

JUNCTION CDC LTD
(t/a Cambridge Junction)

Trustees' Report and Financial Statements

31 March 2020

Company Registration No. 02328810

Charity Registration No. 801637

JUNCTION CDC LIMITED (t/a Cambridge Junction)

ANNUAL REPORT AND FINANCIAL STATEMENTS 2020

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JUNCTION CDC LIMITED (t/a Cambridge Junction)

ANNUAL REPORT AND FINANCIAL STATEMENTS 2020

REFERENCE AND ADMINISTRATION DETAILS

TRUSTEES

Richard Arnold
Dr Othman Cole (appointed 18 November 2019)
Nicola Buckley, Chair
Christine Doddington (resigned 23 September 2019)
Jon Payne, Treasurer
Dr Merav Rosenfeld
Godric Smith
Julius Stobbs
Michael Stone (resigned 23 September 2019)
Gabrielle Sumner (appointed 23 March 2020)
Helen Taylor (resigned 23 September 2019)
Zoe Svendsen (appointed 22 July 2019)

COMPANY REGISTERED NUMBER

02328810

CHARITY REGISTERED NUMBER

801637

REGISTERED OFFICE

Clifton Way
Cambridge
CB1 7GX

BANKERS

HSBC Bank plc
Vitrium
St John's Innovation Park
Cambridge
CB4 0DS

SOLICITORS

Mills & Reeve
Botanic House
100 Hills Road
Cambridge
CB2 1PH

AUDITOR

Price Bailey
Chartered Accountants
Tennyson House
Cambridge Business Park
Cambridge
CB4 0WZ

JUNCTION CDC LIMITED (t/a Cambridge Junction)

TRUSTEES' REPORT

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2020

OUR PURPOSE AND ACTIVITIES

Cambridge Junction is the trading name of Junction CDC Ltd.

Cambridge Junction is all about great music, art and entertainment. We are welcoming to anyone and to all, providing opportunities to connect, learn and experience. We encourage audiences and artists to be confident and curious. We are the place where art and technology meets life.

Cambridge Junction will:

- Strive to be the UK's most inspiring centre for the performing arts
- Grow a risk-taking audience through an engaging programme representing inclusive practices
- Lead the way in supporting artists and their development
- Emphasise work for, by and with young people, co-created with acclaimed artists and companies
- Connect with our communities, communicate with passion and commit to embracing change

Cambridge Junction's priorities are:

- an inclusive programme
- artist development; and
- projects made for, by and with young people.

We celebrate and nurture the intersection of the three strands of our programme:

- Arts development and presentation, with a focus on contemporary theatre and dance;
- Popular culture with a focus on music, comedy and clubs; and
- Creative learning and skills development in the arts, using the organisation as a site for learning.

Cambridge Junction is twenty minutes' walk from the centre of the city and is located at the Cambridge Leisure Park. Each year we hold over 350 events in our three spaces:

- J1, a large versatile performance and social space with a standing capacity of 850;
- J2, a 220 seat theatre; and
- J3, a light-filled multipurpose space excellent for learning, rehearsal, residencies and talks.

The goals of Cambridge Junction are:

- To have more people experience and value arts, popular culture and creative learning. **GOAL 1**
- To support excellence in arts, popular culture and creative learning. **GOAL 2**
- To be a forward-thinking arts centre responsive to changes in the arts and community. **GOAL 3**
- To be rooted in Cambridge, contributing to the life of the city and its residents. **GOAL 4**
- To have a stable and adaptive business structure with diverse income streams. **GOAL 5**

Key performance indicators:

In order to monitor and assess Cambridge Junction's performance, against its goals, the Trustees utilise a number of financial and non-financial key performance indicators (KPIs), which are set out in the following table:

Description (metric)	March 2020	March 2019	% Change	Related to Goal
Attendance at events & activities	93,878	103,131	-9%	1, 5
Investment in artist and performance fees	£685,398	£727,600	-6%	2
Children & young people participating in creative learning workshops and	7,070	7,038	+0.5%	3
Weeks of residency for local and regional artists and companies	49	54	-9%	4
Income from individual donations, trusts & foundations, corporate	£136,887	£138,619	-1%	5

JUNCTION CDC LIMITED (t/a Cambridge Junction)

TRUSTEES' REPORT

OUR PURPOSE AND ACTIVITIES (CONTINUED)

At Cambridge Junction we are:

- **Committed** to art, entertainment and learning, which are experience-led, including new forms of performance, contributing to the creation of art through participation, access to popular music, and learning through creativity.
- **Inclusive and welcoming**: of artistic ideas, forms and contexts, and the diversity and difference of our artists and audiences.
- **Collaborative**: with artists, arts organisations, communities, government authorities and other stakeholders in pursuit of mutual goals.
- **Strategic**: in business; balancing day-to-day management, entrepreneurial opportunities and long-term aspirations.

ACHIEVEMENTS AND PERFORMANCE

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing their aims and objectives and in planning their future activities. This section of the Trustees' Report identifies and explains the various activities undertaken.

For the purpose of these financial statements, the activities of Cambridge Junction may be classified between the main programme and projects. Activities considered part of the main programme include the arts and popular culture presentation programmes, arts development initiatives, and creative learning activities. Projects include a variety of one-off and/or time-limited events and activities, which are usually grant funded.

Two key events highlight the challenges and complexities of delivering to our charitable aims in 2019/2020. They represent how connected we are to our communities, our importance locally, and the challenges of navigating and producing a high quality and diverse artistic programme in the current climate.

On 14 February 2020, Cambridge Junction celebrated its 30th birthday with *Lost Nights & Love Songs*, a celebration of the multifaceted and engaging programme of which we have become rightly renowned over the last three decades.

This very Junction party featured films co-created by local primary and SEND schools with critically acclaimed artists and filmmakers; a new commission by seminal contemporary performance duo Lone Twin with the idiosyncratically entertaining participation of many of the Junction team; the launch of an exhibition and audio tour opening up our archive and celebrating our tangible and intangible heritage; a series of new oral history recordings from audience members, artists, partners, and our own staff; and a long night of dancing and music with local bands, DJs and the roof-raising Mr Wilson's Second Liners.

Lost Nights & Love Songs was funded by the National Lottery Heritage Fund and the project brilliantly represents the passion and commitment of the members of our community who worked tirelessly to establish the Junction in the Eighties and the many ways in which that social engagement and quality of connection with the people of Cambridge is embedded in our DNA, informing our vision, aims, objectives and ethos to this day.

An internal team working collaboratively across departments worked tirelessly to deliver this project on time and on budget, and all aspects were successful in meeting the project's aims and objectives. All of this in a little over three months from inception to completion.

Having barely caught our organisational breath, on 18 March 2020 Cambridge Junction temporarily closed its doors to the public, a vital response to COVID-19, the pandemic which was by that date sweeping the country and world. We anticipate that COVID-19 and any restrictions put in place to protect public health are liable to have a significant impact on the delivery of our stated KPIs. Any limitations on live performances, mass gatherings, school openings, and licensed venues, will necessarily reduce audience and participation figures. It is likely that adaptations will need to be made to the ways in which we operate, to deliver and share activity and performance online, and to refocus on artist residencies, creative learning and work in communities. By doing so we strive to remain connected with our communities and audiences, and deliver to as many of our charitable aims and objectives and the terms of our funding agreements, with Arts Council England and Cambridge City Council, as possible.

JUNCTION CDC LIMITED (t/a Cambridge Junction)

TRUSTEES' REPORT

OUR PURPOSE AND ACTIVITIES (CONTINUED)

In reporting on this year, there is clearly a moment before which our business and charitable work was successful and complex, and after which we entered into a period of uncertainty with attendant impacts on our ability to operate. This report should be seen through the lens of that moment of change.

Arts centres play a vital role in England's cultural ecology, performing distinct functions connecting artists and audiences. The quality and interdisciplinarity of our programmes are essential in ensuring that excellence in the arts and creativity is valued in our communities.

Our programme is diverse and inclusive, and we continue to work in becoming more representative of the communities in which we live and work. We are not shy of attracting audiences for culture that is popular and at the same time inspire and challenge people with art that will disrupt their perception of the world and linger with them in their hearts and minds. We can be provocative and entertaining at the same time and revel in this ability. In programming work across discipline from music to theatre, live art to dance to circus, as well as work by artists that defies categorisation, we can establish new connections, and communicate differently between sectors and communities. In all of this we strive for excellence; the most engaging, high quality artists, the best communications and marketing, the most inspiring, supportive creative learning and artist development programmes.

In 2019/2020, we recorded 93,878 ticket sales, which represents a decrease of 9% on last year's figure and against a business plan target of 105,000. It should be noted that as a result of suspending our live programme in response to COVID-19, we postponed/cancelled two busy weeks of performances with a potential audience of 5,000, and a number of large capacity performances with audience potential of 5,000 were cancelled for reasons beyond our control across the autumn season. These figures also represent the ongoing complexity of the sector in which we work. [KPI1]

Highlights of the year included sell out gigs in J1 for Billy Bragg (selling out a three-night run of shows), Garbage, Sharon van Etten, The Tiger Lillies, Half Man Half Biscuit and Aitch. Other artists and projects to make their mark and have an impact included The Comet is Coming and the return of Syrian superstar Omar Souleyman. Our comedy programme continued to grow with sell-out shows from Sofie Hagen, Milton Jones, Sindhu Vee, Ellie Taylor and Vir Das. [KPI2]

Our arts programme is presented in two seasons: February to May and September to December annually. The programme continued to stand out for its commitment to artistic innovation and excellence, and is an important part of the national infrastructure supporting contemporary performance. In autumn 2019, Cambridge Junction adopted a Pay What You Feel ticket pricing, with audiences able to pay as little as £2.50 for a ticket. This model greatly reduces barriers to attendance and in the first season we saw an 8% increase in numbers of tickets sold over the same period in 2018.

Programme highlights included: Chris Thorpe & Rachel Bagshaw's *Shape of the Pain*, Aakash Odedra's *#JeSuis*, Breach Theatre's *It's True It's True It's True*, Rachel Mars' *Your Sexes are Shit*, Bert & Nasi's *One*, Travis Alabanza's *BURGERZ*, Louis Vanhaverbeke's *Mikado Remix*, Hoipolloi's *Loose Change Trilogy*, Ron Athey's *Acephalous Monster*, Ant Hampton's *Crazy but True* and Nicola Gunn's *Piece for Person & Ghettoblaster*. In 2019/20, we commissioned new work and projects by Igor & Moreno, Hetain Patel, Lucy McCormick, Rachel Mars, Nigel & Louise, Sue Maclaine, Figs in Wigs, Daniel Oliver (LADA DIY), Caroline Horton, Two Destination Language, Alice Holland and Collusion.

Cambridge Junction continues to be an important venue for international acts, especially within the popular culture programme. Our programme of North American artists was outstanding including Sharon van Etten, Hot 8 Brass Band and Big Thief. The fifth iteration of the Ahbab Festival allowed us to continue to build relationships and develop audiences for music from the Middle East and North Africa.

Participation in the Outlands experimental music touring network made an important contribution to our programme including stand out performances by Qujaku (Japan) and Eartheater (USA).

JUNCTION CDC LIMITED (t/a Cambridge Junction)

TRUSTEES' REPORT

OUR PURPOSE AND ACTIVITIES (CONTINUED)

In the artistic programme, international highlights include performances from Louis Vanhaverbeke (Belgium), Samira Elagoz (Finland), Ron Athey (USA), Nicola Gunn (Australia), Hannah de Meyer (Belgium) and Julia Croft (New Zealand), as well as the work of many international artists based in the UK including Lola Maury, Bert & Nasi, Igor & Moreno, Anna Brownsted. and Patfield & Triguero.

In February 2020, we presented **Fest en Fest** as part of the Vision Mixers producer development programme, and in partnership with independent producer Natalie Richardson & H2 Dance. This new programme featured new works of expanded choreography from UK and Nordic choreographers and artists including Marikiscrycrycry, Janine Harrington, H2 Dance, Kate Marsh, and Karen Røise Kielland (NO) & Katja Dreyer (DE) [KPI2]

We continue the internationalisation of our artistic programme and to further develop our networks, through our ongoing membership of IETM and a series of dialogues with international artists and producers.

In 2019/20, we further developed our connections with the technology and innovation sector in Cambridge. With our resident company Collusion we are fostering art/tech collaborations, public engagement projects, workshops and seminars, and planning towards their Vision Mixers project in autumn 2020. We are actively working to make this area of work integral to our programme in the future. We continued to develop future plans particularly with regards our capital development and a site for excellence at the intersection of creativity, innovation and technology. [KPI4]

We champion and seek to show leadership through our approach to diversity and inclusivity. We consider all protected characteristics but focus on presenting work led by artists of colour, the representation of disability and a vital LGBTQIA+ strand of programming.

Companies/artists such as Travis Alabanza, Scottee & Friends, Rachel Bagshaw, Sheila Gheilani, Aakash Odedra, Gateau Chocolat, Ron Athey and Mind the Gap have been integral to our arts programme. **I'm Here Where Are You?**, a festival of work by disabled artists was presented in April 2019 as part of the Vision Mixers programme. Co-produced by independent creative producers Liz Counsell and Linda Rocco, the programme including performances by Jackie Hagen, Jane Carter Woodrow and Eve Mutso & Joel Brown, a symposium, and the recording of the BBC's Ouch podcast. Our family programme includes sensory works for young disabled people with companies such as Oily Cart and Frozen Light being presented regularly. The popular culture programme also plays an important role in the representation of diverse and different voices in our society especially through comedians such as Mo Amer & Guz Khan, Shappi, Sindhu Vee, and Vlr Das. [KPI2]

In 2019/20 we worked in partnership again to present Queer Valentines, and Ahbab Festival of music from North Africa and the Middle East. We look forward to continuing to strengthen these relationships that bring greater inclusivity to our programmes.

We continue to host the Live Art UK / Diverse Actions project which is proving successful in supporting new live art projects, leadership, critical practice and communications by emerging artists and writers of colour. In November 2019, the legacy symposium Skin in the Game was presented at Z-Arts in Manchester, and the critical publication Vanishing Points was published in early March 2020. This phase of the project will come to an end in July 2020, and we will work to support planning towards a future iteration.

In 2019/20 we continued to grow our offer to local and regional artists through our Troop membership programme. We now have 76 artist members, who benefit from advice, residencies, masterclasses and workshops, and performance opportunities at our biannual platform. This programme has resulted in 25 successful Grants for the Arts applications, 20 members showing work at scratch events, and many benefiting from residencies. Projects by Troop artists have toured and developed profile nationally including work by Jane Carter Woodrow, Charmaine Childs, Eden Harbud, Glimmer Theatre, Hazel Lam, Urban Foxes and Emma Spearing. [KPI4]

JUNCTION CDC LIMITED (t/a Cambridge Junction)

TRUSTEES' REPORT

OUR PURPOSE AND ACTIVITIES (CONTINUED)

We remain committed to the development of new work and contemporary performance. We provided 22 weeks of residency time in J3, plus 27 weeks of time in other spaces around the building; a total of 49 (2019: 52) weeks of space and time supporting artist development at Cambridge Junction. [KPI4]

Our programme is distinctive in its diversity and its commitment to artistic innovation and excellence. We perform a vital function for contemporary performance and live art in England. We directly invested £193,318 (2019: £189,769) in artist and commissioning fees (in addition to the space, technical, producing and dramaturgical support and advice provided by our team) specifically on our artistic programme. In 2019/20, we invested £685,398 (2019: £727,600) in performance fees across our entire programme. [KPI5]

Our creative learning programme is built around an understanding of our venue as a site for learning and participation. Our vision is for our venue to be a place where young people are 'at home' and where they can experience artistic excellence, participation in the arts and consider the arts as a potential career route. We seek to introduce young people to artistic excellence through our presentation programme, by working with professional artists, and by facilitating first steps to a career as an artist. [KPI3]

Cambridge Junction is committed to being a forward-thinking arts centre responsive to changes in the arts and community. An integral part of this is our vision to create a space where young people can develop their workplace skills and/or gain an understanding of the arts and cultural sector. In addition, despite the richness of Cambridge's cultural scene, many people in our local area have limited access to cultural activities. One of our main focuses is on young people who are at risk of being left behind. Cambridge is a city characterised by financial, social and cultural diversity. We extend the reach and influence of Cambridge Junction through a series of targeted projects (some ongoing and some time-limited) which address the needs and interests of young people and/or socially excluded groups. Our targeted participation aims to level the playing field for young people who may not have the same opportunities as their peers. We review our portfolio of targeted participation projects annually.

Our Creative Learning department ensures that young people are able to be part of Cambridge Junction and be involved in hands-on learning. We are committed to the up-and-coming and young people are our focus for participation. In 2019/2020 we presented two youth-led events: Junk Yard music festival and Rapademic, and delivered three film-making projects in local schools and educational settings as part of the two-year Paul Hamlyn Foundation funded project Act One. [KPI3]

We run two youth artistic development initiatives: Junction Young Company, an advanced training programme for committed performers aged 14 to 21; and Total Arts for disabled young people aged 13 – 25, with a focus on filmmaking developing creative skills in front of the camera and behind the scenes. In 2019, we put in place a new paid role targeted at graduates of Total Arts. Applicants secured one of these roles through a full recruitment process and as a result we now have five Customer Service Stewards working alongside our event team, welcoming audiences and providing front of house service at a range of events and performances.

Fiver and New Routes offer significant opportunities for engagement through music. We presented ten Fiver/New Routes events and many of the young performers played their music on a professional stage for the first time.

Over 2019/2020 we managed four apprenticeships, three in venue operations and one in technical theatre. This initiative provided invaluable alternative routes into employment in the arts. [KPI3]

Our current priorities are to focus our audience development action plan on local, repeat and cross-over attendance. We encourage those living closer to the venue to attend more often, those coming once a year to come again and existing and loyal audiences to explore new areas of our programme.

We believe audience development should be inspired by and connected to programme development and our creative learning programmes are a vital stage in the process of encouraging engagement with our artistic programme and attendance. For instance, we are increasingly seeing members of Junction Young Company attending contemporary performances and this is something we want to encourage and nudge further towards in the future. [KPI1 & KPI5]

We continue to be active in our development of local audiences and our audience development strategies range from Facebook advertising with geographic filters, through promotion at community events, to ambassador promoters.

JUNCTION CDC LIMITED (t/a Cambridge Junction)

TRUSTEES' REPORT

OUR PURPOSE AND ACTIVITIES (CONTINUED)

We continue to be a socially responsible organisation with a broad range of commitments from the diversity and difference of our artists, audiences and workforce; through work (and in particular pay) conditions for our employees; to consideration of our environment. Our Environmental Policy continues to identify our primary challenges and actions around environmental sustainability. We are willing participants in Arts Council England's partnership with Julie's Bicycle and we monitor and record our energy (electricity, gas and water) and waste usage and thereby calculate our carbon footprint. In April 2019, we made a clear statement of our priorities with regards this in joining Culture Declares Emergency.

Ensuring Cambridge Junction's resilience, now and in the future, remains a priority, particularly considering the impacts of COVID-19. In 2019/2020 we recorded a deficit of £94,913 (2019: £22,462) on unrestricted funds (of which cancellations and postponements due to COVID-19 contributed £54,000. We continue to operate as a social enterprise earning 58.5% (2019: 60%) of our income, with surplus reinvested into our charitable activity. **[KPI5]**

After increases in tickets sales beyond our business plan target in 2018/19, we saw a decrease in sales in 2019/20 in what continues to be a complex and dynamic sector, dependent largely on the rhythm of tours and agents. Income from tickets sales decreased by 9% in 2019/2020 and income from bars decreased by 6%. **[KPI5]**

In 2019/2020 we have again seen a significant impact on income from individual and corporate giving, trusts, foundations and statutory sources, with actual income of £136,887 (2019: £138,619) against a target of £110,000 (2019: £51,000) We have increased our membership to 372 in 2019/20, an increase of 7% on the last year. **[KPI5]**

FINANCIAL REVIEW

Overall, the group had net expenditure for the year of £451,881 (2019: £103,824), including net expenditure of £94,913 (2019: £22,462) on unrestricted funds of which £54,000 was as a direct result of COVID-19.

The net expenditure on restricted funds in the year was £356,968 (2019: £81,362).

Included within the group's results are those of the charity's wholly owned trading subsidiary, The Junction Promotions Limited, which earned £133,583 (2019: £166,491) profit in the year which was gift-aided to the charity. **[KPI5]**

We continue to maintain excellent relationships with our principal funding bodies, Arts Council England and Cambridge City Council. Arts Council England supports our core activity with annual funding of £637,418 (2019: £637,518) through its National Portfolio funding programme. We again received project funding of £55,000 (2019: £55,000) from Cambridge City Council, having previously moved from triennial core funding to year-on-year project funding to support our community engagement programme. **[KPI5]**

The Charity understands its duty to protect the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches, and undue pressure to donate but does not currently fundraise from the public or use any internal fundraisers or external fundraising agencies for either telephone or face to face campaigns and received no fundraising complaints during the year.

It is clear that the impacts of COVID-19 will be strongly felt by the arts and cultural sector, with restrictions on public events and mass gatherings drastically effecting our ability to operate and deliver to our mission and vision. State financial intervention to support the sector will be imperative, in recognition of the vital role Cambridge Junction and similar arts centres play in communities and to the benefit of the education, health and well-being of young people and the communities in which we work.

JUNCTION CDC LIMITED (t/a Cambridge Junction)

TRUSTEES' REPORT

RESERVES POLICY

Cambridge Junction carries out a diverse range of activities, including short term, externally funded projects and long term business development. The trustees have examined the requirement for free reserves, i.e. those unrestricted funds not invested in tangible fixed assets, designated for specific purposes or otherwise committed. The trustees consider that, given the scale of the organisation and the nature of its work, the level of free reserves should be approximately £230,000 at any one time.

The trustees are of the opinion that this provides:

- Sufficient flexibility to cover temporary shortfalls in income due to timing differences in income flows;
- Adequate working capital to cover core costs; and
- An allowance to enable the organisation to cope and respond to unforeseen emergencies whilst specific action plans are implemented.

In determining the reserves policy, the trustees have considered the fixed costs required to maintain the Company for three months stands at approximately £225,000. The trustees have also considered the impact of any funding loss and the timescale in which this might occur.

The balance sheet shows total funds of £2,598,270 at 31 March 2020.

These funds included restricted funds of £2,270,521. This comprises grants and other income and assets subject to donor imposed conditions. The restricted funds include a Tickets in Advance Reserve of £120,000, which is a reserve equivalent to a prudent value of tickets sold in advance of events. Full details of restricted funds can be found in note 17 to the financial statements together with an analysis of movements in the year. The trustees note that the Tickets in Advance Reserve provides risk mitigation around ticket sales.

Unrestricted funds of the organisation at 31 March 2020 were £327,749 (2019: £422,662). These funds include £61,975 (2019: £61,975) relating to designated funds for a repair and renewal contingency, £16,398 (2019: £16,398) relating to designated funds for remuneration contingency, £12,000 (2019: £12,000) relating to designated funds for website optimisation, £43,855 (2019: £43,855) relating to designated funds for philanthropy and development. The free reserves of the group are £23,524 (2019: £119,894) after taking out fixed assets of £169,996 (2019: £168,540).

At 31 March 2020, the free reserves fell short of the desired level as set out in the reserves policy, above.

PLANS FOR FUTURE PERIODS

Prior to the onset of the impacts of COVID-19 across the arts and cultural sector, Cambridge Junction was operating smoothly, with a committed team and strong support from stakeholders. The trajectory over the next three years appeared positive, with audiences and earned income from ticket and bar sales continuing to grow steadily; a trend we expected to continue. Financial intervention from government, as well as additional funding from Arts Council England will be necessary in replacing lost income and be vital to weathering a period of increased uncertainty.

Ordinarily, the primary risk for the organisation would have been less and less about ticket sales and earned income, and increasingly the financial vulnerability of core stakeholders. With cuts to funding to local government, and a major drain on resources as a result of COVID-19 we are likely to see short to mid-term reductions in funding from Cambridge City Council. Similarly there may be longer term reductions in funding from Arts Council England, if their funds are allocated in response to this emergency. We are grateful that our funding agreement as part of the National Portfolio has been extended by a year, providing important time necessary to revising our business and artistic plans.

While our business model is strong, maintenance of our buildings and equipment is our primary concern for ensuring a resilient future. Without investment it is likely that a major building or equipment failure could place us in financial difficulty. Our approach has been to propose a major new capital redevelopment of our site, to include the rebuilding of J1 to increase its flexibility of use, rebuilding J3 and the addition of two new studio spaces for creation, creative learning, community and performance use, an enhanced, expanded and unifying foyer and social space; and 5,000+ square meters of creative, innovation and technology workspace. The workspace has the potential to provide long-term income and thereby ensure the resilience of the organisation.

JUNCTION CDC LIMITED (t/a Cambridge Junction)

TRUSTEES' REPORT

PLANS FOR FUTURE PERIODS (CONTINUED)

We have been working in partnership with Cambridge City Council on plans towards our redevelopment and it appears likely that these will be put on hold as a result of COVID-19. Similarly Arts Council England's capital fund has also been suspended

An important part of our capital development strategy is to increase our engagement with the innovation and technology sectors in Cambridge. We see this dynamic sector as providing important potential partners for project delivery and see our resilient future better aligned to thriving businesses in Cambridge and the region.

Our programme, audience and financial projections for the project suggest that we have the potential to increase revenue (through the rental of workspace) [**GOAL 5**], increase audiences by 20+% [**GOAL 1**], increase activity to allow us to meet the demands of a growing population in the city, county and region [**GOAL 3 & 4**], and to realise our ambitious vision with regards to the support of commissioning, artist development and creative learning over the coming years [**GOAL 1,2 & 3**].

The ongoing success of Cambridge Junction is not possible without the professionalism and commitment of the staff. Their contribution across the programme, communications, technical, operations and administration continues to play a significant role in shaping a positive future for Cambridge Junction.

THE IMPACT OF COVID-19

On 17 March 2020 Cambridge Junction was forced to cancel all public performances due to the COVID-19 pandemic. The government Job Retention Scheme has been a huge financial help with 20 contracted staff and 40 of our team of casual workers being furloughed from the end of March. Staff were retained to cover box office, finance, artist development and creative learning. Box office staff were able to work remotely allowing us to reassure our customers by processing their refunds, exchanges and ticket queries in a timely manner. This has helped us to retain customer loyalty and support in the form of memberships, donations, and account credit and gift vouchers. Additionally, we honoured all payments to artists whose events we were forced to cancel and kept in touch with the participants in our JYC, Troop and Total Arts groups.

In October 2020 we were awarded £398,495 from the Cultural Recovery Fund to enable us to refocus activity on creative learning, community projects and artist development; areas essential to organizational, civic, community and sectoral recovery. We will spend the period to March 2021 revising our business plan to deliver value and reach to give us the best opportunity for longer-term sustainability with a view to resuming a level of financially viable live performance from spring 2021.

The grant will:

- allow Cambridge Junction to engage audiences and communities, beginning to embed its work outside the building
- begin new approaches to audience development, so that attendance and engagement might increase over future years
- provide resources to develop artists locally and nationally
- grow an inclusive and representative programme

Cambridge Junction will:

- explore socially distanced performance where viable
- co-produce a new Christmas show with resident company New International Encounter (NIE)
- host residencies and production weeks
- continue to distribute work online
- further develop its digital business model and channels

Our staff will use their expertise to ensure best-practice financial and business planning. Teams will be focused on ensuring that revenue from commercial programmes and activities is maximised to balance subsidized programmes.

JUNCTION CDC LIMITED (t/a Cambridge Junction)

TRUSTEES' REPORT

THE IMPACT OF COVID-19 (CONTINUED)

Our business model allows the focusing of activity on smaller scale performance and larger-scale hires, thereby minimizing risk and maximizing return. The following outcomes and outputs will contribute to ensuring our long-term sustainability and resilience, and offer value for money due to organizational efficiencies.

The co-production of a new Christmas show with NIE will:

- provide employment to freelance creatives and performers who might otherwise be lost to the sector
- engage family and schools audiences, many of whom will be first time attendees
- maximize impact and access using digital platforms
- develop future audiences -innovate and take creative risk
- produce site-responsive, live/digital new work within current restrictions
- contribute to sector learning and development
- increase box office income

Hosting residencies and production time will:

- support the development of inclusive and representative programming
- allow artists and companies to develop and complete work that might be distributed digitally
- support emerging and mid-career artists and their development, contributing to the sector and artists' own sustainability and resilience

Focusing on community projects and creative learning will:

- increase creative opportunities for young people and people in communities across Cambridge
- support community recovery and resilience, and improve mental health and wellbeing
- enable the development of our programmes towards future fundraising for multiyear projects funded by trusts and foundations

STRUCTURE, GOVERNANCE AND MANAGEMENT

The trustees constitute directors of the charitable company for the purpose of the Companies Act 2006.

The trustees serving during the year and since the year end, are shown on page 1.

Governing document

Cambridge Junction is incorporated as a company limited by guarantee with no share capital, registered in England and Wales (Company registration no. 02328810), and is set up as a registered Charity (Charity registration no. 801637).

Cambridge Junction's Memorandum and Articles of Association were incorporated on 15 December 1988 and amended by special resolution on 23 May 1989; 31 March 1998; 6 March 2000; 10 May 2000 and 22 February 2006.

Appointment of Trustees

There can be up to 17 trustees, elected to the Board. Each trustee is elected for a term of three years and can be re-elected for consecutive periods not exceeding nine years. After serving for nine years, a board member is not eligible for re-election until one year after retirement. New trustees are identified through personal recommendation, local networks and recruitment advertising. The trustees undertake a regular skills audit to ensure a suitable balance of skills and experience is achieved.

Trustee induction and training

On appointment, new trustees meet with the chair of the board and with senior management. These meetings include in-depth discussions regarding the structure, management and aims of the organisation and the responsibilities of the board as a whole and of individual trustees. New trustees are provided with a pack of relevant policies and other background information (including copies of budgets and financial statements) and are informed about the general information available on the Charity Commission website.

JUNCTION CDC LIMITED (t/a Cambridge Junction)

TRUSTEES' REPORT

Group structure

The charity's wholly owned trading subsidiary, The Junction Promotions Limited, which is incorporated in England and Wales, pays all its profits to the charity by gift aid, under a deed of covenant. The Junction Promotions Limited operates the bars, refreshments and all commercial trading operations carried out at Cambridge Junction. The charity owns the entire issued share capital of 2 ordinary shares of £1 each.

The Board of trustees has overall control of the charity and is responsible for ensuring it fulfils its charitable aims and objectives. The Board appoints the CEO who in turn appoints the staff team responsible for the day to day running of the charity and trading subsidiary.

Related parties and co-operation with other organisations

Cambridge Junction had no formal partnership agreements in place during 2019/20.

Key management personnel

Matt Burman is the Artistic Director and Chief Executive Officer. Helen Chamberlain is the General Manager.

STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

Pay policy for senior staff

Pay levels are agreed annually by the Board. All pay levels, including those of senior staff, are based on an understanding of fair and equitable pay within the arts sector and in particular within peer National Portfolio Organisations.

Cambridge Junction is committed to pay all permanent staff the Living Wage (as set by the Living Wage Foundation) or better. All casual staff are paid the National Living Wage or better. The organisation aspires to pay all staff the Living Wage or better.

Cambridge Junction does not pay performance related bonuses.

Risk management

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

Key risks and the trustees' approach to mitigating these risks are outlined in Cambridge Junction's business plan. However, the primary risks remain the failure to achieve audience levels/income (particularly in J1) and the reduction/cessation of ongoing financial support from Arts Council England and/or Cambridge City Council. COVID-19 has and will have a major and negative impact on audience levels, income and our funding relationships with Arts Council England and Cambridge City Council.

The trustees' approach to mitigating these risks is to: reforecast budgets at quarterly intervals and to ensure the budget reflects actual trading and funding outcomes; revise budgets to reduce core costs; and, where necessary, to draw on the free reserves. Additionally we will work closely with funders and lobby for additional financial support from government to support our continued operation across 2020/2021.

TRUSTEES' QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

The company has granted an indemnity to one or more of its trustees against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the Trustees' report.

TRUSTEES' RESPONSIBILITIES STATEMENT

The trustees (who are also directors of Junction CDC Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

JUNCTION CDC LIMITED (t/a Cambridge Junction)

TRUSTEES' REPORT

TRUSTEES' RESPONSIBILITIES STATEMENT (continued)

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the charities SORP 2019 (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

AUDITOR

Each of the persons who is a trustee at the date of approval of this annual report confirms that:

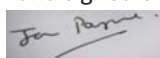
- so far as the trustee is aware, there is no relevant audit information of which Cambridge Junction's auditor is unaware; and
- the trustee has taken all the steps that he/she ought to have taken as a trustee to make himself/herself aware of any relevant audit information and to establish that Cambridge Junction's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Price Bailey has expressed its willingness to continue in office as auditor and reappointment as auditor will be considered at the forthcoming Annual General Meeting.

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

Approved by the Board of Directors
and signed on behalf of the Board



J Payne

Trustee

Date: 23 November 2020

JUNCTION CDC LIMITED (t/a Cambridge Junction)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JUNCTION CDC LIMITED

Opinion

We have audited the financial statements of Junction CDC Limited (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2020 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the charity balance sheet, the statement of consolidated cash flows 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, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2020, and of the group's 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.

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 auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and of the parent 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' report, other than the financial statements and our auditor's report 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.

JUNCTION CDC LIMITED (t/a Cambridge Junction)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JUNCTION CDC LIMITED

Other information (continued)

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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinions 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 trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' 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 prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, 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 group's and the parent 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 group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

JUNCTION CDC LIMITED (t/a Cambridge Junction)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JUNCTION CDC LIMITED

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and report in accordance with this Act.

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 an auditor's report 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.

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 auditor's report.

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 auditor's 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.

Helena Wilkinson BSc FCA DChA (Senior Statutory Auditor)

For and on behalf of Price Bailey LLP

Chartered Accountants

Statutory Auditors

Tennyson House

Cambridge

CB4 0WZ

United Kingdom

Date: 25 November 2020

JUNCTION CDC LIMITED (t/a Cambridge Junction)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (including consolidated income and expenditure account) Year ended 31 March 2020

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
INCOME:					
<i>Donations and legacies</i>	3	795,909	319,254	1,115,163	1,124,344
<i>Income from charitable activities:</i>					
Main projects and participation programme	4	1,129,085	-	1,129,085	1,186,675
Projects including arts development		-	4,200	4,200	74,533
<i>Income from other trading activities:</i>					
Commercial trading operations	5	423,231	-	423,231	451,997
Investments – bank interest	6	2,441	-	2,441	1,672
Total income		2,350,666	323,454	2,674,120	2,839,221
EXPENDITURE:					
<i>Costs of raising funds:</i>					
Commercial trading operations	5	289,648	-	289,648	285,506
<i>Expenditure on charitable activities:</i>					
Main projects and participation programme	7	2,155,931	66,902	2,222,833	2,226,847
Projects, including arts development	7	-	613,520	613,520	430,692
Total expenditure		2,445,579	680,422	3,126,001	2,943,045
Net expenditure and net movement in funds in the year		(94,913)	(356,968)	(451,881)	(103,824)
RECONCILIATION OF FUNDS:					
Total funds brought forward	17	422,662	2,627,489	3,050,151	3,153,975
TOTAL FUNDS CARRIED FORWARD	17	327,749	2,270,521	2,598,270	3,050,151

There were no other items of comprehensive income other than those listed above and the net income for the year. All income and expenditure derive from continuing activities.

The deficit of the parent charity for the year for Companies Act purposes is £451,881 (2019: £106,092). As permitted by Section 408 of the Companies Act 2006, no separate Statement of Financial Activities is presented in respect of the parent charity.

See note 17 for comparative Consolidated Statement of Financial Activities analysed by funds.

The notes on pages 20 to 39 form part of these financial statements.

JUNCTION CDC LIMITED (t/a Cambridge Junction)

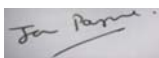
CONSOLIDATED BALANCE SHEET 31 March 2020

	Note	2020 £	2019 £
FIXED ASSETS			
Tangible assets	11	2,205,337	2,430,921
CURRENT ASSETS			
Stocks	13	10,838	14,160
Debtors	14	160,384	185,522
Cash at bank and in hand		648,664	960,835
		819,886	1,160,517
CREDITORS: amounts falling due within one year	15	(426,953)	(541,287)
NET CURRENT ASSETS		392,933	619,230
TOTAL ASSETS LESS CURRENT LIABILITIES		2,598,270	3,050,151
NET ASSETS		2,598,270	3,050,151
CHARITY FUNDS			
Restricted funds	17	2,270,521	2,627,489
Unrestricted funds	17	327,749	422,662
TOTAL FUNDS		2,598,270	3,050,151

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime. The notes on pages 20 to 39 form part of these financial statements.

The financial statements of Junction CDC Limited, registered number 02328810, were approved by the Board of Trustees and authorised for issue on 23 November 2020

Signed on behalf of the Trustees



J Payne

Trustee

JUNCTION CDC LIMITED (t/a Cambridge Junction)

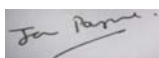
CHARITY BALANCE SHEET 31 March 2020

	Note	2020 £	2019 £
FIXED ASSETS			
Tangible assets	11	2,205,337	2,430,921
Investments	12	2	2
		<u>2,205,339</u>	<u>2,430,923</u>
CURRENT ASSETS			
Debtors	14	687,560	654,790
Cash at bank and in hand		124,590	485,109
		<u>814,418</u>	<u>1,139,899</u>
CREDITORS: amounts falling due within one year	15	(421,487)	(522,939)
		<u>392,931</u>	<u>616,960</u>
NET CURRENT ASSETS		<u>2,598,270</u>	<u>3,047,883</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,598,270</u>	<u>3,047,883</u>
NET ASSETS		<u>2,596,002</u>	<u>3,047,883</u>
CHARITY FUNDS			
Restricted funds	17	2,270,521	2,627,489
Unrestricted funds	17	325,481	420,394
		<u>2,596,002</u>	<u>3,047,883</u>
TOTAL FUNDS		<u>2,596,002</u>	<u>3,047,883</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime. The notes on pages 20 to 39 form part of these financial statements.

The financial statements of Junction CDC Limited, registered number 02328810, were approved by the Board of Trustees and authorised for issue on 23 November 2020

Signed on behalf of the Trustees



J Payne

Trustee

JUNCTION CDC LIMITED (t/a Cambridge Junction)

STATEMENT OF CONSOLIDATED CASH FLOWS 31 March 2020

	Note	2020 £	2019 £
Cash (used by)/ generated from operating activities	22	(302,889)	216,368
Cash flows from investing activities			
Interest income		2,441	1,672
Purchase of tangible fixed assets		(11,723)	(8,541)
Cash flows used in investing activities		(9,282)	(6,869)
Cash flows from financing activities			
Interest paid		-	(7)
Finance leases		-	(414)
Cash flows used in financing activities		-	(421)
(Decrease)/increase in cash and cash equivalents in the year		(312,171)	209,078
Cash and cash equivalents at beginning of the year		960,835	751,757
Total cash and cash equivalents at the end of the year		648,664	960,835

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	Note	2020 £	2019 £
(Decrease)/Increase in cash in the year being movement in net funds in the year	23	(312,171)	209,078
Net funds at 1 April		960,835	751,757
Net funds at 31 March		648,664	960,835

The notes on pages 20 to 39 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2020

1. ACCOUNTING POLICIES

Company and charitable status

Junction CDC Limited meets the definition of a public benefit entity under FRS102 and is incorporated in England and Wales, United Kingdom as a company limited by guarantee not having a share capital. There are currently nine (2019: nine) Trustees who are also the members of the company. Each member has undertaken to contribute to the assets in the event of winding up a sum not exceeding £1. The charity is a registered charity. The registered office is given on page 1.

General information and basis of accounting

The financial statements are prepared under the historical cost convention, in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities (SORP 2019)" 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 September 2018; and the Companies Act 2006.

The financial statements are presented in Sterling and are rounded to the nearest £.

The principal accounting policies are set out below.

Preparation of financial statements - going concern basis

Cambridge Junction's activities, together with the factors likely to affect its future development, performance and position are set out in the Trustees' Report. The Trustees' Report also describes the financial position of Cambridge Junction; its risk management objectives and policies; and its free reserves policy.

Cambridge Junction has been temporarily closed since 17 March 2020, which has had a significant adverse impact on the level of ticket income that it has been able to generate. Cambridge Junction has, however, placed a number of its permanent and temporary staff on furlough and taken advantage of the Government's Job Retention Scheme (JRS); furthermore, Cambridge Junction was awarded an amount of £398,459 in October, from the Arts Council England's Culture Recovery Fund. These Government support schemes have significantly strengthened Cambridge Junction's financial position and are vital in enabling it to continue to operate during this period of physical closure.

The trustees have prepared a forecast for the period to 31 December 2021 (the forecast period), which includes a number of assumptions – in particular, Cambridge Junction reopening in April 2021, with a gradual phasing in of live performances, leading to an increase in ticketing income.

However, there remain many uncertainties as a result of COVID-19, the most significant of which is when Cambridge Junction will be able to re-open and, when it does, the level of audience numbers and associated level of ticketing income; the Trustees have therefore completed what they consider to be a severe sensitivity scenario whereby Cambridge Junction does not re-open until January 2022; under this scenario, the company will still remain cash positive throughout the forecast period.

The trustees therefore have a reasonable expectation that Cambridge Junction will be able to meet its liabilities as they fall due, for at least the next 12 months, and will therefore remain in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing these financial statements.

Basis of consolidation

Group financial statements have been prepared in respect of the Charity and its wholly owned subsidiary undertaking Junction Promotions Limited. These financial statements have been consolidated on a line by line basis and the results of the subsidiary undertaking are disclosed in note 5.

Income

Income is recognised when the Group and Charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably. Income relating to events including ticket sales, bar income and cloakroom income is recognised at the date of performance.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2020

1. ACCOUNTING POLICIES (CONTINUED)

Income (continued)

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

Expenditure on raising funds includes the costs incurred in commercial trading operations.

Expenditure on charitable activities includes the costs of performances and other educational activities undertaken to further the purposes of the charity and their associated support costs.

Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the Trust's artistic programmes and activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. Irrecoverable VAT is charged as an expense and shown within support costs

The bases on which support costs have been allocated are set out in note 8.

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 charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds subject to specific restrictions imposed by the funding authorities and donors. These funds are not available for the Trustees to apply at their discretion. The purpose and use of the restricted funds is set out in the notes to the financial statements.

Taxation

The parent company is a registered charity and has no liability to corporation tax on its charitable activities under the Corporation Tax Act 2010 (chapters 2 and 3 of part ii, section 466 onwards) or Section 256 of the Taxation for Chargeable Gains Act 1992, to the extent surpluses are applied to its charitable purposes.

Current tax for the subsidiary company, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. No corporation tax is payable (or receivable) for the current or previous financial year.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2020

1. ACCOUNTING POLICIES (CONTINUED)

Tangible fixed assets

Fixtures and equipment are stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Long term leasehold property	Period of lease
Fixtures and fittings	20-33%

Residual value is calculated on prices prevailing at the date of acquisition. Useful lives and residual values are reviewed at the end of every reporting period.

Investments

In the parent charity balance sheet, investments in subsidiary undertakings are measured at cost less impairment.

Stock

Stocks are stated at the lower of cost and net realisable value. Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and costs to be incurred in marketing, selling and distribution. Cost is based on the cost of purchase on a first in, first out basis. Provision is made for obsolete, slow-moving or defective items where appropriate.

Leases

Assets held under finance leases, hire purchase contracts and other similar arrangements, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets at the fair value of the leased asset (or, if lower, the present value of the minimum lease payments as determined at the inception of the lease) and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs).

The charity and group only have 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. Fixed assets are recorded at depreciated historical cost and all other assets and liabilities are recorded at costs which is their fair value.

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Creditors 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
For the year ended 31 March 2020

1. ACCOUNTING POLICIES (CONTINUED)

Pensions

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 1, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The Trustees do not consider there are any critical accounting judgements or key sources of estimation uncertainty requiring disclosure.

3. ANALYSIS OF INCOME FROM DONATIONS AND GRANTS

	2020 £	2019 £
Donations:		
Rent and rates in kind	105,280	104,510
Individual Donations	50,186	45,069
Corporate Sponsorship	3,025	10,550
Trusts & Foundations	21,033	83,000
	<u>179,524</u>	<u>243,129</u>
Grants:		
Cambridge City Council ¹	55,000	55,000
Cambridge City Council ²	5,000	10,000
Cambridge City Council – Act Up ³	-	17,883
Arts Council England ⁴	637,418	637,518
Arts Council England ⁵	-	11,000
Cambridgeshire County Council ⁶	2,735	1,050
Arts Council England – Ambition For Excellence ⁷	171,409	147,000
National Heritage Lottery Grant ⁸	47,175	-
BBC Children in Need ⁹	10,000	-
Flemish Government ¹⁰	-	1,764
Job Retention Scheme ¹¹	6,902	-
	<u>935,639</u>	<u>881,215</u>
	<u><u>1,115,163</u></u>	<u><u>1,124,344</u></u>

1. Community grant which supports the performance and creative learning programmes. The grant is awarded annually.
2. Section 106 money awarded by Cambridge City Council to support *News News News*, a joint commission with Norwich and Norfolk Festival
3. Grant to support a multimedia project with young people deemed to be at risk of involvement with the criminal justice system

JUNCTION CDC LIMITED (t/a Cambridge Junction)

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2020

3. ANALYSIS OF INCOME FROM DONATIONS AND GRANTS (cont.)

4. National Portfolio Organisation triannual funding awarded up to 2022.
5. Project grant to support a regional music mapping project
6. Grant to support youth music initiatives
7. Strategic fund to support Diverse Actions, a three-year initiative championing BAME artists and arts workers.
8. Grant to support Cambridge Junction 30th year celebrations.
9. Grant to support creative learning activity.
10. Grant towards commissioning costs
11. Grant towards wages for employees furloughed due to Covid 19 pandemic

2020 figures include restricted funds of £312,352 (2019: £338,747)

There are no unfulfilled conditions or other contingencies relating to the above grants.

4. ANALYSIS OF INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
<i>Earned income from performance, classes and public events:</i>			
Ticket sales	688,555	-	688,555
Event hire fees	259,331	-	259,331
Cloakroom sales	12,807	-	12,807
Creative learning sales	12,165	-	12,165
Other sales	156,227	-	156,227
Total	1,129,085	-	1,129,085

2019 – Comparative

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
<i>Earned income from performance, classes and public events:</i>			
Ticket sales	750,078	-	750,078
Event hire fees	228,461	-	228,461
Cloakroom sales	16,724	-	16,724
Creative learning sales	11,390	-	11,390
Other sales	180,022	-	180,022
Total	1,186,675	-	1,186,675

JUNCTION CDC LIMITED (t/a Cambridge Junction)

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2020

5. ANALYSIS OF INCOME AND EXPENDITURE ON RAISING FUNDS

The wholly owned trading subsidiary, The Junction Promotions Limited, is incorporated in the United Kingdom (company number 03437774) and pays all of its profits to the charity under a deed of covenant. The Junction Promotions Limited operates the bars at the Cambridge Junction premises. A summary of the trading results is shown below:

	2020 £	2019 £
Turnover	423,231	451,997
Cost of sales	(219,399)	(218,865)
Administration costs	(23,513)	(23,122)
Support costs (note 8)	(46,736)	(42,987)
Corporation tax	-	(532)
Net Profit	133,583	166,491
Deed of covenant/gift aid	(133,583)	(164,223)
Retained in subsidiary	-	2,268
SUMMARY BALANCE SHEET	2020 £	2019 £
CURRENT ASSETS		
Stocks	10,838	14,160
Debtors	1,082	1,063
Cash at bank and in hand	524,074	475,727
	535,994	490,950
CREDITORS: amounts falling due within one year	(533,724)	(488,680)
NET CURRENT ASSETS	2,270	2,270
NET ASSETS	2,270	2,270
CAPITAL		
Share capital	2	2
Retained earnings	2,268	2,268
SHAREHOLDERS' FUNDS	2,270	2,270

2019 figures include restricted funds of £nil.

JUNCTION CDC LIMITED (t/a Cambridge Junction)

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2020

6. ANALYSIS OF INCOME FROM INVESTMENTS

	2020 £	2019 £
Bank interest	<u>2,441</u>	<u>1,672</u>

2019 figures include restricted funds of £nil.

7. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Cost of main performance and participation programme	2,155,931	66,902	2,222,833
Costs of projects, including arts development	-	613,520	613,520
Total	<u>2,155,931</u>	<u>680,422</u>	<u>2,836,353</u>
Cost of main performance and participation programme			
Artists' fees and commissions	634,573	50,824	685,397
Licences	29,333	-	29,333
Security costs	78,496	-	78,496
Technical costs	82,910	-	82,910
Box office costs	42,926	-	42,926
Marketing costs	58,891	-	58,891
Property costs	301,156	-	301,156
Salaries	408,625	15,385	424,010
National insurance	38,023	693	38,716
Depreciation	10,267	-	10,267
Support costs (note 8)	470,731	-	470,731
	<u>2,155,931</u>	<u>66,902</u>	<u>2,222,833</u>
Costs of projects, including arts development			
Act Up	-	9,647	9,647
Mapping Touring Networks Projects	-	10,000	10,000
BBC CiN Act One Project	-	10,000	10,000
New Ideas Fund	-	12,500	12,500
Pru Project/Total Arts Film Festival	-	46,906	46,906
Arts Council England Catalyst Evolve	-	38,578	38,578
Arts Council England Diverse Actions	-	211,673	211,673
National Lottery 30 th birthday celebrations	-	47,175	47,175
Other:			
Building redevelopment (depreciation)	-	227,041	227,041
	<u>-</u>	<u>613,520</u>	<u>613,520</u>

JUNCTION CDC LIMITED (t/a Cambridge Junction)

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2020

7. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES (continued)

2019 – Comparative

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
Cost of main performance and participation programme	2,161,847	65,000	2,226,847
Costs of projects, including arts development	1,050	429,642	430,692
Total	2,162,897	494,642	2,657,539
Cost of main performance and participation programme			
Artists' fees and commissions	673,612	53,988	727,600
Licences	28,454	24	28,478
Security costs	73,619	148	73,767
Technical costs	70,960	-	70,960
Box office costs	38,013	-	38,013
Marketing costs	57,774	95	57,869
Property costs	292,463	-	292,463
Salaries	414,797	9,880	424,677
National insurance	32,314	865	33,179
Depreciation	13,577	-	13,577
Support costs (note 8)	466,264	-	466,264
	2,161,847	65,000	2,226,847
Costs of projects, including arts development			
Act Up	-	10,223	10,223
Arts Council International Development Fund	-	1,100	1,100
Youth Music Initiatives	1,050	-	1,050
Dept of Culture, Youth & Media, Flanders	-	1,764	1,764
Pru Project/Total Arts Film Festival	-	19,548	19,548
Arts Council England Catalyst Evolve	-	35,665	35,665
Arts Council England Diverse Actions	-	120,022	120,022
Weston Jerwood Creative Bursaries	-	10,166	10,166
Other:			
Building redevelopment (depreciation)	-	230,827	230,827
Transition equipment (depreciation)	-	327	327
	1,050	429,642	430,692

JUNCTION CDC LIMITED (t/a Cambridge Junction)

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2020

8. ANALYSIS OF SUPPORT COSTS

	Main performance and participation programme 2020 £	Commercial trading operations 2020 £	Total 2020 £
<i>Support costs:</i>			
Recruitment	2,346	-	2,347
Staff training	5,483	-	5,483
Staff welfare	5,519	220	5,739
Travel and subsistence	14,380	-	14,380
General administration	82,742	8,718	91,460
Legal fees	4,391	599	4,990
Consultancy Fees	17,234	2,350	19,584
Bank and credit card charges	23,519	6,255	29,774
Irrecoverable VAT	110,256	-	110,256
Bad and doubtful debts	1,426	-	1,426
Exchange Rate Variance	2	-	2
Wages and salaries	142,643	21,971	164,614
National insurance	14,458	1,798	16,256
Pension	38,332	1,580	39,912
<i>Governance costs:</i>			
Auditor's remuneration	8,000	3,245	11,245
	470,731	46,736	517,467

Governance and support costs are allocated to the different activities on the basis of a department allocation and the functions for which the resources are used.

JUNCTION CDC LIMITED (t/a Cambridge Junction)

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2020

8. ANALYSIS OF SUPPORT COSTS (continued)

2019 – Comparative

	Main performance and participation programme 2019 £	Commercial trading operations 2019 £	Total 2019 £
Support costs:			
Recruitment	3,342	-	3,342
Staff training	4,683	175	4,858
Staff welfare	9,525	354	9,879
Travel and subsistence	22,994	-	22,994
General administration	87,826	8,331	96,157
Legal fees	4,126	563	4,689
Consultancy Fees	4,202	573	4,775
Bank and credit card charges	24,123	5,108	29,231
Irrecoverable VAT	112,035	-	112,035
Bad and doubtful debts	(3,068)	-	(3,068)
Exchange Rate Variance	(36)	-	(36)
Wages and salaries	147,681	21,825	169,506
National insurance	14,687	1,801	16,488
Pension	26,331	1,107	27,438
Governance costs:			
Auditor's remuneration	7,800	3,150	10,950
Other governance costs	13	-	13
	<u>466,264</u>	<u>42,987</u>	<u>509,251</u>

Governance and support costs are allocated to the different activities on the basis of a department allocation and the functions for which the resources are used.

9. NET EXPENDITURE FOR THE YEAR

	2020 £	2019 £
This is stated after charging:		
Depreciation of tangible fixed assets:		
Owned	237,308	244,298
Plant and machinery	-	434
Auditor's remuneration:		
Fees payable to the charity's auditor for audit	8,000	7,800
Fees payable to the charity's auditor for other services to the group:		
The audit of the charity's subsidiary	<u>3,245</u>	<u>3,150</u>

JUNCTION CDC LIMITED (t/a Cambridge Junction)

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2020

10. STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES AND THE COST OF KEY MANAGEMENT PERSONNEL

The average monthly number of employees was:

	2020 No	2019 No
Commercial trading	11	12
Main performance and participation programme	56	55
Projects including arts development	4	3
Support	2	2
	<u>73</u>	<u>72</u>
	£	£

The aggregate staff costs were as follows:

Wages and salaries	905,439	870,484
Social security costs	57,762	55,451
Pension costs	42,712	30,639
	<u>1,005,913</u>	<u>956,574</u>

No Group employees had emoluments, excluding pension contributions but including benefits in kind, that were in excess of £60,000 in either the current year or preceding year.

The key management personnel of the parent Charity and its wholly owned subsidiary, The Junction Promotions Ltd are listed on page 11. The total remuneration (including pension contributions and employer's NI) of the key management personnel for the year totalled £114,624 (2019: £112,897).

Trustees' Remuneration

No trustees received remuneration or travel and subsistence expenses during the current or prior year. The Group holds Charity Management Liability Insurance at a cost of £1,100 plus 12% Insurance Premium Tax making £ 1,232 in total.

JUNCTION CDC LIMITED (t/a Cambridge Junction)

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2020

11. TANGIBLE FIXED ASSETS

Group and charity

	Long term leasehold property £	Fixtures and fittings £	Total £
Cost			
At 1 April 2019	5,738,137	574,399	6,312,536
Additions	-	11,723	11,723
At 31 March 2020	5,738,137	586,122	6,324,259
Depreciation			
At 1 April 2019	3,320,847	560,767	3,881,614
Charge for the year	227,041	10,267	237,308
At 31 March 2020	3,547,888	571,034	4,118,922
Net book value			
At 31 March 2020	2,190,249	15,088	2,205,337
At 31 March 2019	2,417,290	13,631	2,430,921

Included within fixtures and fittings are amounts held under finance leases with a net book value of £nil (2019 - £nil). The depreciation expense in the year in relation to these assets amounted to £nil (2019 - £434).

12. FIXED ASSET INVESTMENTS

Charity	£
<i>Shares in subsidiary undertakings</i>	
At 1 April 2019 and 31 March 2020	2

The fixed asset investment comprises 100% of the issued ordinary share capital of The Junction Promotions Limited, a company incorporated in the United Kingdom and registered in England and Wales. The Junction Promotions Limited (Company Registration No. 03437774) is the main trading arm, in support of the Charity. See balance sheet at note 5.

13. STOCKS

Group	2020 £	2019 £
Bar and catering stock	10,838	14,160

There is no material difference between the balance sheet value of stocks and their replacement cost.

JUNCTION CDC LIMITED (t/a Cambridge Junction)

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2020

14. DEBTORS

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Debtors falling due within one year:				
Trade debtors	21,677	38,205	21,677	38,205
Amounts due from subsidiary undertakings	-	-	528,258	470,331
Other debtors	2,972	914	2,972	914
Prepayments and accrued income	135,735	146,403	134,653	145,340
	<u>160,384</u>	<u>185,522</u>	<u>687,560</u>	<u>654,790</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Trade creditors	107,708	117,990	105,937	104,039
Corporation tax	-	532	-	-
Other taxation and social security	33,956	46,713	33,956	46,713
Deferred ticket income	184,133	257,832	184,133	257,832
Other creditors	23,591	14,784	23,592	14,784
Accruals and deferred income	77,565	103,436	73,869	99,571
	<u>426,953</u>	<u>541,287</u>	<u>421,487</u>	<u>522,939</u>

16. DEFERRED TICKET INCOME RECONCILIATION

	2020	2019
	£	£
Balance at 1 April 2019	257,832	177,453
Amount deferred in the year	1,208,930	1,438,436
Amount released in the year	(1,282,629)	(1,358,057)
	<u>184,133</u>	<u>257,832</u>
Balance as at 31 March 2020		

JUNCTION CDC LIMITED (t/a Cambridge Junction)

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2020

17. MOVEMENTS OF FUNDS

	At 1 April 2019 £	Income £	Expenditure £	Transfers £	At 31 March 2020 £
Unrestricted funds:					
General reserves	288,434	2,350,666	(2,445,579)	-	193,521
Unrestricted funds total	288,434	2,350,666	(2,445,579)	-	193,521
Designated funds:					
Repair and renewal fund	61,975	-	-	-	61,975
Remuneration contingency	16,398	-	-	-	16,398
Website Optimisation Fund	12,000	-	-	-	12,000
Philanthropy Fund	43,855	-	-	-	43,855
Designated funds total	134,228	-	-	-	134,228
Restricted funds:					
Building redevelopment	2,262,381	-	(227,041)	-	2,035,340
Tickets in advance reserve	120,000	-	-	-	120,000
Cambridge City Council	-	60,000	(60,000)	-	-
Cambridge City Council – Act Up	9,647	-	(9,647)	-	-
Heritage Lottery 30 th birthday project	-	47,175	(47,175)	-	-
New Ideas Fund	12,500	-	(12,500)	-	-
Mapping Touring Networks Project	10,000	-	(10,000)	-	-
BBC Children in Need	-	10,000	(10,000)	-	-
ACE Catalyst Evolve	68,194	4,200	(38,578)	-	33,816
Job Retention Scheme	-	6,902	(6,902)	-	-
Total Arts	96,652	23,768	(46,906)	-	73,514
ACE Diverse Actions	48,115	171,409	(211,673)	-	7,851
Restricted funds total	2,627,489	323,454	(680,422)	-	2,270,521
TOTAL FUNDS	3,050,151	2,674,120	(3,126,001)	-	2,598,270

Transfers between funds represent reallocation of income or expenditure to funds, while remaining consistent with any restriction in relation to these funds.

General funds represent the funds generated from voluntary, charitable and trading operations of the charity to support the charity on a day-to-day basis and to fulfil the objectives of the charity. Included within general funds carried forward is £2,268 (2019: £2,268) which relates to The Junction Promotions Ltd, a subsidiary of the charity

Designated funds:

Repair and renewal fund represents the amount allocated for equipment and small capital repair, replacement and renewal.

Remuneration contingency represents an amount allocated for salary and wage increases.

Website Optimisation Fund represents an amount allocated to redesign the website to ensure the site is smartphone and tablet compliant.

Philanthropy Fund represents an amount allocated for the Development Manager's salary to the end of Catalyst Evolve.

JUNCTION CDC LIMITED (t/a Cambridge Junction)

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2020

17. MOVEMENTS OF FUNDS (continued)

Restricted funds:

Building Redevelopment represents grants and costs related to the redevelopment of the Cambridge Junction site.

Tickets in advance reserve represents a grant from Arts Council England to reimburse ticket purchasers due to event cancellations, postponements or other unforeseen events.

Cambridge City Council represents funds received from Cambridge City Council to support the community engagement and artistic programmes

Cambridge City Council Act Up represents a grant from Cambridge City Council to support a multimedia project with young people deemed to be at risk of involvement with the criminal justice system

Heritage Lottery 30th Birthday represents a grant from the Heritage Lottery Fund towards the costs of the 30th anniversary celebrations

New Ideas Fund represents a commissioning fund to support new work by both emerging and established artists

Mapping Touring Networks Project represents a fund to map live music provision through the East of England

BBC Children in Need represents a grant towards costs of a project supporting local young people

Arts Council Catalyst Evolve represents a strategic fund supporting organisations to enable them to attract more private giving.

Job Retention Scheme represents a grant towards wages/salaries of staff furloughed due to COVID-19

Total Arts represents funds received to support a film festival featuring work for and by disabled young people.

Arts Council Diverse Actions represents a strategic fund supporting a three-year initiative championing BAME artists and arts workers.

Analysis of movement in free reserves

	At 1 April 2019 £	Income £	Expenditure £	Transfers £	At 31 March 2020 £
Unrestricted funds	422,662	2,350,666	(2,445,579)	-	327,749
Less - tangible fixed assets	(168,540)	-	(1,457)	-	(169,997)
Less - designated funds:					
Repair and renewal fund	(61,975)	-	-	-	(61,975)
Remuneration contingency	(16,398)	-	-	-	(16,398)
Website Optimisation Redesign	(12,000)	-	-	-	(12,000)
Philanthropy Fund	(43,855)	-	-	-	(43,855)
Free reserves	119,894	2,350,666	(2,447,035)	-	23,524

JUNCTION CDC LIMITED (t/a Cambridge Junction)

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2020

17. MOVEMENT OF FUNDS (continued)

2019 - Comparative

	At 1 April 2018 £	Income £	Expenditure £	Transfers £	At 31 March 2019 £
Unrestricted funds:					
General reserves	312,151	2,408,786	(2,433,003)	500	288,434
Unrestricted funds total	312,151	2,408,786	(2,433,003)	500	288,434
Designated funds:					
Repair and renewal fund	54,475	-	-	7,500	61,975
Remuneration contingency	25,748	-	(9,350)	-	16,398
Capital development contingency	5,000	-	(5,000)	-	-
Website Optimisation Fund	20,000	-	-	(8,000)	12,000
Philanthropy Fund	27,750	16,105	-	-	43,855
Youth Music Initiatives	-	1,050	(1,050)	-	-
Designated funds total	132,973	17,155	(15,400)	(500)	134,228
Restricted funds:					
Building redevelopment	2,493,209	-	(230,828)	-	2,262,381
Tickets in advance reserve	120,000	-	-	-	120,000
Cambridge City Council	-	65,000	(65,000)	-	-
Cambridge City Council – Act Up	1,987	17,883	(10,223)	-	9,647
ACE International Development Fund	-	1,100	(1,100)	-	-
Transition Equipment	327	-	(327)	-	-
Dept of Culture, Youth & Media, Flanders	-	1,764	(1,764)	-	-
New Ideas Fund	-	12,500	-	-	12,500
Mapping Touring Networks Project	-	10,000	-	-	10,000
ACE Catalyst Evolve	31,307	72,552	(35,665)	-	68,194
Weston Jerwood Creative Bursaries	8,184	1,981	(10,165)	-	-
Total Arts	32,700	83,500	(19,548)	-	96,652
ACE Diverse Actions	21,137	147,000	(120,022)	-	48,115
Restricted funds total	2,708,851	413,280	(494,642)	-	2,627,489
TOTAL FUNDS	3,153,975	2,839,221	(2,943,045)	-	3,050,151

JUNCTION CDC LIMITED (t/a Cambridge Junction)

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2020

17. MOVEMENTS OF FUNDS (continued)

Analysis of movements in free reserves

	At 1 April 2018 £	Income £	Expenditure £	Transfers £	At 31 March 2019 £
Unrestricted funds	445,124	2,425,941	(2,448,403)	-	422,662
Less - tangible fixed assets	(173,576)	-	5,036	-	(168,540)
Less - designated funds:					
Repair and renewal fund	(54,475)	-	-	(7,500)	(61,975)
Remuneration contingency	(25,748)	-	9,350	-	(16,398)
Youth Music Initiatives	-	(1,050)	1,050	-	-
Website Optimisation Redesign	(20,000)	-	-	8,000	(12,000)
Philanthropy Fund	(27,750)	(16,105)	-	-	(43,855)
Capital development contingency	(5,000)	-	5,000	-	-
Free reserves	138,575	2,408,786	(2,427,967)	500	119,894

JUNCTION CDC LIMITED (t/a Cambridge Junction)

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2020

18. ANALYSIS OF ASSETS AND LIABILITIES BETWEEN FUNDS

Group	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2020 £
Tangible fixed assets	169,997	-	2,035,340	2,205,337
Current assets	450,477	134,228	235,181	819,886
Current liabilities	(426,953)	-	-	(426,953)
At 31 March 2020	193,521	134,228	2,270,521	2,598,270

2019 – Comparative

Group	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2019 £
Tangible fixed assets	168,540	-	2,262,381	2,430,921
Current assets	661,181	134,228	365,108	1,160,517
Current liabilities	(541,287)	-	-	(541,287)
At 31 March 2019	288,434	134,228	2,627,489	3,050,151

19. EMPLOYEE RETIREMENT BENEFITS

The group operates a defined contribution retirement benefit scheme for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable to the scheme in the year and amounted to £42,712 (2019: £30,639). Contributions totalling £6,393 (2019: £4,781) were payable to the scheme at the balance sheet date and are included in creditors.

20. FINANCIAL COMMITMENTS

Operating lease commitments

The estimated annual value of rent and rates waived by Cambridge City Council in respect of the Cambridge Junction site is £105,280 (2019: £104,510), which is included in donations income and property costs.

21. RELATED PARTY TRANSACTIONS

Other related party transactions

In the year end 31 March 2020, trustees and associated companies made payments totalling £52,429 (2019: £19,055) to Cambridge Junction for donations, corporate memberships and sponsorship. One associated company received a commission of £1,000 (2019: £nil).

The total remuneration for key management personnel for the period is set out in note 10. The company has taken advantage of the exemption in section 33 of FRS 102 'Reduced disclosure framework' not to disclose transactions and balances with its wholly owned subsidiary, The Junction Promotions Limited. There are no other related party transactions.

JUNCTION CDC LIMITED (t/a Cambridge Junction)

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2020

22. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Group	
	2020	2019
	£	£
Net expenditure for the year	(451,881)	(103,824)
Adjustments for:		
Depreciation charge	237,308	244,732
Interest income	(2,441)	(1,672)
Interest payable	-	7
Corporation tax charge	-	532
Corporation tax paid	(532)	-
Operating cash flow before movement in working capital	(217,546)	139,775
Decrease/(increase) in stock	3,322	(3,733)
Decrease/(increase) in debtors	25,138	(77,284)
(Decrease)/increase in creditors	(113,803)	157,610
Net cash provided by operating activities	(302,889)	216,368

23. ANALYSIS OF CHANGES IN NET DEBT – CURRENT YEAR

	31 March 2019	Cash flow	Other Non Cash Changes	31 March 2020
	£	£	£	£
Cash at bank and in hand	960,835	(312,171)	-	648,664
Net funds	960,835	(312,171)	-	648,664

ANALYSIS OF CHANGES IN NET DEBT – PRIOR YEAR

	31 March 2018	Cash flow	Other Non Cash Changes	31 December 2019
	£	£	£	£
Cash at bank and in hand	751,757	209,078	-	960,835
Net funds	751,757	209,078	-	960,835

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2020

24. OPERATING LEASE COMMITMENTS

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2020	2019
	£	£
Expiry date:		
Not later than 1 year	2,152	2,152
Later than 1 but not later than 5 years	2,362	4,514
	<u>4,514</u>	<u>6,666</u>

25. SUBSEQUENT EVENTS

Cambridge Junction temporarily closed on 17 March 2020 as a result of the coronavirus pandemic. Whilst Cambridge Junction has remained closed since that time, the trustees have been actively preparing for it to re-open, in a safe and secure manner, once the current Government restrictions are lifted.

Since the end of the financial year, Cambridge Junction has placed a number of its permanent and temporary staff on furlough and taken advantage of the Job Retention Scheme (JRS); the cumulative amount that Cambridge Junction expects to claim for the period to the end of October is approximately £351,000; we will continue to take advantage of this scheme following the Government's announcement on 5 November 2020, that it would extend the JRS until the end of March 2021.

On 12 November, Arts Council England announced that Cambridge Junction had been successful in its application to the Culture Recovery Fund, with an amount of £398,459 being awarded.