
JUNCTION ARTS LIMITED
(a company limited by guarantee)

UNAUDITED

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

JUNCTION ARTS LIMITED
(a company limited by guarantee)

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JUNCTION ARTS LIMITED
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2021**

Trustees	Paul Steele Annie French, Chair Lucie Maycock Catherine Rogers, Chair (resigned 3 August 2020) Adam Barnes, Treasurer Marion Thorpe Jack Wood (appointed 23 November 2020)
Company registered number	1802999
Charity registered number	515303
Registered office	West Studios Sheffield Road Chesterfield Derbyshire S41 7LL
Principal operating office	West Studios Sheffield Road Chesterfield Derbyshire
Managing director	Paul Steele
Independent examiner	Jonathan Wilson Chartered Accountant 68 West Gate Mansfield Nottinghamshire NG18 1RR
Bankers	NatWest Bank PLC Chesterfield Derbyshire S40 1TJ

JUNCTION ARTS LIMITED
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2021

The trustees present their annual report together with the financial statements of the company for the year from 1 April 2020 to 31 March 2021. The annual report serves the purposes of both a trustees' report and a directors' report under company law. The trustees confirm that the annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015) as amended by Update Bulletin 2 (effective January 2019).

Since the company qualifies as small under section 382 of the Companies Act 2006, the strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. Policies and objectives

In setting objectives and planning for activities, the trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

Public Benefit

In shaping our objectives for the year and planning our activities the directors have considered the Charity Commission's guidance on public benefit, including the guidance on public benefit and fee charging. The organisation relies on grants and income from fees and charges to cover its operating costs. In setting the level of fees and charges, the directors give careful consideration to the accessibility to participatory arts activity for those on a low income or in disadvantaged circumstances. The geographical area of benefit and aims of the organisation prioritises participatory activity with individuals and communities who are disadvantaged, unrepresented or living in isolated or deprived areas of the East Midlands.

Vision:

To create a better future for everyone through the arts.

Mission Statement:

Junction Arts helps communities facing social barriers such as poverty, poor health and low aspirations to create a better future through the arts. Our festivals, workshops and events give people the opportunity to be creative, learn new skills and build stronger communities. We are committed to working with communities to co-create magical and memorable arts experiences that empowers people, improves wellbeing and inspires change.

Aims & Values:

Co-creation

We ensure that work produced is a true collaboration between artists and communities.

Relevance

We deliver all of our work in communities and local spaces, becoming embedded in the communities we serve. We deliver projects that are relevant and distinctive to participants, situation and place.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Objectives and activities (continued)

Responsive

We are responsive and listen to the needs of the people and communities we serve.

Innovation

We deliver high quality experiences that engage, inspire and push the creative boundaries of participatory arts practice.

Social Change

We aim for our programmes and projects to have a long lasting social and personal impact for people and communities.

Opportunity

We will increase accessibility and the opportunity for people to experience the arts regardless of their locality or personal situation. We will ensure our work will reach as many people as possible.

Supporting the arts

We are passionate about creativity and the impact art can make to our well-being and our social, economic and physical environment. We will continue to work with and support artists of the highest quality in their participatory practice and encourage new audiences to engage with the arts.

History & Impact

Junction Arts has worked with the communities of rural, ex-industrial North East Derbyshire for over 40 years. Established in Bolsover District which has very little cultural infrastructure, Junction Arts has provided opportunities for thousands of people to engage in the arts. We operate from a base in Chesterfield and deliver all of our participatory activity in communities with local people.

The areas that we deliver in have some of the highest levels of deprivation in the country, especially in terms of long-term ill health and people over 16 without formal qualifications. Bolsover itself is the most deprived district in the county of Derbyshire. It is ranked high in the active lives survey in terms of areas least engaged in the arts. Given the history of the area, it is not surprising that people who face higher than usual economic, social, health and educational challenges are less likely to be involved in the arts. We believe the arts should be for everyone and evidence shows that communities with culture, creativity and imagination at their heart are stronger and more resilient.

The majority of our delivery is in Bolsover District; however, we also deliver in wider Derbyshire and regionally. Our target communities are similar in terms of rural isolation and low arts infrastructure. We work with people from these communities to develop and express themselves through the arts, we want them to find their creative voice. Many are from underserved groups and have socioeconomic challenges and do not have the same opportunities to engage in the arts as their peers in urban areas.

Our success to date has been rooted in effective partnership working. We understand our role in engaging hard-to-reach communities in the arts and how the arts can be transformative for communities. We also understand how we support the wider arts ecology and through our work collaborate with other placed based agencies such as heritage sites, regional arts centres and health commissioning groups.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Objectives and activities (continued)

We have chaired the Bolsover Culture & Tourism Partnership for four years and represent the Culture & Tourism sector at the local authority partnership executive Board. Within this role we bring partners together and link opportunities through the LA strategic plan to local delivery, creating opportunities for employment and local skills development. We are seen as a vital local cultural organisation and are regularly asked to advise Bolsover District Council and NE Derbyshire District Council on their public art and events strategies.

We are a local employer and offer opportunities for people to work in the arts offering placements and job opportunities. On average we employ 30 freelance artists a year on a range of projects.

In recent years we have extended our delivery internationally. In 2019 we delivered a project in Santos, Brazil for 15 creative social entrepreneurs who were embarking on setting up their own cultural businesses. We trained and mentored these individuals as part of the British Council DICE programme. We have also been commissioned by the International Community Arts Festival (ICAF) twice to deliver projects sharing our participatory arts methodology (developed over 40 yrs) with international partners.

Achievements and performance

a. Main achievements of the company

During the last financial year, we had to adapt to the challenges of COVID-19 and continue to deliver our charitable aims. The staff did an excellent job responding and adapting to ensure we continued to deliver a full programme for our communities.

Strategic Response (to COVID restrictions):

Before March 2020 we had been implementing a growth plan which began 3 years previously. A key element of this plan was to create a new 'Relationship Fundraiser' role. We saw this role as important to ensuring the long-term success and sustainability of the charity. Recruited in January 2020, Hannah our new Relationship Fundraiser started working for us on March 23rd (just as the country went into the first lockdown!). Although, it has been a challenge to develop new relationships with businesses and donors during this time we have achieved some success and have laid the foundations for future years.

We negotiated with our project funders to either adapt or extend the timeline of projects within 2020. Almost all funders were supportive and we were able to successfully adapt and deliver the majority of projects 'at distance' (See below).

To reduce our overheads, we moved offices in Oct 2020. Our new premises are West Studios, Sheffield Road, Chesterfield, S41 7LL. Through this move we have reduced our premises costs and have negotiated a 3-year deal.

Staff adapted to remote working and we pivoted our delivery to ensure that we could continue.

Rather than stopping delivery we committed to utilising our reserves to cover any financial shortfall. This was to ensure that we continued delivery to the most vulnerable in our communities.

We managed the financial risk by identifying a finance sub-group within the Board who met monthly to monitor the budget. Early on we identified a worse-case scenario budget and put plans in place to mitigate any identified risks. We knew we had good levels of reserves and could bring our expenditure down (as highlighted above) without reducing our programme delivery.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Achievements and performance (continued)

Artistic Programme

Despite the pressures of 2020 we managed to deliver a full programme of activities by adapting existing projects and developing a range of new initiatives. Like so many others we had to innovate and adapt to stay true to our mission. Our initial focus was to ensure we continued to support health & wellbeing by helping people be creative, keep learning and stay connected. As a response we developed a range of initiatives for the following groups:

Young People:

We switched to delivering the Discover Arts Award online. 'Voyage of Discovery' gave children and young people the opportunity to learn and have fun, explore their own creativity, research an artist and share their work with others. This was incredibly popular with many young people taking part.

At the start of June 2020, we sent our first Curiosity Boxes to two Primary Schools in North East Derbyshire for our This Girl Codes project. The boxes contained a combination of art, tech and heritage activities including electric paint and circuits, enabling young people to create LED portraits of local historical and contemporary women role models. The boxes were well received and we sent a further 7 boxes to schools throughout the year. We also delivered online workshops including 'Atomic Poems' and 'Data Selfies'.

Elderly and Isolated:

We delivered 'The Art of Letter Writing' online and 'at distance'. We partnered with local care homes from across Derbyshire and the wider East Midlands and targeted those who are socially isolated. Once again partnering with the Derbyshire Record Office we made historically significant letters available to our participants and encouraged connections and friendships through letter writing.

We also developed a new project as a direct response to the pandemic called 'Home Comforts'. This project worked with 5 care homes and 10 isolated individuals during lockdown, delivering workshop materials and online tutorials enabling people to create artwork together and make connections and friendships.

Wider Community:

In June we launched 'Our Poems, Our Places'. Participants were encouraged to explore and connect virtually with local places and people through reading, writing and sharing poems. We developed a digital map to share place-based poems from the Junction Arts archive, opening up conversations, sparking new ideas, and recruiting people to take part in a pilot series of free online poetry sessions – sharing new writing via the map.

In April we launched 'PARTicipatory Walks', to encourage people to notice their local surroundings and any potential artworks during their 'exercise' each day and post under the hashtag #pARTicipatorywalks. To follow up from this we will produce a downloadable resource to encourage people to visit JA public artworks (public art sculptures and trails produced over 40 years in Bolsover District) and encourage participation in the form of a game with themed rewards. This will encourage people to get out into the countryside and enjoy art they may not have noticed before. This will be re-enforced by a social media campaign and incentives for participation.

We adapted our two annual outdoor arts festivals. Although we couldn't deliver The Tapton Lock Festival, we marked the event with an outdoor community arts exhibition showcasing photographs, paintings, poetry etc relating to Tapton along the banks of the canal, alongside a publication of poetry and art inspired by Tapton Lock and the great outdoors. In the absence of the Bolsover Lantern Parade, we created 'Lighting the Way' - a socially distanced event for Bolsover residents to create a lantern and place it in their window at 5pm on Saturday 28th November, as a symbol of hope that the parade will be back in its traditional form in future years. Through Lighting the Way, we worked with 254 school children, 155 families and 57 isolated elderly people.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Achievements and performance (continued)

Supporting Artists:

In April 2020 we launched 'In Conversation With...' a series of live Q&A sessions with artists on Instagram. This series has featured artists, playwrights and filmmakers who we have worked with in the past discussing their practice and their participatory work. It was an opportunity for artists to showcase their work and raise awareness of their practice whilst in lockdown. Initially we profiled 12 artists and plan to continue this programme.

We also mentored three early-career artists as part of the Creative Leicestershire's "Webinart Emerge" programme.

Artistic Programme Overview

In total we worked with 19 artists across 14 projects. We delivered 143 sessions, worked with 2096 participants and reached an audience of 7528. We held one outdoor exhibition at Tapton Lock, Chesterfield and 36 young people achieved their Discover Arts Award. In total we engaged 19 care homes supporting older and vulnerable people to connect with their local community and be creative.

The majority of our programme is targeted at communities living in the ex-industrial and rural areas of Bolsover District and wider North Derbyshire, which are similar in terms of levels of rural isolation and low arts infrastructure. Bolsover District has been disproportionately affected and the most challenged area of Derbyshire by COVID-19. Alongside local people we also attracted participants from across the UK and Europe through delivering workshops online.

For a full list of our achievements in 2020/21 please visit: <https://junctionarts.org/20-memories-of-2020/>

Equality & Diversity

We are committed to broadening the diversity of our workforce, participants, audience and governance. Due to the geographical areas we deliver in we have always addressed socioeconomic diversity through our programme and ensured that participation is reflective of the whole community. This has filtered through to our governance with local representation on our Board very important.

We are committed to developing and supporting local artists and opportunities for talent development from protected characteristic groups. We are in the process of developing a programme of artist take-overs from underrepresented groups. We have established a working group to develop more culturally diverse programming. Our vision is to create a better future for EVERYONE through the arts and we will always do our best to create opportunities for the widest range of people possible. Part of our mission is to 'address inequality and inspire change' and our work with communities presents us with a unique opportunity to challenge discrimination. This is something we are committed to further develop through our programme in 2021.

Financial review

a. Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

b. Reserves policy

The board of directors have examined the charity's requirements for reserves in the light of the main risks to the organisation. The directors aim to maintain free reserves in unrestricted funds at a level, which equates to approximately six months of unrestricted charitable expenditure. The reserves are needed to meet the working capital requirements of the charity in the event of a significant drop in funding or when some of the income generating activities may be curtailed due to circumstances outside their control. Core current reserves at 31 March 2021 were £89,997 (2020 - £88,435).

Free reserves available for use by the charity are deemed to be those that are readily realisable, less funds whose uses are restricted or designated for particular purposes. The calculation thus excludes fixed assets that will continue to be used in the day-to-day running of the charity.

c. Financial position

The charity had total incoming resources for the year of £210,655 (2020 - £293,836). Resources expended amounted to £238,433 (2020 - £236,435). There was a net decrease in funds of £27,778 for the year (2020 - net increase in funds of £57,401).

Structure, governance and management

a. Constitution

Junction Arts Limited is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 26 March 1984 as amended on 29 September 1994 and on 18 August 2011 and is a registered charity number 515303.

b. Methods of appointment or election of trustees

The management of the company is the responsibility of the trustees who are elected and co-opted under the terms of the Memorandum of Association.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Structure, governance and management (continued)

c. Organisational structure and decision-making policies

The directors are responsible for the overall governance of the charity. Directors are elected on the recommendation of fellow directors and through an open recruitment process and the minimum number of directors is 6 with a current maximum of 10. A director is appointed for a term of three years with a maximum period of office of two terms. Directors are not eligible for re-election for a period of eleven months from the date of termination. Directors retire after the end of each term of their appointment and are eligible for re-election for a second term.

An effective partnership working between the directors and staff is a key contributing factor in the ongoing development and success of the charity. In order to ensure that the directors' roles are carried out effectively, each has a folio of interests within the charity, which requires them to have an understanding and a responsibility for specific areas of activity with the work of the charity.

Directors are required to meet a minimum of 4 times per year including the annual general meeting at which the directors review overall strategy, set operating plans and budgets, and review the ongoing operational and investment performance of the charity.

The board delegates the exercise of certain powers and responsibilities relating to the management and administration of the charity as set out below. These powers are controlled by the need for regular reporting back to the main board in order that any decisions made under delegated powers can be ratified by the full board in due course.

d. Policies adopted for the induction and training of trustees

All new directors receive an induction pack containing all the relevant information regarding the structure, legalities and operational running of the charity and its work for effective and informed decision making.

Directors' training sessions are held at least once per year for the whole board incorporating strategic reviews; other sessions are arranged as necessary for any other specific purposes.

e. Managing director

The managing director is responsible for the day-to-day management of the charity's affairs and for implementing policies agreed by the board of directors.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Structure, governance and management (continued)

f. Financial risk management

The trustees have assessed the major risks to which the company is exposed, in particular those related to the operations and finances of the company, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

Risks are assessed as part of the business planning cycle. The board of directors has undertaken a risk assessment in the following areas:

Ensured all operational aspects of Junction Arts' work comply with charity and company law including:

- Internal financial controls regularly monitored and reviewed
- Annual and bi-annual policy review
- Annual programme review

Ensured appropriate compliance of all work undertaken with all legal requirements in accordance with Junction Arts' policy and procedures including:

- Health and safety
- Safeguarding, equal opportunities and equality

Ensured all appropriate licensing and insurance is held and activities undertaken including:

- Public liability insurance
- Contents insurance relating to the administrative offices

Approved by order of the members of the board of trustees on 1 November 2021 and signed on their behalf by:

Annie French
(Chair of Trustees)

Adam Barnes
(Treasurer)

JUNCTION ARTS LIMITED
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INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 MARCH 2021

Independent Examiner's Report to the Trustees of Junction Arts Limited ('the company')

I report to the charity trustees on my examination of the accounts of the company for the year ended 31 March 2021.

Responsibilities and Basis of Report

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

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

Independent Examiner's Statement

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

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

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

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

Signed: Jonathan Wilson FCA CTA

Dated: 8 November 2021

Jonathan Wilson

ICAEW

JUNCTION ARTS LIMITED
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**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:					
Donations and legacies	3	34,432	5,212	39,644	16,439
Charitable activities	4	133,631	37,298	170,929	255,837
Other trading activities	5	-	-	-	21,246
Investments	6	82	-	82	314
Total income		168,145	42,510	210,655	293,836
Expenditure on:					
Raising funds	7	444	-	444	1,307
Charitable activities	8	165,518	72,471	237,989	235,128
Total expenditure		165,962	72,471	238,433	236,435
Net movement in funds		2,183	(29,961)	(27,778)	57,401
Reconciliation of funds:					
Total funds brought forward		91,862	75,628	167,490	110,089
Net movement in funds		2,183	(29,961)	(27,778)	57,401
Total funds carried forward		94,045	45,667	139,712	167,490

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 13 to 27 form part of these financial statements.

JUNCTION ARTS LIMITED
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REGISTERED NUMBER: 1802999

BALANCE SHEET
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	11	4,048	3,427
Current assets			
Debtors	12	2,400	8,809
Cash at bank and in hand		164,437	183,600
		<u>166,837</u>	<u>192,409</u>
Creditors: amounts falling due within one year	13	(31,173)	(28,346)
		<u>135,664</u>	<u>164,063</u>
Net current assets			
		<u>139,712</u>	<u>167,490</u>
Total net assets		<u><u>139,712</u></u>	<u><u>167,490</u></u>
Charity funds			
Restricted funds	14	45,667	75,628
Unrestricted funds	14	94,045	91,862
		<u>139,712</u>	<u>167,490</u>
Total funds		<u><u>139,712</u></u>	<u><u>167,490</u></u>

The company was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

The financial statements were approved and authorised for issue by the trustees on 01 November 2021 and signed on their behalf by:

Annie French
(Chair of Trustees)

Adam Barnes
(Treasurer)

The notes on pages 13 to 27 form part of these financial statements.

JUNCTION ARTS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

1.2 Going concern

At the date of signing there is a degree of uncertainty about the economic impact of COVID-19. The trustees continue to monitor the position closely however they believe that the company can continue at its current level of activity subject to continued support from Arts Council England and the bank and they therefore continue to adopt the going concern basis.

1.3 Income

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

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the company has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the company, can be reliably measured.

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

1. Accounting policies (continued)

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the company to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the company's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

1.5 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the statement of financial activities over the expected useful lives of the assets concerned. Other grants are credited to the statement of financial activities as the related expenditure is incurred.

1.6 Interest receivable

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

1.7 Tangible fixed assets and depreciation

Tangible fixed assets costing £NIL or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, .

Depreciation is provided on the following basis:

Fixtures and fittings	- 33.33% straight line or 15% reducing balance
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. Accounting policies (continued)

1.8 Debtors

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

1.9 Cash at bank and in hand

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

1.10 Liabilities and provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the statement of financial activities as a finance cost.

1.11 Financial instruments

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

1.12 Operating leases

Rentals paid under operating leases are charged to the statement of financial activities on a straight line basis over the lease term.

The company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into prior to the date of transition of the standard to continue to be charged over the period to the first market rent review rather than the term of the lease.

1.13 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

1. Accounting policies (continued)

1.14 Fund accounting

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

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

Investment income, gains and losses are allocated to the appropriate fund.

2. General information

Junction Arts Limited is a private company limited by guarantee and incorporated in England, registration number 1802999. Its registered office is West Studios Sheffield Road, Chesterfield, Derbyshire, S41 7LL.

3. Income from donations and voluntary grants

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations				
Trusts, foundations and charities	20,573	816	21,389	10,712
Donation - business	377	3,104	3,481	2,964
Donation - individuals	4,267	25	4,292	2,662
Donations - public body	-	500	500	-
Gift Aid and sponsorship				
Gift Aid	573	-	573	101
Government grants				
Chesterfield Borough Council	7,500	-	7,500	-
JRS Scheme	1,142	767	1,909	-
	<u>34,432</u>	<u>5,212</u>	<u>39,644</u>	<u>16,439</u>
Total 2020	<u>159</u>	<u>16,280</u>	<u>16,439</u>	

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4. Income from charitable activities

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
General Funds	133,631	-	133,631	133,293
First Art	-	2,060	2,060	6,000
Other Projects	-	35,238	35,238	56,844
This Girl Codes	-	-	-	59,700
Total 2021	<u>133,631</u>	<u>37,298</u>	<u>170,929</u>	<u>255,837</u>
Total 2020	<u>133,293</u>	<u>122,544</u>	<u>255,837</u>	

Arts Council England - £102,431 - (2020 - £100,580)
District of Bolsover - £16,000 - (2020 - £16,000)
Derbyshire County Council - £15,200 - (2020 - £15,200)
Heritage Lottery Funding - £nil - (2020 - £39,700)

5. Income from other trading activities

Income from fundraising events

	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Catalyst match funding	-	-	21,000
Fundraising event	-	-	246
	<u>-</u>	<u>-</u>	<u>21,246</u>
Total 2020	<u>21,246</u>	<u>21,246</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
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6. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Bank interest	82	82	314
	<u>82</u>	<u>82</u>	<u>314</u>
Total 2020	314	314	
	<u>314</u>	<u>314</u>	

7. Expenditure on raising funds

Fundraising trading expenses

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Fundraising costs	444	-	444	1,307
	<u>444</u>	<u>-</u>	<u>444</u>	<u>1,307</u>
Total 2020	-	1,307	1,307	
	<u>-</u>	<u>1,307</u>	<u>1,307</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
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8. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £	Total funds 2020 £
General Funds	112,356	53,148	165,504	136,413
First Art	-	2,060	2,060	6,000
Other Projects	29,106	14,954	44,060	78,040
Creswell Gets Creative	880	1,485	2,365	8,867
This Girl Codes	17,479	6,521	24,000	5,808
	<u>159,821</u>	<u>78,168</u>	<u>237,989</u>	<u>235,128</u>
Total 2020	<u>142,818</u>	<u>92,310</u>	<u>235,128</u>	

Analysis of direct costs

	Total funds 2021 £	Total funds 2020 £
Staff costs	112,074	89,684
Artists' fees	37,253	40,728
Project publicity	360	896
Other project expenses	10,134	11,458
Staff training	-	52
	<u>159,821</u>	<u>142,818</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2021 £	Total funds 2020 £
Staff costs	46,723	50,272
Depreciation	1,635	1,264
Premises costs	12,556	17,832
Motor and travel expenses	67	905
Professional fees	9,200	8,920
Sundry office costs	4,904	5,896
Publicity and printing	1,620	3,243
Staff training	-	2,051
Trustees' meetings and expenses reimbursed	53	547
Independent examiner's fees	1,410	1,380
	78,168	92,310

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9. Staff costs

	2021 £	2020 £
Wages and salaries	146,320	128,280
Social security costs	8,909	8,749
Contribution to defined contribution pension schemes	3,568	2,927
	<u>158,797</u>	<u>139,956</u>

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

	2021 No.	2020 No.
Projects	<u>7</u>	<u>5</u>

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

Details of remuneration for key management personnel are disclosed in note 10 to the financial statements. There were also additional costs of £4,467 (2020 - £4,384) for employer's national insurance.

10. Trustees' remuneration and expenses

		2021 £	2020 £
Paul Steele	Remuneration	41,208	40,400
	Pension contributions paid	1,049	1,028

One trustee received remuneration in his capacity as managing director. The legal authority for this remuneration is given in part 2, point 19 of the articles of association as amended on 18 August 2011.

During the year ended 31 March 2021, no trustee expenses have been incurred (2020 - £NIL).

During the year, no trustees received any benefits in kind (2020 - £NIL).

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**NOTES TO THE FINANCIAL STATEMENTS
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11. Tangible fixed assets

	Fixtures and fittings £
Cost or valuation	
At 1 April 2020	30,955
Additions	2,256
At 31 March 2021	<u>33,211</u>
Depreciation	
At 1 April 2020	27,528
Charge for the year	1,635
At 31 March 2021	<u>29,163</u>
Net book value	
At 31 March 2021	<u><u>4,048</u></u>
At 31 March 2020	<u><u>3,427</u></u>

12. Debtors

	2021 £	2020 £
Trade debtors	2,400	7,153
Prepayments and accrued income	-	1,656
	<u><u>2,400</u></u>	<u><u>8,809</u></u>

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13. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	3,610	2,898
Other taxation and social security	3,067	2,532
Other creditors	782	636
Accruals and deferred income	23,714	22,280
	<hr/> 31,173 <hr/>	<hr/> 28,346 <hr/>
	2021 £	2020 £
Deferred income at 1 April 2020	20,000	-
Resources deferred during the year	21,300	20,000
Amounts released from previous periods	(20,000)	-
	<hr/> 21,300 <hr/>	<hr/> 20,000 <hr/>

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**NOTES TO THE FINANCIAL STATEMENTS
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14. Statement of funds

Statement of funds - current year

	Balance at 1 April 2020 £	Income £	Expenditure £	Balance at 31 March 2021 £
Unrestricted funds				
General Funds	91,862	168,145	(165,962)	94,045
Restricted funds				
First Art	-	2,060	(2,060)	-
Other projects	15,697	40,450	(44,059)	12,088
Creswell Gets Creative	6,039	-	(2,366)	3,673
This Girl Codes	53,892	-	(23,986)	29,906
	75,628	42,510	(72,471)	45,667
Total of funds	167,490	210,655	(238,433)	139,712

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14. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 April 2019 £	Income £	Expenditure £	Balance at 31 March 2020 £
Unrestricted funds				
General Funds	94,509	133,766	(136,413)	91,862
Restricted funds				
First Art	-	6,000	(6,000)	-
Other projects	9,035	86,009	(79,347)	15,697
Creswell Gets Creative	6,545	8,361	(8,867)	6,039
This Girl Codes	-	59,700	(5,808)	53,892
	15,580	160,070	(100,022)	75,628
Total of funds	110,089	293,836	(236,435)	167,490

General Funds:

These funds are available for use at the discretion of the directors in furtherance of the general objects of the charity.

Restricted Funds:

These funds enable the charity to provide its on-going role as the arts development and regeneration organisation for the district of Bolsover. This includes the provision of advice, support and partnerships in new initiatives and developments with partner agencies and groups in the statutory, voluntary and community sector.

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**NOTES TO THE FINANCIAL STATEMENTS
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15. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	4,048	-	4,048
Current assets	117,597	49,240	166,837
Creditors due within one year	(27,600)	(3,573)	(31,173)
Total	94,045	45,667	139,712

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	3,427	-	3,427
Current assets	116,781	75,628	192,409
Creditors due within one year	(28,346)	-	(28,346)
Total	91,862	75,628	167,490

16. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £3,568 (2020 - £2,927). Contributions totalling £782 (2020 - £636) were payable to the fund at the balance sheet date and are included in creditors.

17. Operating lease commitments

At 31 March 2021 the company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Later than 1 year and not later than 5 years	2,255	-

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

18. Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £1 for the debts and liabilities contracted before he/she ceases to be a member.

19. Related party transactions

There are no further related parties transactions to disclose apart from the details in note 10.