	5,097
Other pension costs	2,748	2,933
	<u>198,659</u>	<u>177,412</u>

The average monthly number of employees during the year was as follows:

	2022	2021
Arts Centre staff	<u>15</u>	<u>15</u>

No employee received emoluments in excess of £60,000 (2021: none)

Included within wages and salaries are redundancy costs of £4,500 (2021: Nil).

During the year £9,390 (2021: £14,840) was paid by The Spring to self employed tutors and finance consultants.

The key management personnel of the charity comprise the trustees, the chief executive and the senior management team. The total employment benefits of the key management personnel were £102,211 (2021: £85,840).

NOTES TO THE FINANCIAL STATEMENTS

11 COMPARITIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds	Restricted funds	Total funds
INCOME AND ENDOWMENTS FROM			
Donations and legacies	424,325	127,795	552,120
Charitable activities			
Performance activities	41,525	-	41,525
Other trading activities	5,540	-	5,540
Other income	576	-	576
Total	471,966	127,795	599,761
EXPENDITURE ON			
Raising funds	(3,950)	(1,637)	(5,587)
Charitable activities			
Performance activities	(247,045)	(84,683)	(331,728)
Total	(250,995)	(86,320)	(337,315)
NET INCOME/(EXPENDITURE)	220,971	41,475	262,446
Transfer between funds	1,998	(1,998)	-
Net movement in funds	222,969	39,477	262,446
RECONCILIATION OF FUNDS			
Total funds brought forward	90,167	47,832	137,999
TOTAL FUNDS CARRIED FORWARD	313,136	87,309	400,445

12 TAXATION

The company is a registered charity and no provision is considered necessary for taxation. No liability to UK corporation tax arose on the trading subsidiary's ordinary activities for the year ended 31 March 2022 (2021: Nil).

NOTES TO THE FINANCIAL STATEMENTS

13 TANGIBLE FIXED ASSETS

	Fixtures & Fittings
COST	
At 1 April 2021	122,057
Additions	44,708
Disposals	<u>(1,029)</u>
At 31 March 2022	<u><u>165,736</u></u>
DEPRECIATION	
At 1 April 2021	(61,961)
Charge for the year	(33,996)
Eliminated on disposal	<u>677</u>
At 31 March 2022	<u><u>(95,280)</u></u>
NET BOOK VALUE	
At 1 April 2021	<u>60,096</u>
At 31 March 2022	<u><u>70,456</u></u>

14 FIXED ASSET INVESTMENTS

MARKET VALUE	
At 1 April 2021	<u>25,100</u>
At 31 March 2022	<u><u>25,100</u></u>
NET BOOK VALUE	
At 1 April 2021	<u>25,100</u>
At 31 March 2022	<u><u>25,100</u></u>

There were no investment assets outside the UK.

The company's investments at the balance sheet date in the share capital of companies include the following:

Havant Arts Active Limited
Nature of business: Bar and café

Class of share:	%
Ordinary shares issued at £1	holding 100

	2022	2021
Aggregate capital and reserves	34,119	28,277
(Loss)/profit for the year	<u>10,396</u>	<u>(1,029)</u>

All of the group's investment income arised from UK bank account interest.

NOTES TO THE FINANCIAL STATEMENTS

15 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
Trade debtors	2,428	1,974
Amounts due from subsidiary undertaking	4,012	-
Prepayments and accrued income	19,987	52,639
	<u>26,428</u>	<u>54,613</u>

16 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
Trade creditors	(7,747)	(4,632)
Social security and other taxes	-	(2,951)
Other creditors and accruals	(27,877)	(22,677)
Deferred income	(33,261)	(30,245)
	<u>(68,885)</u>	<u>(60,505)</u>

Deferred income comprises monies received in advance for events and workshops held after the year end.

	2022	2021
Brought forward	(30,245)	(33,608)
Amount released to incoming resources	30,245	33,608
Amount deferred in year	(33,261)	(30,245)
Carried forward	<u>(33,261)</u>	<u>(30,245)</u>

17 ANALYSIS OF NET ASSETS BETWEEN FUNDS

			2022	2021
	Unrestricted funds	Restricted funds	Total funds	Total funds
Fixed assets	39,969	30,486	70,456	60,096
Investments	25,100	-	25,100	25,100
Current assets	403,918	8,709	412,627	375,754
Current liabilities	(68,885)	-	(68,885)	(60,505)
	<u>400,102</u>	<u>39,195</u>	<u>439,298</u>	<u>400,445</u>

NOTES TO THE FINANCIAL STATEMENTS

18 MOVEMENT IN FUNDS

	At 1 April 2021	Net movement in funds	Transfers between funds	At 31 March 2022
Unrestricted funds				
General Fund	2,893	96,294	(20,000)	79,187
Emergency Fund	36,788	-	-	36,788
Infrastructure - Building	5,815	(761)	16,000	21,054
Piano Fund	3,993	(2,663)	-	1,330
Classical Music Development	405	-	-	405
Patrons' Fund	3,055	440	-	3,495
Shutdown Donation Fund	18,965	-	(18,965)	-
Heritage Development	2,562	-	-	2,562
NPO Delivery	196,860	-	-	196,860
Play Artist in Residence	41,800	(26,058)	40,000	55,742
The Art Space	-	(285)	2,965	2,680
	<u>313,136</u>	<u>66,967</u>	<u>20,000</u>	<u>400,103</u>
Restricted funds				
Project Funding	6,200	(6,200)	-	-
D'Oyly Carte	3,000	(3,000)	-	-
Get Up and Go	1,387	(1,387)	-	-
Family Festival	2,000	-	-	2,000
Dementia Friendly Activities	1,500	1,709	-	3,209
Capital Works	19,172	(11,758)	-	7,414
Here & Now Project	2,000	(2,000)	-	-
Experiential Curation	20,000	-	(20,000)	-
Havant Football Club	-	-	-	-
Coronavirus Job Retention Scheme	-	-	-	-
CIL Energy Efficient Improvement Works	32,050	(8,978)	-	23,072
Jubilee 2022	-	3,500	-	3,500
The Art Space	-	-	-	-
	<u>87,309</u>	<u>(28,114)</u>	<u>(20,000)</u>	<u>39,195</u>
TOTAL FUNDS	<u>400,445</u>	<u>38,853</u>	<u>-</u>	<u>439,298</u>

NOTES TO THE FINANCIAL STATEMENTS

18 MOVEMENT IN FUNDS

Net movement in funds, included in the above, are as follows:

	Incoming resources	Resources expended	Movement in funds
Unrestricted funds			
General Fund	574,105	(477,811)	96,294
Emergency Fund	-	-	-
Infrastructure - Building	-	(761)	(761)
Piano Fund	-	(2,663)	(2,663)
Classical Music Development	-	-	-
Patrons' Fund	1,550	(1,110)	440
Shutdown Donation Fund	-	-	-
Heritage Development	-	-	-
NPO Delivery	-	-	-
Play Artist in Residence	-	(26,058)	(26,058)
The Art Space	-	(285)	(285)
	<u>575,655</u>	<u>(508,688)</u>	<u>66,967</u>
Restricted funds			
Project Funding	8,000	(14,200)	(6,200)
D'Oyly Carte	-	(3,000)	(3,000)
Get Up and Go	2,264	(3,651)	(1,387)
Family Festival	-	-	-
Dementia Friendly Activities	2,815	(1,106)	1,709
Capital Works	-	(11,758)	(11,758)
Here & Now Project	2,000	(4,000)	(2,000)
Experiential Curation	-	-	-
Havant Football Club	-	-	-
Coronavirus Job Retention Scheme	13,437	(13,437)	-
CIL Energy Efficient Improvement Works	-	(8,978)	(8,978)
Jubilee 2022	3,500	-	3,500
The Art Space	1,630	(1,630)	-
	<u>33,646</u>	<u>(61,760)</u>	<u>(28,114)</u>
TOTAL FUNDS	<u>609,301</u>	<u>(570,448)</u>	<u>38,853</u>

NOTES TO THE FINANCIAL STATEMENTS

18 MOVEMENT IN FUNDS

Comparatives for movement in funds

	At 1 April 2020	Net movement in funds	Transfers between funds	At 31 March 2021
Unrestricted funds				
General Fund	3,946	209,749	(210,802)	2,893
Emergency Fund	36,788	-	-	36,788
Infrastructure - Building	6,246	(431)	-	5,815
Piano Fund	6,656	(2,663)	-	3,993
Classical Music Development	405	-	-	405
Patrons' Fund	680	2,375	-	3,055
Shutdown Donation Fund	3,224	15,741	-	18,965
Heritage Development	2,862	(300)	-	2,562
NPO Delivery	29,360	-	167,500	196,860
Play Artist in Residence	-	(3,500)	45,300	41,800
	<u>90,167</u>	<u>220,971</u>	<u>1,998</u>	<u>313,136</u>
Restricted funds				
Project Funding	5,000	1,200	-	6,200
D'Oyly Carte	3,000	-	-	3,000
Dischma Charitable Trust	2,000	-	(2,000)	-
Get Up and Go	978	409	-	1,387
Family Festival	-	2,000	-	2,000
Dementia Friendly Activities	1,500	-	-	1,500
HBC - Youth Conference	(1)	-	1	-
Capital Works	30,930	(11,758)	-	19,172
Here & Now Project	2,400	(400)	-	2,000
Scalextric	2,143	(2,026)	(117)	-
Experiential Curation	(117)	20,000	117	20,000
Havant Football Club	(1)	-	1	-
Coronavirus Job Retention Scheme	-	-	-	-
CIL Energy Efficient Improvement Works	-	32,050	-	32,050
	<u>47,832</u>	<u>41,475</u>	<u>(1,998)</u>	<u>87,309</u>
TOTAL FUNDS	<u>137,999</u>	<u>262,446</u>	<u>-</u>	<u>400,445</u>

NOTES TO THE FINANCIAL STATEMENTS

18 MOVEMENT IN FUNDS

Comparative net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Movement in funds
Unrestricted funds			
General Fund	453,850	(244,101)	209,749
Emergency Fund	-	-	-
Infrastructure - Building	-	(431)	(431)
Piano Fund	-	(2,663)	(2,663)
Classical Music Development	-	-	-
Patrons' Fund	2,375	-	2,375
Shutdown Donation Fund	15,741	-	15,741
Heritage Development	-	(300)	(300)
NPO Delivery	-	-	-
Play Artist in Residence	-	(3,500)	(3,500)
	<u>471,966</u>	<u>(250,995)</u>	<u>220,971</u>
Restricted funds			
Project Funding	1,200	-	1,200
D'Oyly Carte	-	-	-
Dischma Charitable Trust	-	-	-
Get Up and Go	864	(455)	409
Family Festival	2,000	-	2,000
Dementia Friendly Activities	-	-	-
HBC - Youth Conference	-	-	-
Capital Works	-	(11,758)	(11,758)
Here & Now Project	5,000	(5,400)	(400)
Scalextric	-	(2,026)	(2,026)
Experiential Curation	20,000	-	20,000
Havant Football Club	-	-	-
Coronavirus Job Retention Scheme	66,681	(66,681)	-
CIL Energy Efficient Improvement Works	32,050	-	32,050
	<u>127,795</u>	<u>(86,320)</u>	<u>41,475</u>
TOTAL FUNDS	<u>599,761</u>	<u>(337,315)</u>	<u>262,446</u>

NOTES TO THE FINANCIAL STATEMENTS

18 MOVEMENT IN FUNDS

Designated

Emergency Fund	Emergency funds to cover running and closure costs in the event of funding withdrawal.
Infrastructure - Building	Funds towards replacement of vital equipment for the building.
Piano Fund	For the provision of a new baby grand piano.
Classical Music Development	For the improvement and delivery of classical music activities.
Patrons' Fund	To support and develop the contemporary theatre programme and subsidise tickets for young people.
Shutdown Donations	For the delivery of the Summer programme in 2020 and 2021.
Heritage Development	For the improvement and delivery of heritage activities.
Individual Giving	For the delivery of programmes in 2021/22 on reopening after Covid closure.
NPO Delivery	For the delivery of NPO objectives in 2021/2022 to 2022/2023.
Play Artist in Residence	Funds for a Play Artist in Residence programme from 2021-2023.
The Art Space	Provision of a free and inclusive weekly drop in session for people to take part in visual art activities who may not otherwise be able to.

Restricted

Project Funding	Funding in support of the business plan objectives.
D'Oyly Carte	In support of the Beyond the Walls programme.
Dischma Charitable Trust	In support of the Beyond the Walls programme.
Get Up and Go	In support of the Get Up and Go initiative.
Family Festival	In support of a Family Festival in 2021/22.
Dementia Friendly Activities	Previously known as the Memory Café and Forget Me Not Films this is funding to support dementia friendly activities.
HBC - Youth Conference	In support of the Youth Conference in 2018/19.
Capital Works	Installation of air conditioning and acoustic separation in the theatre and upgraded video screening capabilities. The balance of this fund represents the net book value of the assets purchased.
Here & Now Project	Previously known as the Cycle Project this was funding for a cycle project in Summer 2020. This was not able to take place due to Covid restrictions. The project was changed to the Signs of Solidarity project recognising lockdown heroes in the Havant Borough.
Scalextric	To celebrate history of Scalextric in Havant Borough.
Experiential Curation	To continue our Beyond the Walls and Theatre Plus work and to fund creative interventions projects.
Havant Football Club	To celebrate history of Havant Football Club.
Coronavirus Job Retention Scheme	Monies received from HMRC in relation to the Coronavirus Job Retention Scheme to reimburse staff costs during the Covid 19 pandemic.
CIL Energy Efficient Improvement Works	To fund energy efficient lighting in the theatre.
Jubilee 2022	To fund Jubilee celebrations and activities in June 2022.
The Art Space	Provision of a free and inclusive weekly drop in session for people to take part in visual art activities who may not otherwise be able to.

NOTES TO THE FINANCIAL STATEMENTS

19 RELATED PARTY DISCLOSURES

During the year Havant Arts Active Limited invoiced The Spring Arts and Heritage Centre Company Limited £11,588 (2021: £4,856) for refreshments, hospitality and cleaning materials.

During the year a donation of £4,554 (2021: *Nil*) was made to The Spring Arts and Heritage Centre Company Limited from Havant Arts Active Limited.

During the year The Spring Arts and Heritage Centre Company Limited recharged expenses amounting £5,706 (2021: £867)

At the year end, there was a balance of £4,012 (2021: £15) owed by Havant Arts Active Limited.

During the year *Nil* (2021: £776) was paid to the trustee S Murray for project management services and associated expenses.

During the year £200 (2021: *Nil*) was paid to the trustee S Shephard for consultancy services.

During the year Filskit Theatre Limited, a company with a trustee in common, invoiced The Spring Arts and Heritage Centre Company *Nil* (2021: £450) for concert costs.

Two family members of a trustee V Bird were employed by the charity during the year with a remuneration of £51,207 (2021: £47,360).

20 LEGAL STATUS OF THE CHARITY

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

THE SPRING ARTS AND HERITAGE CENTRE

England & Wales - Charity number 297353

Accounts

REGISTERED COMPANY NO 02088483
REGISTERED CHARITY NO 297353

THE SPRING ARTS & HERITAGE CENTRE CO LTD

REPORT OF THE TRUSTEES AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

THE SPRING ARTS & HERITAGE CENTRE CO LTD

CONTENTS OF THE FINANCIAL STATEMENTS

	Page
Report of the Trustees	3
Report of the Independent Auditors	13
Statement of Financial Activities	17
Balance Sheet	18
Cash Flow Statement	19
Notes to the Cash Flow Statement	20
Notes to the Financial Statements	21

REPORT OF THE TRUSTEES

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2020. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

OBJECTIVES AND ACTIVITIES**Objectives, Activities, Achievements and Public Benefit Policy**

The Spring Arts & Heritage Centre Company Limited's objects are for the benefit of the public in the advancement of knowledge and understanding of arts, heritage and culture amongst the inhabitants of Great Britain and in particular among the inhabitants of the Borough of Havant and the surrounding locality. The beneficiaries of the Charitable Company's work are the general public and the majority of activities are not restricted to sections of the public.

The Spring is a small place where big things happen. Our vibrant and exciting cultural events and activities make Havant, Hampshire and the surrounding region a better place to live.

The organisation has three core beliefs which, along with the mission statement above, underpin all areas of the charity's work. These core beliefs are:

- We believe that participating in live arts and connecting with local heritage can improve everyone's quality of life
- We are here to serve the whole community and want it to be easy for everyone to access our services and to try the experiences we offer
- We always try to exceed expectations of us as a small arts and heritage centre. This is demonstrated through everything we do, from relationships with our audiences to the quality and integrity of our programme and exhibits.

The Spring delivers its mission and charitable objectives through the delivery of a Business Plan that covers a five year period and is refreshed annually. The plan has been developed by the trustees and Chief Executive with careful consideration to the Charity Commission's general guidance on public benefit and in particular to the supplementary guidance on fee charging. The Spring works hard to ensure an appropriate balance between offering activities that are free or accessibly priced and maintaining the income required to successfully deliver the charitable objectives.

REPORT OF THE TRUSTEES**2020/21 Review of the Year**

The Covid-19 pandemic and resulting closure of cultural buildings had a significant effect on The Spring. Although the organisation continued to deliver work throughout the year, the building in which most of the charitable work takes place was only able to open for 10 weeks, due to national lockdowns and local restrictions.

1) We develop and deliver a wide range of high quality, relevant and inspiring cultural experiences that ensure that the arts and heritage are thriving and celebrated in Havant and the surrounding region.

The Spring is dedicated to providing high quality innovative cultural experiences to the Havant community and to engaging a broad range of audiences. As our usual activities could no longer take place in the building in the same way, we adapted our programme and moved a significant number of events online. Throughout 2020-21 we hosted a total of 92 sessions online, engaging over 3,500 people. The online programme included streamed performances, live discussion groups (including our monthly book group and new fortnightly film review sessions) and family workshops.

In addition to taking the traditional programme online The Spring developed new projects and adapted planned work to suit and reflect the pandemic situation. Throughout the year The Spring worked with Gobbledegook Theatre on Signs of Solidarity, a project which rewarded nominated lockdown heroes with handmade placards and medals. It was a true celebration of local community. The project culminates with an exhibition in 2021. Similarly, the Christmas Calls project in December 2020 saw local people nominate family and friends to receive a bespoke poem over the phone, written and performed by Arji Mannelpillai. The project connected people who were separated as a result of the pandemic. We also developed a series of heritage walks around Havant Borough, which were able to be downloaded from our website.

2) We ensure our programmes are accessible and inclusive so everyone in Havant has the opportunity to enjoy great cultural experiences.

When we were able to open in the autumn of 2020 we delivered nearly 30 live events and film screenings and 35 workshop sessions. All in-person events were delivered within the Covid secure regulations. The onset of Covid meant The Spring was forced to cancel a number of planned exhibitions and projects. The number of exhibitions delivered was reduced to three, which were visited by just over 16,000 audiences.

With Covid restrictions in place The Spring re-imagined its winter programme. The planned theatre commission was cancelled and replaced with a new model for community engagement. The Enchanted Snow Globe was a new free-entry installation, which was designed to be enjoyed by a large number of people safely. 1,186 audience members attended the experience, with 36% visiting for the first time. The event was such a success in terms of audience development and community engagement the organisation is hoping to develop the programme in future years.

Throughout the year, The Spring prioritised supporting artists, many of whom were unable to access the same level of support as our organisation. We paid cancellation fees of over £9,000 in support of artists, paid guaranteed fees for work to stream online and commissioned 7 artists in the year. These included Molly Hawkins, a theatre designer and mural painter to create Havant In Colour, a new mural in the Sadler Gallery ready for reopening and Anna Bruder, of A Line Art who we commissioned to create an Interactive Family Trail for our museum.

REPORT OF THE TRUSTEES**3) We work sustainably within a viable business model, building organisational resilience and delivering what we commit to deliver.**

The Spring has prioritised clear, transparent and ongoing communication with its audiences, communities and partners throughout the year. Weekly newsletters have kept our audience members up to date with our plans and the cultural events we have provided. We have kept in touch with partners via regular communication and have worked with them to adapt our ongoing relationships by reducing rent and fees so cultural organisations in the wider community could survive.

The year has been very challenging for The Spring. We gratefully received emergency and Covid-support funding from Arts Council England, the Culture Recovery Fund and Havant Borough Council in support of the organisation whilst we were closed. The continued support of Arts Council England, Hampshire County Council and Havant Borough Council has meant The Spring has been viable throughout year. Although we continued to receive funding in this way the closure saw The Spring lose over 52% of its income. Throughout the year The Spring has made efficiency savings. These have included cancelling the recruitment of two members of staff which was in progress in April 2020. These roles, and one other which came later in the year, were no longer viable in the financial climate and so the overall staffing of the organisation has reduced. During the first lockdown, before the Job Retention Scheme enabled employees to be part-time furloughed, all salaried staff accepted a 20% cut reduction in wages to support the organisation. All zero hours staff were furloughed. Later in the year the majority of staff have been fully and part time furloughed at times to support the ongoing viability of The Spring.

The Spring is a community organisation that could not exist without its 106 volunteers. Throughout the pandemic, we have been in weekly contact with our volunteers. In turn we are hugely grateful for their support, kind words and donations. Similarly The Spring's audiences have shown their affection for our work via donations worth over £19,000 and hundreds of supporting messages.

The Trustees and staff of The Spring would like to thank our audiences, community, funders, partners and volunteers for their understanding and support in an extraordinary year.

As The Spring emerges from the pandemic in a viable financial position we look forward to returning to deliver high quality, accessible, relevant cultural experiences to our community and to focusing on a successful recovery from Covid-19.

REPORT OF THE TRUSTEES**Public benefit**

The trustees confirm that they have referred to the Charity Commission's guidance on public benefit when reviewing the charities aims and objectives and in planning future activities. The trustees refer to public benefit throughout this report.

FINANCIAL REVIEW**Financial Review**

The Covid-19 pandemic and resulting closure of cultural buildings had a significant impact on the finances of The Spring. Income from performance activities in 2021 was £41,525 (2020: £336,732), a reduction of 87%. The Spring was fortunate to receive Covid-19 related grants totalling £165,828 and £66,861 from the Job Retention Scheme to be able to keep paying employees during closure and reduced opening operations.

The Spring made an unrestricted surplus of £222,969 (2020: £23,861 deficit) as a result of not drawing on revenue grants for delivery. This surplus has been allocated to designated funds, in particular the NPO Delivery fund, to cover future deficits that will arise as funding from local authorities reduces. The Spring needs to designate enough funds for the first funding period with the NPO that ends on 31 March 2023. General funds at 31 March 2021 were £3,032 (2020: £3,946). All designation are made in line with the Reserves Policy detailed below.

Restricted funds that had been raised in previous years were spent in line with planned projects and additional funds remain for future projects, leading to a restricted surplus of £39,477 (2020: £5,040 surplus).

The Spring's Trading Subsidiary was not able to make a gift to the charity this year (2020: £3,624) due to making a loss in 2020-21. The Spring made an additional investment in the trading subsidiary this year to assist with cashflow. The Trading Subsidiary's operations support those of The Spring and is expected to only be loss making in the short term due to Covid-19 restrictions.

Reserves Policy

The Spring's trustees aim to maintain reserves to support the appropriate delivery of the charity's objectives and work and to minimise risk to the organisation.

At the end of the year The Spring had total funds to carry forward of £400,445 (2020: £137,999), consisting of £87,309 (2020: £47,832) of restricted funds and £313,136 (2020: £90,167) of unrestricted funds.

The Trustee Directors have reviewed the reserves policy and are aware that free reserves are currently insufficient. Free reserves are unrestricted reserves available for spending, that is unrestricted funds that have not been designated and are not tied up as fixed assets of investments. At 31 March 2021 The Spring had free reserves (£58,814) (2020: (£19,635)). This implies that The Spring does not have enough funds available to meet its day to day requirements without using designated funds. The trustees aim to recover from this negative position over the next three years by implementing a fund raising plan, subject to the lifting of Covid-19 restrictions.

The review has considered the income and expenditure streams, in conjunction with the overall risk management strategy, and have concluded that it is crucial that unrestricted reserves are increased in accordance with Charity Commission guidelines.

REPORT OF THE TRUSTEES

The Spring's unrestricted reserves are divided into a series of designated funds to best support the organisation. These are:

1) Emergency Funds

These are retained for emergency use, and are retained to support the organisation in the event of a dramatic reduction in funding (for example, the ending of a relationship with a revenue funder) or in the event of significant maintenance or repair needs to the building. In extreme circumstances, this fund may be used to cover winding up costs of the charity. The trustees aim to build this reserve to £80,000, the equivalent of 3 months turnover.

2) Infrastructure Fund

The Spring Arts & Heritage Centre could not operate without certain key items of equipment of infrastructure. These reserves are designed to support the replacement of key items such as the lighting rig and sound equipment. These reserves may also be used in capital bids as match funds to secure funding for such items.

3) NPO Delivery

This fund has been developed since The Spring joined Arts Council England's National Portfolio in 2018. At that time the trustees recognised that, due to reducing funding from local authorities, The Spring would be required to achieve and designate a surplus in the first years of the NPO agreement in order to offset deficits towards the end of the funding period. This has been exacerbated by the Covid pandemic, which has seen the NPO period extend to March 2023.

The NPO Delivery fund is designated to offset the budget deficits in 2021-22 and 2022-23. By the end of 2023, without additional fundraising success, there is unlikely to be a significant amount remaining in this fund. Any that remains will be transferred to the emergency reserves.

4) Play Artist in Residence

The Play Artist in Residence programme has been made possible thanks to funding received in 2020-21. The funding was unrestricted but has been designated by the trustees in order to best manage the programme.

5) Artistic and Heritage Development

This fund is for new and developing cultural projects that are beyond the scope of our day to day activities programme. It may also be used as a contribution of match funds when project fundraising.

6) Shutdown Donations

This fund includes the donations made by audiences and supporters during The Spring's closure due to Covid-19. All funds will be used in 2021-22.

7) Patron's Fund

The Patron's Fund is designated funds to use on partially funding lower cost tickets for students and attracting artists for the contemporary theatre programme. It is created from the donations given by Patrons.

8) Classical Music Development Fund

The Classical Music Development Fund includes an amount donated by a supporter of The Spring. It is designated for use towards the classical music programme as a reflection of the interests of the donor.

9) Piano Fund

The Piano Fund was set up for the provision of a new baby grand piano. This was purchased in October 2018 and the fund balance represents the net book value of the piano.

REPORT OF THE TRUSTEES

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Spring Arts & Heritage Centre Company Limited is a company limited by guarantee (incorporated in England and Wales on 12 January 1987) governed by its Memorandum of Association. It is registered as a charity with the Charity Commission (no. 297353).

Trustee Directors and Management Structure

The Board of Trustee Directors administers the Charitable Company. The Board has seven Trustee Directors elected by membership plus one nominated Trustee Director from Havant Borough Council. It can co-opt up to a further five Trustee Directors.

New Trustee Directors are given access to an induction pack including Charity Commission guidelines on the responsibilities of Trustee Directors, last year's audited accounts, three previous sets of Board Minutes, the last Management Accounts, the Business Plan and the Memorandum of Association. Trustee Directors are encouraged to attend external training events to assist them in their role.

The Trustees meet at least six times a year, and more when required. The Charitable Company's AGM is held in the autumn. The Board decides the overall policy for the organisation based on its objects. It delegates the day-to-day management to a Chief Executive who is not a member of the Board and is a paid employee of the Charitable Company. Trustees each have an area of responsibility within the organisation's activities and work with the Chief Executive to ensure that their area of expertise is delivering to the overall objectives and the business plan.

In 2014 The Spring's board won the NCVO Winifred Tumim Award for Good Governance. This is a prize awarded to a charity of any size in the UK for excellence in governance by the National Council of Voluntary Organisations.

Related Parties

Arts Council England, Hampshire County Council and Havant Borough Council provide essential core funding to the Charitable Company. All organisations are invited to provide officers to attend meetings as Observers to advise the company. Havant Borough Council provides one councillor as a trustee. The Charitable Company's wholly owned subsidiary, Havant Arts Active, operates the bar, catering and retail facilities at the Charitable Company's premises. In October 2020 The Spring invested in 25,000 shares in Havant Arts Active.

Risk Management

The Trustee Directors review the organisation's risk management plan regularly, with the major risks reviewed at each trustee meeting. The plan identifies the risks the charity is exposed to and ensure that systems and process are in place to mitigate those risks.

The main risks identified within the strategy are security of tenure, as the building's lease is currently being negotiated with the Borough Council, and the ending of the Hampshire County Council Funding agreement in March 2022.

To counter these, The Spring is in receipt of professional advice to ensure the appropriate renewal of the lease in 2021-222 and diversifying its income streams to offset the reduction in local authority funding.

REPORT OF THE TRUSTEES

Internal control risks are minimised by the implementation of procedures of authorisation of all financial transactions, including a new authorisation limits policy developed in 2021 and the division of responsibilities via a new financial staffing structure. All procedures are reviewed annually to ensure they continue to meet the needs of the organisation.

Plans for the future

The Charitable company has been awarded NPO status by Arts Council England for the years 2018 to 2022. During this time we will ensure that excellence is thriving and celebrated in the arts and museum. We will ensure ensure that everyone has the opportunity to experience and to be inspired by the arts.

REPORT OF THE TRUSTEES

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
02088483 (England and Wales)

Registered Charity number
297353

Registered office
Havant Arts Centre
East Street
Havant
Hampshire
PO9 1BS

Trustees

The Directors of the Charitable Company are its trustees for the purpose of charity law and throughout this report are collectively known as Trustee Directors.

The Trustee Directors serving during the year and since the year end were as follows:

Mr P Jessop
Mr P Hammond
Mr S Murray
Mrs V Bird
Mr N Curry
Councillor Mrs J Branson
Mr R Mc Millan
Mr S Garner Gibbons
Mrs M McMurray
Ms F Moody
Ms S Shephard
Mr T Spurgin

Havant Borough Council

Company Secretary: Mrs S Fullerlove
Chief Executive: Mrs S Fullerlove

REPORT OF THE TRUSTEES

Auditors

Morrils Crocker Limited
Chartered Accountants
Statutory Auditors
Station House
North Street
Havant
Hampshire
PO9 1QU

Bankers

Barclays PLC
18 East Street
Havant
Hampshire
PO9 1AQ

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of The Spring Arts & Heritage Centre Co Ltd for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year 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 those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

REPORT OF THE TRUSTEES

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the charitable company's auditors are aware of that information.

So far as the Trustees are aware there is no relevant audit information (as defined by section 418 of the Companies Act 2006) of which the charitable companies' auditors are unaware and each Trustee has taken all the steps that he ought to have taken as a Trustee in order to make himself aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.




The Auditors are approved annually at the AGM.

This report is prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small groups.

AUDITORS

The auditors, Morris Crocker Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 20 July 2021 and signed on its behalf by:


P Jessop
Trustee



REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS

Opinion

We have audited the financial statements of The Spring Arts & Heritage Centre Co Ltd (the 'charitable company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS**Responsibilities of trustees**

As explained more fully in the Statement of Trustees Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

From discussion with management and those charged with governance information about the entity is documented to assess the activity within the organisation. We discuss management's assessment of risk in respect of irregularities, fraud and going concern.

Based on these discussions and our own assessments we determined that the key risk areas were income recognition, going concern and management override concerning the size of the organisation.

We set financial statement materiality level based on the level of income at £18,000. As a not for profit organisation raising income is its primary focus which is why income was used to determine the level of materiality. Our overall assessment of risk was used to determine performance materiality of £16,300.

Substantive audit tests were designed after assessing and testing systems and controls. The systems and controls which have been designed to act as a preventative measure against fraud and error were operating as documented. Substantive testing tested a sample of the population, representative of the population, to identify errors. The testing did not identify any material misstatements in areas tested.

Audit substantive tests concluded no material errors over the key risk areas of income recognition and management override.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS

The audit considers the organisation is not exposed to material risk of error as a result of assessing laws and regulations that are appropriate to the organisation.

Management assessed there is no going concern risk. The audit undertook a review of budgets, management accounts and the review of board minutes and came to the same conclusion as management.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Paul Underwood (Senior Statutory Auditor)
for and on behalf of Morris Crocker Limited
Chartered Accountants
Statutory Auditors
Station House
North Street
Havant
Hampshire
PO9 1QU

Date: _____

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2021**

	Notes	Unrestricted funds £	Restricted Funds £	2021 Total Funds £	2020 Total Funds £
INCOME AND ENDOWMENTS FROM					
Donations, legacies and grants	2	424,325	127,795	552,120	340,776
Charitable activities					
Performance activities	4	41,525	-	41,525	336,732
Other trading activities	3	5,540	-	5,540	6,586
Other income		576	-	576	2,873
Total		471,966	127,795	599,761	686,967
EXPENDITURE ON					
Raising funds	5	(3,950)	(1,637)	(5,587)	(3,406)
Charitable activities					
Performance activities	6	(247,045)	(84,683)	(331,728)	(702,383)
Total		(250,995)	(86,320)	(337,315)	(705,789)
NET (EXPENDITURE)/INCOME		220,971	41,475	262,446	(18,822)
Transfers between funds	18	1,998	(1,998)	-	-
NET MOVEMENT IN FUNDS		222,969	39,477	262,446	(18,822)
RECONCILIATION OF FUNDS					
Total funds brought forward		90,167	47,832	137,999	156,821
TOTAL FUNDS CARRIED FORWARD		313,136	87,309	400,445	137,999

CONTINUING OPERATIONS



All income and expenditure has arisen from continuing activities.

BALANCE SHEET AT 31 MARCH 2021

		31 MARCH 2021 £	31 MARCH 2020 £
	Notes		
FIXED ASSETS			
Tangible Assets	13	60,096	63,965
Investments	14	<u>25,100</u>	<u>100</u>
		85,196	64,065
CURRENT ASSETS			
Debtors	15	54,613	32,766
Cash at Bank		<u>321,141</u>	<u>119,736</u>
		375,754	152,502
CREDITORS			
Amounts falling due within one year	16	(60,505)	(78,568)
NET CURRENT ASSETS		<u>315,249</u>	<u>73,934</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>400,445</u>	<u>137,999</u>
NET ASSETS		<u><u>400,445</u></u>	<u><u>137,999</u></u>
FUNDS			
Unrestricted funds:			
Undesignated		2,893	3,946
Designated		310,243	86,221
Restricted funds		<u>87,309</u>	<u>47,832</u>
SHAREHOLDERS' FUNDS		<u><u>400,445</u></u>	<u><u>137,999</u></u>

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved by the Board of Trustees on 20 July 2021 and were signed on its behalf by:


 P Jessop
 Trustee




CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

		31 MARCH 2021 £	31 MARCH 2020 £
	Notes		
Cash flows from operating activities:			
Cash generated from operations	1	<u>247,967</u>	<u>(14,010)</u>
Net cash provided by (used in) operating activities		<u>247,967</u>	<u>(14,010)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets	13	(21,570)	(40,638)
Purchase of Investments	14	(25,000)	-
Interest received		<u>8</u>	<u>-</u>
Net cash provided by (used in) investing activities		<u>(46,562)</u>	<u>(40,638)</u>
Change in cash and cash equivalents in the reporting period		201,405	(54,648)
Cash and cash equivalents at the beginning of the reporting period		<u>119,736</u>	<u>174,384</u>
Cash and cash equivalents at the end of the reporting period		<u><u>321,141</u></u>	<u><u>119,736</u></u>

NOTES TO THE CASH FLOW STATEMENT

	2021	2020
Net income (expenditure) for the reporting period (as per the statement of financial activities)	262,446	(18,822)
Adjustments for:		
Depreciation charges	25,168	21,819
Interest received	(8)	-
Loss/(profit) on disposal of fixed assets	271	-
(Increase)/decrease in stocks	-	-
(Increase)/Decrease in debtors	(21,847)	(9,660)
Increase/(Decrease) in creditors	(18,063)	(7,347)
Net cash provided by (used in) operating activities	<u>247,967</u>	<u>(14,010)</u>

NOTES TO THE FINANCIAL STATEMENTS**1 ACCOUNTING POLICIES****Basis of preparing the financial statement**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', EFA, the and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value.

Going Concern

The Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern. The Trustees recognise the ongoing coronavirus pandemic will create significant financial challenges into the future but the company is in a strong position to manage these and to ensure an effective return to services.

Preparation of consolidated financial statements

The financial statements contain Information about The Spring Arts & Heritage Centre Co Ltd as an individual charity and do not contain consolidated financial information as the parent of a group. The charity has taken the option under Section 398 of the Companies Act 2006 not to prepare consolidated financial statements.

Income

All Income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, It is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, It is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources.

Depreciation

Tangible fixed assets are depreciated on a straight line basis over the estimated useful life as follows:

-Fixtures, fittings and equipment 25% per annum.

Individual fixed assets costing £500 or more are capitalised at cost.

Stocks

Stocks are valued at the lower of cost and net realisable value.

NOTES TO THE FINANCIAL STATEMENTS

Fund structure

The Trust has a number of restricted income funds to account for situations where a donor requires that a donation must be spent on a particular purpose or where funds have been raised for a specific purpose.

Unrestricted funds comprise those funds which the Trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the Trustees, at their discretion, have created a fund for a specific purpose.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Financial Instruments

The charity only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable investments in stocks and shares. The measurement basis used for these financial instruments is detailed below.

Debtors and cash at bank

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 in hand includes cash held on deposit or in a current account.

Creditors and provisions

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.

NOTES TO THE FINANCIAL STATEMENTS

2 DONATION, LEGACIES AND GRANTS

	2021	2020
Donations	18,964	14,306
Grants	<u>533,156</u>	<u>326,470</u>
	<u>552,120</u>	<u>340,776</u>

Grants received, included in the above, are as follows:

	2021	2020
Hampshire County Council Core Funding	86,000	95,000
Havant Borough Council Core Funding	28,950	28,950
Arts Council England - Here and Now	5,000	5,400
NPO Core Funding	122,208	120,000
Hampshire County Council - Project Funding	3,200	3,500
Havant Borough Council - Project Funding	32,914	5,075
Garfield Weston - Experiential Curation	20,000	-
NPO Emergency Funding	42,900	-
Culture Recovery Fund	94,000	-
Havant Borough Council - Covid 19 Funding	28,928	-
Hampshire County Council - Covid 19 Funding	2,000	-
Coronavirus Job Retention Scheme	66,681	-
Pfizer (Forget-me-not Cinema)	375	330
Capital Works	-	23,537
Charlotte Bonham-Carter Fund	-	2,000
Heritage Lottery Fund - Kenwood	-	27,950
HCC - Anne Briggs	-	1,708
Doyle Carte Foundation	-	3,000
Dischma Charitable Trust	-	2,000
Watershed Arts	-	1,700
Heritage Lottery Fund - HAWFC	-	6,320
	<u>533,156</u>	<u>326,470</u>

3 OTHER TRADING ACTIVITIES

	2021	2020
Fundraising events	483	1,384
Membership fees	<u>5,057</u>	<u>5,202</u>
	<u>5,540</u>	<u>6,586</u>

NOTES TO THE FINANCIAL STATEMENTS

4 INCOME FROM CHARITABLE ACTIVITIES

	2021	2020
Lettings income	32,495	60,408
Professional programme (including Visual Arts)	6,145	183,623
Participation programme	2,534	31,957
Box office service	351	60,744
	<u>41,525</u>	<u>336,732</u>

5 RAISING FUNDS

Raising donations and legacies

	2021	2020
Staff costs	4,546	3,301
Fundraising costs	1,042	105
	<u>5,587</u>	<u>3,406</u>

6 CHARITABLE ACTIVITIES COSTS

	2021	2020
Performance activities		
Direct costs	184,988	496,375
Support costs (see note 7)	146,738	206,008
	<u>331,726</u>	<u>702,383</u>

7 SUPPORT COSTS

	2021	2020
Performance activities		
Management	139,282	196,426
Governance costs	7,457	9,582
	<u>146,739</u>	<u>206,008</u>

Support costs, included in the above, are as follows:

	2021	2020
Management		
Wages	27,852	48,714
Social security	5,097	8,809
Pensions	2,933	3,952
Insurance and licenses	6,868	6,188
Utilities and maintenance	39,210	52,356
Administration, postage and IT costs	43,096	57,321
Sundry	898	2,713
Technical	5,037	11,861
Depreciation of tangible and heritage assets	8,291	4,512
	<u>139,282</u>	<u>196,426</u>
Governance costs		
Wages	6,061	6,602
Auditors' remuneration	1,396	2,980
	<u>7,457</u>	<u>9,582</u>

NOTES TO THE FINANCIAL STATEMENTS

8 NET INCOME (EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting)

	2021	2020
Auditors' remuneration - current year fee	2,500	2,980
Auditors' remuneration - prior year fee	(1,224)	-
Auditors' remuneration - other services	120	-
Depreciation - owned assets	25,168	21,819
Loss on disposal of fixed assets	<u>271</u>	<u>-</u>

9 TRUSTEES' REMUNERATION AND BENEFITS**Trustees' expenses**

No remuneration or expenses were paid to any trustee director during the year (2020: Nil)

10 STAFF COSTS

	2021	2020
Wages and salaries	169,382	168,676
Social security costs	5,097	8,809
Other pension costs	<u>2,933</u>	<u>3,952</u>
	<u>177,412</u>	<u>181,437</u>

The average monthly number of employees during the year was as follows:

	2021	2020
Arts Centre staff	<u>15</u>	<u>17</u>

No employee received emoluments in excess of £60,000 (2020: none)

During the year £14,840 (2020: £15,044) was paid by The Spring to self employed tutors and finance consultants.

The key management personnel of the charity comprise the trustees, the chief executive and the senior management team. The total employment benefits of the key management personnel were £85,840 (2020: £108,264).

NOTES TO THE FINANCIAL STATEMENTS

11 COMPARITIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds	Restricted funds	Total funds
INCOME AND ENDOWMENTS FROM			
Donations and legacies	258,256	82,520	340,776
Charitable activities			
Performance activities	334,009	2,723	336,732
Other trading activities	6,586	-	6,586
Investment income	-	-	-
Other income	2,873	-	2,873
Total	601,724	85,243	686,967
EXPENDITURE ON			
Raising funds	(3,406)	-	(3,406)
Charitable activities			
Performance activities	(623,883)	(78,500)	(702,383)
Total	(627,289)	(78,500)	(705,789)
NET INCOME/(EXPENDITURE)	(25,565)	6,743	(18,822)
Transfer between funds	1,700	(1,700)	-
Net movement in funds	(23,865)	5,043	(18,822)
RECONCILIATION OF FUNDS			
Total funds brought forward	114,028	42,793	156,821
TOTAL FUNDS CARRIED FORWARD	90,163	47,836	137,999

12 TAXATION

The company is a registered charity and no provision is considered necessary for taxation. No liability to UK corporation tax arose on the trading subsidiary's ordinary activities for the year ended 31 March 2021 (2020: Nil).

NOTES TO THE FINANCIAL STATEMENTS

13 TANGIBLE FIXED ASSETS

	Fixtures & Fittings
COST	
At 1 April 2020	105,986
Additions	21,570
Disposals	(5,499)
At 31 March 2021	<u>122,057</u>
DEPRECIATION	
At 1 April 2020	(42,021)
Charge for the year	(25,168)
Eliminated on disposal	5,228
At 31 March 2021	<u>(61,961)</u>
NET BOOK VALUE	
At 1 April 2020	<u>63,965</u>
At 31 March 2021	<u>60,096</u>

14 FIXED ASSET INVESTMENTS

MARKET VALUE	
At 1 April 2020	100
Additions	25,000
At 31 March 2021	<u>25,100</u>
NET BOOK VALUE	
At 1 April 2020	100
At 31 March 2021	<u>25,100</u>

There were no investment assets outside the UK.

The company's investments at the balance sheet date in the share capital of companies include the following:

Havant Arts Active Limited
Nature of business: Bar and café

	%		
	holding		
Class of share:	100		
Ordinary shares issued at £1			
		2021	2020
Aggregate capital and reserves		28,277	4,306
(Loss)/profit for the year		<u>(1,029)</u>	<u>3,624</u>

All of the group's investment income arised from UK bank account interest.

NOTES TO THE FINANCIAL STATEMENTS

15 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
Trade debtors	1,974	6,478
Amounts due from subsidiary undertaking	-	3,600
Prepayments and accrued income	52,639	22,688
	<u>54,613</u>	<u>32,766</u>

16 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
Trade creditors	(4,632)	(18,559)
Social security and other taxes	(2,951)	(3,044)
Other creditors and accruals	(22,677)	(23,357)
Deferred income	(30,245)	(33,608)
	<u>(60,505)</u>	<u>(78,568)</u>

Deferred income comprises monies received in advance for events and workshops held after the year end.

	2021	2020
Brought forward	(33,608)	(60,247)
Amount released to incoming resources	33,608	60,247
Amount deferred in year	(30,245)	(33,608)
Carried forward	<u>(30,245)</u>	<u>(33,608)</u>

17 ANALYSIS OF NET ASSETS BETWEEN FUNDS

			2021	2020
	Unrestricted funds	Restricted funds	Total funds	Total funds
Fixed assets	28,342	31,754	60,096	63,965
Investments	25,100	-	25,100	100
Current assets	320,199	55,555	375,754	152,502
Current liabilities	(60,505)	-	(60,505)	(78,568)
	<u>313,136</u>	<u>87,309</u>	<u>400,445</u>	<u>137,999</u>

NOTES TO THE FINANCIAL STATEMENTS

18 MOVEMENT IN FUNDS

	At 1 April 2020	Net movement in funds	Transfers between funds	At 31 March 2021
Unrestricted funds				
General Fund	3,946	209,749	(210,802)	2,893
Emergency Fund	36,788	-	-	36,788
Infrastructure - Building	6,246	(431)	-	5,815
Piano Fund	6,656	(2,663)	-	3,993
Classical Music Development	405	-	-	405
Patrons' Fund	680	2,375	-	3,055
Shutdown Donation Fund	3,224	15,741	-	18,965
Heritage Development	2,862	(300)	-	2,562
NPO Delivery	29,360	-	167,500	196,860
Play Artist In Residence	-	(3,500)	45,300	41,800
	90,167	220,971	1,998	313,136
Restricted funds				
Project Funding	5,000	1,200	-	6,200
D'Oyly Carte	3,000	-	-	3,000
Dischma Charitable Trust	2,000	-	(2,000)	-
Get Up and Go	978	409	-	1,387
Family Festival	-	2,000	-	2,000
Memory Café	1,500	-	-	1,500
HBC - Youth Conference	(1)	-	1	-
Capital Works	30,930	(11,758)	-	19,172
Cycle Project	2,400	(400)	-	2,000
Scalextric	2,143	(2,026)	(117)	-
Experiential Curation	(117)	20,000	117	20,000
Havant Football Club	(1)	-	1	-
Coronavirus Job Retention Scheme	-	-	-	-
CIL Energy Efficient Improvement Works	-	32,050	-	32,050
	47,832	41,475	(1,998)	87,309
TOTAL FUNDS	137,999	262,446	-	400,445

NOTES TO THE FINANCIAL STATEMENTS

18 MOVEMENT IN FUNDS

Net movement in funds, included in the above, are as follows:

	Incoming resources	Resources expended	Movement In funds
Unrestricted funds			
General Fund	453,850	(244,101)	209,749
Emergency Fund	-	-	-
Infrastructure - Building	-	(431)	(431)
Piano Fund	-	(2,663)	(2,663)
Classical Music Development	-	-	-
Patrons' Fund	2,375	-	2,375
Shutdown Donation Fund	15,741	-	15,741
Heritage Development	-	(300)	(300)
NPO Delivery	-	-	-
Play Artist in Residence	-	(3,500)	(3,500)
	<u>471,966</u>	<u>(250,995)</u>	<u>220,971</u>
Restricted funds			
Project Funding	1,200	-	1,200
D'Oyly Carte	-	-	-
Dischma Charitable Trust	-	-	-
Get Up and Go	864	(455)	409
Family Festival	2,000	-	2,000
Memory Café	-	-	-
HBC - Youth Conference	-	-	-
Capital Works	-	(11,758)	(11,758)
Cycle Project	5,000	(5,400)	(400)
Scalextric	-	(2,026)	(2,026)
Experiential Curation	20,000	-	20,000
Havant Football Club	-	-	-
Coronavirus Job Retention Scheme	66,681	(66,681)	-
CIL Energy Efficient Improvement Works	32,050	-	32,050
	<u>127,795</u>	<u>(86,320)</u>	<u>41,475</u>
TOTAL FUNDS	<u>599,761</u>	<u>(337,315)</u>	<u>262,446</u>

NOTES TO THE FINANCIAL STATEMENTS

18 MOVEMENT IN FUNDS

Comparatives for movement in funds

	At 1 April 2019	Net movement in funds	Transfers between funds	At 31 March 2020
Unrestricted funds				
General Fund	2,240	6	1,700	3,946
Emergency Fund	36,788	-	-	36,788
Infrastructure - Building	7,662	(1,416)	-	6,246
Piano Fund	9,498	(2,842)	-	6,656
Classical Music Development	330	75	-	405
Patrons' Fund	-	680	-	680
Shutdown Donation Fund	-	3,224	-	3,224
Heritage Development	5,000	(2,138)	-	2,862
Individual Giving	150	(150)	-	-
Brand Refresh	23,000	(23,000)	-	-
NPO Delivery	29,360	-	-	29,360
	114,028	(25,561)	1,700	90,167
Restricted funds				
Film Festival	-	1,700	(1,700)	-
Project Funding	-	5,000	-	5,000
D'Oyly Carte	-	3,000	-	3,000
Dischma Charitable Trust	-	2,000	-	2,000
Get Up and Go	-	978	-	978
Family Festival	-	-	-	-
Memory Café	-	1,500	-	1,500
HBC - Youth Conference	149	(150)	-	(1)
Kenwood	10,872	(10,872)	-	-
Capital Works	19,746	11,184	-	30,930
Cycle Project	-	2,400	-	2,400
Scalextric	4,054	(1,911)	-	2,143
Experiential Curatlon	11,591	(11,708)	-	(117)
Forget Me Not Films	-	-	-	-
Havant Football Club	(3,619)	3,618	-	(1)
	42,793	6,739	(1,700)	47,832
TOTAL FUNDS	156,821	(18,822)	-	137,999

NOTES TO THE FINANCIAL STATEMENTS

18 MOVEMENT IN FUNDS

Comparative net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Movement in funds
Unrestricted funds			
General Fund	596,354	(596,348)	6
Emergency Fund	-	-	-
Infrastructure - Building	-	(1,416)	(1,416)
Piano Fund	-	(2,842)	(2,842)
Classical Music Development	250	(175)	75
Patrons' Fund	1,900	(1,220)	680
Shutdown Donation Fund	3,224	-	3,224
Heritage Development	-	(2,138)	(2,138)
Individual Giving	-	(150)	(150)
Brand Refresh	-	(23,000)	(23,000)
	<u>601,728</u>	<u>(627,289)</u>	<u>(25,561)</u>
Restricted funds			
Film Festival	1,700	-	1,700
Project Funding	5,000	-	5,000
D'Oyly Carte	3,000	-	3,000
Dischma Charitable Trust	2,000	-	2,000
Get Up and Go	5,178	(4,200)	978
Family Festival	1,500	(1,500)	-
Memory Café	1,500	-	1,500
HBC - Youth Conference	-	(150)	(150)
Kenwood	27,950	(38,822)	(10,872)
Capital Works	23,537	(12,353)	11,184
Cycle Project	5,400	(3,000)	2,400
Scalextric	118	(2,029)	(1,911)
Experiential Curation	-	(11,708)	(11,708)
Forget Me Not Films	330	(330)	-
Havant Football Club	6,322	(2,700)	3,622
Library Tour	1,708	(1,708)	-
	<u>85,243</u>	<u>(78,500)</u>	<u>6,743</u>
TOTAL FUNDS	<u>686,971</u>	<u>(705,789)</u>	<u>(18,818)</u>

NOTES TO THE FINANCIAL STATEMENTS

18 MOVEMENT IN FUNDS

Designated

Emergency Fund	Emergency funds to cover running and closure costs in the event of funding withdrawal.
Infrastructure - Building	Funds towards replacement of vital equipment for the building.
Piano Fund	For the provision of a new baby grand piano.
Classical Music Development	For the improvement and delivery of classical music activities.
Patrons' Fund	To support and develop the contemporary theatre programme and subsidise tickets for young people.
Shutdown Donations	For the delivery of the Summer programme in 2020 and 2021.
Heritage Development	For the improvement and delivery of heritage activities.
Individual Giving	For the delivery of programmes in 2021/22 on reopening after Covid closure.
Brand Refresh	For the brand refresh undertaken in 2019/2020.
NPO Delivery	For the delivery of NPO objectives in 2021/2022 to 2022/2023.
Play Artist in Residence	Funds for a Play Artist in Residence programme from 2021-2023.

Restricted

Project Funding	Funding in support of the business plan objectives.
D'Oyly Carte	In support of the Beyond the Walls programme.
Dischma Charitable Trust	In support of the Beyond the Walls programme.
Get Up and Go	In support of the Get Up and Go initiative.
Family Festival	In support of a Family Festival in 2021/22.
Memory Café	In support of the Memory Café programme.
HBC - Youth Conference	In support of the Youth Conference in 2018/19.
Kenwood	To celebrate the history of Kenwood in Havant Borough.
Capital Works	Installation of air conditioning and acoustic separation in the theatre and upgraded video screening capabilities. The balance of this fund represents the net book value of the assets purchased.
Here & Now Project	Previously known as the Cycle Project this was funding for a cycle project in Summer 2020. This was not able to take place due to Covid restrictions. The project was changed to the Signs of Solidarity project recognising lockdown heroes in the Havant Borough.
Scalextric	To celebrate history of Scalextric in Havant Borough.
Experiential Curation	To continue our Beyond the Walls and Theatre Plus work and to fund creative interventions projects.
Forget Me Not Films	In support of the delivery and management of the Forget Me Not Film programme.
Havant Football Club	To celebrate history of Havant Football Club.
Coronavirus Job Retention Scheme	Monies received from HMRC in relation to the Coronavirus Job Retention Scheme to reimburse staff costs during the Covid 19 pandemic.
CIL Energy Efficient Improvement Works	To fund energy efficient lighting in the theatre.

NOTES TO THE FINANCIAL STATEMENTS

19 RELATED PARTY DISCLOSURES

During the year Havant Arts Active Limited Invoiced The Spring Arts and Heritage Centre Company Limited £4,856 (2020: £15,809) for refreshments, hospitality and cleaning materials.

During the year a donation of £0 (2020: £3,624) was made to The Spring Arts and Heritage Centre Company Limited from Havant Arts Active Limited.

During the year The Spring Arts and Heritage Centre Company Limited recharged expenses amounting £867 (2020: £6,429)

At the year end, there was a balance of £15 (2020: £0) owed by Havant Arts Active Limited.

During the year £776 (2020: £7,468)was paid to the trustee S Murray for project management services and associated expenses.

During the year Filskit Theatre Limited, a company with a trustee in common, invoiced The Spring Arts and Heritage Centre Company £450 (2020: £nil) for concert costs.

Two family members of a trustee V Bird were employed by the charity during the year with a remuneration of £47,360 (2020: £49,511).

20 LEGAL STATUS OF THE CHARITY

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.