

COMPANY REGISTRATION NUMBER: 02848451
CHARITY REGISTRATION NUMBER: 1153366

Collage Arts.
Company Limited by Guarantee
Financial Statements
31 December 2019

BRIAN PAUL LIMITED
Chartered Accountants & Statutory Auditors
Chase Green House
42 Chase Side
Enfield
Middlesex
EN2 6NF

Collage Arts.

Company Limited by Guarantee

Financial Statements

Year ended 31 December 2019

	Page
Trustees' annual report (incorporating the director's report)	1
Independent auditor's report to the members	6
Statement of financial activities (including income and expenditure account)	10
Statement of financial position	11
Statement of cash flows	12
Notes to the financial statements	13

Collage Arts.

Company Limited by Guarantee

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

Year ended 31 December 2019

The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 December 2019.

Reference and administrative details

Registered charity name	Collage Arts.
Charity registration number	1153366
Company registration number	02848451
Principal office and registered office	Collage Artspace 2 4 Coburg Road London N22 6UJ England

The trustees

A Richardson
Ms E Byron – Resigned July 2019
V Hirani
Yusuf Ali Khan
Y Stajno
P M P Sherman
A Kumar – Appointed July 2019

Company secretary	M Ambasna
--------------------------	-----------

Auditor	Brian Paul Limited Chartered Accountants & Statutory Auditors Chase Green House 42 Chase Side Enfield Middlesex EN2 6NF
----------------	---

Solicitors	Derrick Bridges and Co 12 Wood Street Barnet Hertfordshire England EN5 4BQ
-------------------	---

Collage Arts.

Company Limited by Guarantee

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

Year ended 31 December 2019

Structure, governance and management

Governing Document

The organisation is a charitable company limited by guarantee, incorporated on 27th August 1993 and registered as a charity on 18th December 1999. The powers of the charitable company are governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £10.

Recruitment and appointment of new trustees

The directors of the company are also charity trustees for the purposes of charity law and under the company's articles are known as members of the Management Committee. Under the requirements of the Memorandum and Articles of Association the members of the Management Committee are elected to serve for a period of six years after which they must be re-elected at the next Annual General Meeting.

In an effort to maintain a complementary skill mix, members of the Management Committee are required to provide a list of their skills (and update it each year) and in the event of the particular skill being lost due to retirement, individuals are approached to offer themselves for election for the Management Committee.

Trustee induction and training

Trustees are invited and encouraged to attend short training sessions on a range of governance issues. Trustees are already familiar with the work of the charity through attending regular events and meetings throughout the year.

Organisational structure

Collage Arts has a Management Committee of up to 8 members who meet every 8 weeks and are responsible for the strategic direction and policy of the charity. At present the Committee has six members from a variety of professional backgrounds relevant to the work of the charity. There are up to 2 council representatives but with no voting rights.

A scheme of delegation is in place and day to day responsibility for the provision of the services rest with the Executive Director. The Executive Director is responsible for ensuring that the charity delivers the services specified and that key performance indicators are met. Also, he has responsibility for the day to day operational management of the Centre, individual supervision of the staff team and also ensuring that the team continue to develop their skills and working practices in line with good practice.

Related parties

In so far as it is complimentary to the charity's objects, the charity is guided by both local and national policy. The charity works in partnerships with the local authority and regional development agency, it has also developed partnerships with organisations in the locality and London-wide to deliver the service it offers.

Risk management

The Management Committee has conducted a review of the major risks to which the charity is exposed. A risk register has been established and is updated at least annually. Where appropriate, systems or procedures have been established to mitigate the risks the charity faces. Significant external risks to funding have led to the development of a strategic plan which will allow for the diversification of funding and activities. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. Procedures are in place to ensure compliance with health and safety of staff, volunteers, clients and visitors to the centre. The continuing implementation of quality systems like Matrix, Customer First, OCR, EdExcel and OCN awarding body

Collage Arts.

Company Limited by Guarantee

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

Year ended 31 December 2019

systems, ensure a consistent quality of delivery for all operational aspects of the charity. These procedures are periodically reviewed to ensure that they continue to meet the needs of the charity.

Auditors

Brian Paul Limited were appointed auditors to the company and are deemed to be reappointed in accordance with Section 487(2) of the Companies Act 2006.

Objectives and Activities

The charity's objects specifically are;

1. To foster, promote, develop and advance the education of the public resident, working or studying in the Greater London area, in all aspects of the arts, in particular but not exclusively by:
 - the provision and maintenance of a public arts facility (currently known as the 'Collage Artspace').
 - the provision and organisation of exhibitions, literature, music, comedy, theatre events and community festivals;
 - the provision of education, training or retraining in the arts, particularly amongst people in need by reason of their youth, age, disability, ill-health, financial hardship or other social or economic disadvantage
 - the relief of unemployment and the creation of employment opportunities.
2. To promote social inclusion for the public benefit by preventing people from becoming socially excluded, relieving the needs of those people who are socially excluded and assisting them to integrate into society by using all aspects of the arts, theoretical and applied, to improve lives in the Greater London area.
 - For the purpose of this clause 'socially excluded' means being excluded from society, or parts of society, as a result of one or more of the following factors: unemployment; financial hardship; youth or old age; ill health (physical or mental); substance abuse or dependency including alcohol and drugs; discrimination on the grounds of sex, race, disability, ethnic origin, religion, belief, creed, sexual orientation or gender re-assignment; poor educational or skills attainment; relationship and family breakdown; poor housing (that is housing that does not meet basic habitable standards; crime (either as a victim of crime or as an offender rehabilitating into society).

The main objectives and activities for the year continued to focus upon;

- The management of Collage Artspace 1, 2, 3, 4 and the new space 5
 - The provision of training aimed at young people and marginalised sections of the community to assist in relieving unemployment, providing vocational training, mentoring and development of social inclusion;
 - The provision of information, advice and guidance (IAG) and ongoing support specifically aimed at long term unemployed and economically inactive Black, Asian and ethnic minority women into Employment, Enterprise and Training.
 - The delivery of two European projects, HIT and CREUS.
 - The organising of community festivals, exhibitions, literature, music, theatre and children's theatre.
-

Collage Arts.

Company Limited by Guarantee

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

Year ended 31 December 2019

Achievements and Performance

The strategies that assisted the charity to meet its objectives have included:

The ongoing management of Collage Artspace 1, 2, 3, 4 and the development of Collage Artspace 5, creating 15,000 square foot to accommodate the artists based in the last remaining studios in the Chocolate Factory. Collage Artspace 5 opened in March 2019 with a total of 19 new studios, accommodating 35 artists and creative companies.

Through its information, advice and guidance (IAG), workshops, mentoring and coaching services, Collage Arts continued to offer employment and enterprise support through its Create Your Future programme, with further programme They Came Before Us funded by the National Heritage Lottery Fund, and Collage Works youth programme supported by JPMorganChase Foundation.

The charity was also successful in raising new funds for supporting new enterprises and low paid creative workers in Tottenham's Creative Enterprise Zone. The project known as N17 Creative Callings, will support 200 creative young people and adults to gain qualifications, improve their work opportunities, grow their enterprises and support new placements in the creative industries. The project runs from November 2019 to June 2021, funded by the Mayor of London and European Social Fund.

Collage Arts continued to be committed to improving skills and resources available to those involved in or wishing to be involved in the creative industries and offers accreditation in Creative and Digital Media from Level 2 to Level 4 through the CLOCK programme.

The continuation of live music events, children's theatre and exhibitions were delivered throughout the year at Karamel as was the annual N22 Open Studios in November 2019, which this year featured five open buildings, Collage Artspace 1, 2, 3, 4 and 5.

Collage Arts launched a new programme in 2019 called Collage Voices. Aimed at 8 to 18-year olds, the initial support was for Saturday enrichment activities in Performing Arts, Creative Writing and Digital Music. Attended by 55 young people in its first term, Collage Voices proved that such provision was much needed after the loss of Mountview Theatre Academy in the Borough and by the end of the year, six secondary schools in Haringey joined up as partners of Collage Voices. The project also carried out a consultation exercise with young people on behalf of Haringey Council and its ideas for regenerating Wood Green called Beating the Bounds. Collage Voices activities in 2019 were funded through a range of small grant-giving Foundations and Trusts including BBC Children In Need.

Financial review

The Income of the Charity for the year ended 31st December 2019 was £1,606,980 (2018: £1,952,444), whereas the costs of Charitable Activities were £1,677,954 (2018: £2,003,970) and Governance Costs were £6,000 (2018: £8,000).

During the year the overall net asset of the charity decreased from £386,621 to £309,647.

The income of the charity is primarily derived from grants and rental income. The charity is striving to achieve a policy of maintaining working capital reserves of £100,000.

Collage Arts.

Company Limited by Guarantee

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

Year ended 31 December 2019

Trustees' responsibilities statement

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

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, 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 applicable Charities SORP;
- make judgments 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity 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 charity 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 report confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

The trustees' annual report and the strategic report were approved on 14th December 2020 and signed on behalf of the board of trustees by:


V. Hirani
Trustee

Collage Arts.

Company Limited by Guarantee

Independent Auditor's Report to the Members of Collage Arts.

Year ended 31 December 2019

Opinion

We have audited the financial statements of Collage Arts. (the 'charity') for the year ended 31 December 2019 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, statement of cash flows and the related notes, 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 FRS 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 charity's affairs as at 31 December 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

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 charity 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 the 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 charity'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.

Collage Arts.

Company Limited by Guarantee

Independent Auditor's Report to the Members of Collage Arts. *(continued)*

Year ended 31 December 2019

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Collage Arts.

Company Limited by Guarantee

Independent Auditor's Report to the Members of Collage Arts. *(continued)*

Year ended 31 December 2019

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Collage Arts.

Company Limited by Guarantee

Independent Auditor's Report to the Members of Collage Arts. *(continued)*

Year ended 31 December 2019

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charity's members, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity'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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.



Paul Phillips (Senior Statutory Auditor)

**For and on behalf of
Brian Paul Limited
Chartered Accountants & Statutory Auditors
Chase Green House
42 Chase Side
Enfield
Middlesex
EN2 6NF**

14th December 2020

Collage Arts.

Company Limited by Guarantee

Statement of Financial Activities (including income and expenditure account)

Year ended 31 December 2019

		Unrestricted funds £	2019 Restricted funds £	Total funds £	2018 Total funds £
	Note				
Income and endowments					
Donations and legacies	5	61,633	465,206	526,839	584,416
Charitable activities	6	71,600	–	71,600	210,000
Other income	7	1,008,541	–	1,008,541	1,158,028
Total income		<u>1,141,774</u>	<u>465,206</u>	<u>1,606,980</u>	<u>1,952,444</u>
Expenditure					
Expenditure on charitable activities	8,9	1,139,356	544,598	1,683,954	2,011,970
Total expenditure		<u>1,139,356</u>	<u>544,598</u>	<u>1,683,954</u>	<u>2,011,970</u>
Net expenditure and net movement in funds		<u>2,418</u>	<u>(79,392)</u>	<u>(76,974)</u>	<u>(59,526)</u>
Reconciliation of funds					
Total funds brought forward		266,180	120,441	386,621	446,146
Total funds carried forward		<u>268,598</u>	<u>41,049</u>	<u>309,647</u>	<u>386,621</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 13 to 24 form part of these financial statements.

Collage Arts.

Company Limited by Guarantee

Statement of Financial Position

31 December 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible fixed assets	16	705,104	745,485
Current assets			
Debtors	17	491,435	721,863
Cash at bank and in hand		36	89,389
		<u>491,471</u>	<u>811,252</u>
Creditors: amounts falling due within one year	19	693,585	1,071,554
Net current liabilities		<u>202,114</u>	<u>260,302</u>
Total assets less current liabilities		502,990	485,183
Creditors: amounts falling due after more than one year	20	193,343	98,562
Net assets		<u>309,647</u>	<u>386,621</u>
Funds of the charity			
Restricted funds		41,049	120,441
Unrestricted funds		268,598	266,180
Total charity funds	24	<u>309,647</u>	<u>386,621</u>

These financial statements were approved by the board of trustees and authorised for issue on 14th December 2020, and are signed on behalf of the board by:


V Hirani
Trustee

The notes on pages 13 to 24 form part of these financial statements.

Collage Arts.

Company Limited by Guarantee

Statement of Cash Flows

Year ended 31 December 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net expenditure		(76,974)	(59,526)
<i>Adjustments for:</i>			
Depreciation of tangible fixed assets		87,535	83,702
Interest payable and similar charges		17,377	11,151
Accrued expenses/(income)		49,017	(218,935)
<i>Changes in:</i>			
Trade and other debtors		(43,526)	218,638
Trade and other creditors		(189,099)	11,455
Cash generated from operations		(155,670)	46,485
Interest paid		(17,377)	(11,151)
Net cash (used in)/from operating activities		<u>(173,047)</u>	<u>35,334</u>
Cash flows from investing activities			
Purchase of tangible assets		(47,154)	(146,200)
Net cash used in investing activities		<u>(47,154)</u>	<u>(146,200)</u>
Cash flows from financing activities			
Proceeds from borrowings		121,349	202,816
Net cash from financing activities		<u>121,349</u>	<u>202,816</u>
Net (decrease)/increase in cash and cash equivalents		(98,852)	91,950
Cash and cash equivalents at beginning of year		<u>89,389</u>	<u>(2,561)</u>
Cash and cash equivalents at end of year	18	<u>(9,463)</u>	<u>89,389</u>

The notes on pages 13 to 24 form part of these financial statements.

Collage Arts.

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 December 2019

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is Collage Artspace 2, 4 Coburg Road, London, N22 6UJ, England.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Companies Act 2006.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis.

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

Going concern

There are no material uncertainties about the charity's ability to continue (see post balance sheet event note).

Judgements and key sources of estimation uncertainty

In producing these accounts the trustees have considered accounting policies & relevant estimates. In the trustees opinion and to the best of their knowledge significant accounting entries are based upon facts. However, these accounts do include estimates in relation to useful life of assets and immaterial prepayments and accruals.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal and fall into one of two sub-classes: restricted income funds or endowment funds.

Collage Arts.

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

3. Accounting policies *(continued)*

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Operating leases

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

Collage Arts.

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

3. Accounting policies *(continued)*

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

Depreciation

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

Short leasehold property	-	Over the period of lease
Fixtures and fittings	-	25% straight line
Paintings	-	Non depreciating asset

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

Financial instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Collage Arts.

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

3. Accounting policies *(continued)*

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

4. Limited by guarantee

The Company is a company Limited by Guarantee. Under the terms of the company's Memorandum of Association, every member of the Association undertakes to contribute to the assets in the event that the company is wound up during the time that he is a member (or within one year of ceasing to be a member) and should the assets of the company be insufficient to meet its liabilities on winding up. The extent of each members contribution to the assets in such circumstances is however limited to a maximum of ten pounds sterling.

5. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £
Grants			
General grants	51,625	—	51,625
London Youth	—	—	—
Wandsworth	—	—	—
European	—	103,246	103,246
Community Links	—	63,306	63,306
Arts Council	—	1,217	1,217
NAT Heritage	—	97,400	97,400
Capital Grant	—	182,150	182,150
Bauer Media	10,008	—	10,008
Collage Works	—	17,887	17,887
	<u>61,633</u>	<u>465,206</u>	<u>526,839</u>

Collage Arts.

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £
Grants			
General grants	176,099	–	176,099
London Youth	–	22,563	22,563
Wandsworth	–	23,929	23,929
European	–	130,353	130,353
Community Links	–	141,472	141,472
Arts Council	–	–	–
NAT Heritage	–	–	–
Capital Grant	–	90,000	90,000
Bauer Media	–	–	–
Collage Works	–	–	–
	<u>176,099</u>	<u>408,317</u>	<u>584,416</u>

6. Charitable activities

	Unrestricted Funds £	Total Funds 2019 £	Unrestricted Funds £	Total Funds 2018 £
Exceptional income from charitable activities	<u>71,600</u>	<u>71,600</u>	<u>210,000</u>	<u>210,000</u>

7. Other income

	Unrestricted Funds £	Total Funds 2019 £	Unrestricted Funds £	Total Funds 2018 £
Other income - Rental income	966,113	966,113	1,132,787	1,132,787
Other incoming resources	42,428	42,428	25,241	25,241
	<u>1,008,541</u>	<u>1,008,541</u>	<u>1,158,028</u>	<u>1,158,028</u>

Collage Arts.

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

8. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £
General donations	1,133,356	260,539	1,393,895
London Youth	—	—	—
NAT Heritage	—	97,400	97,400
European Projects	—	97,114	97,114
Community Links	—	84,134	84,134
Arts Council and Creative Employment	—	1,217	1,217
Collage Works	—	4,194	4,194
Support costs	6,000	—	6,000
	<u>1,139,356</u>	<u>544,598</u>	<u>1,683,954</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £
General donations	1,676,855	10,823	1,687,677
London Youth	—	28,205	28,205
NAT heritages	—	—	—
European Projects	—	116,923	116,923
Community Links	—	157,665	157,665
Arts Council and Creative Employment	—	13,498	13,500
Collage Works	—	—	—
Support costs	8,000	—	8,000
	<u>1,684,855</u>	<u>327,114</u>	<u>2,011,970</u>

9. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2019 £	Total fund 2018 £
General donations	1,393,895	—	1,393,895	1,687,677
London Youth	—	—	4,354	28,205
NAT Heritage	97,400	—	97,400	—
European Projects	97,114	—	97,114	116,923
Community Links	84,134	—	84,134	157,665
Arts Council and Creative Employment	1,217	—	1,217	13,500
Collage Works	4,194	—	4,194	—
Governance costs	—	6,000	6,000	8,000
	<u>1,677,954</u>	<u>6,000</u>	<u>1,683,954</u>	<u>2,011,970</u>

Collage Arts.

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

10. Analysis of support costs

	Total 2019 £	Total 2018 £
Governance costs	<u>6,000</u>	<u>8,000</u>

11. Net expenditure

Net expenditure is stated after charging/(crediting):

	2019 £	2018 £
Depreciation of tangible fixed assets	<u>87,535</u>	<u>83,702</u>

12. Auditors remuneration

	2019 £	2018 £
Fees payable for the audit of the financial statements	<u>6,000</u>	<u>6,000</u>

13. Staff costs

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

	2019 £	2018 £
Wages and salaries	268,951	208,416
Social security costs	25,843	18,241
Employer contributions to pension plans	<u>4,457</u>	<u>2,365</u>
	<u>299,251</u>	<u>229,022</u>

The average head count of employees during the year was 12 (2018: 10). The average number of full-time equivalent employees during the year is analysed as follows:

	2019 No.	2018 No.
Number of staff – support staff	10	8
Number of staff – head office	<u>2</u>	<u>2</u>
	<u>12</u>	<u>10</u>

No employee received employee benefits of more than £60,000 during the year (2018: Nil).

Key Management Personnel

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the charity. The total compensation paid to key management personnel for services provided to the charity was £50,000 (2018: £50,000).

Collage Arts.

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

14. Trustee remuneration and expenses

There were no trustees remuneration or benefits for the year ended 31st December 2019 nor for the year ended 31st December 2018.

There were no trustees expenses paid for the year ended 31st December 2019 nor for the year ended 31st December 2018.

15. Analysis of expenses

	2019 £	2018 £
Training fees	261,210	275,365
Rental costs	902,484	1,289,618
Office costs	48,626	48,273
Legal and professional	9,088	29,617
Event costs	40,524	26,549
Bank and loan interest charges	17,377	11,151
Staff costs and employer NI	299,251	229,022
Premises and computer costs	11,859	10,673
Support costs	6,000	8,000
Depreciation	87,535	83,702
	<u>1,683,954</u>	<u>2,011,970</u>

16. Tangible fixed assets

	Short leasehold property £	Fixtures and fittings £	Paintings £	Total £
Cost				
At 1 January 2019	1,482,476	501,165	33,100	2,016,741
Additions	43,046	4,108		47,154
At 31 December 2019	<u>1,525,522</u>	<u>505,273</u>	<u>33,100</u>	<u>2,063,895</u>
Depreciation				
At 1 January 2019	770,805	500,451	–	1,271,256
Charge for the year	85,747	1,788	–	87,535
At 31 December 2019	<u>856,552</u>	<u>502,239</u>	<u>–</u>	<u>1,358,791</u>
Carrying amount				
At 31 December 2019	<u>668,970</u>	<u>3,034</u>	<u>33,100</u>	<u>705,104</u>
At 31 December 2018	<u>711,671</u>	<u>714</u>	<u>33,100</u>	<u>745,485</u>

Collage Arts.

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

17. Debtors

	2019 £	2018 £
Trade debtors	297,555	256,053
Prepayments and accrued income	135,637	407,591
Other debtors	58,243	58,219
	<u>491,435</u>	<u>721,863</u>

The debtors above include the following amounts falling due after more than one year:

	2019 £	2018 £
Other debtors	32,398	32,398
	<u>32,398</u>	<u>32,398</u>

18. Cash and cash equivalents

Cash and cash equivalents comprise the following:

	2019 £	2018 £
Cash at bank and in hand	36	89,389
Bank overdrafts	(9,499)	—
	<u>(9,463)</u>	<u>89,389</u>

19. Creditors: amounts falling due within one year

	2019 £	2018 £
Bank loans and overdrafts	116,490	81,613
Trade creditors	371,255	456,068
Accruals and deferred income	26,618	249,555
Social security and other taxes	62,647	65,861
Other creditors	116,575	218,457
	<u>693,585</u>	<u>1,071,554</u>

20. Creditors: amounts falling due after more than one year

	2019 £	2018 £
Bank loans and overdrafts	171,428	75,482
Other creditors	61,199	23,080
	<u>193,343</u>	<u>98,562</u>

Bank loans are secured against the lease of Chocolate Factory 2 which is due to expire in October 2026.

Collage Arts.

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

21. Deferred income

	2019 £	2018 £
At 1 January 2019	235,285	53,866
Amount released to income	(235,285)	(53,866)
Amount deferred in year	—	235,285
At 31 December 2019	—	235,285

22. Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £4,457 (2018: £2,365).

23. Analysis of charitable funds

Unrestricted funds

	At 1 January 2019 £	Income £	Expenditure £	At 31 December 2019 £
General funds	266,180	1,141,774	(1,139,356)	268,598

	At 1 January 2018 £	Income £	Expenditure £	At 31 December 2018 £
General funds	406,908	1,544,127	(1,684,855)	266,180

Collage Arts.

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 December 2019

23. Analysis of charitable funds (continued..)

Restricted funds

	At 1 January 2019 £	Income £	Expenditure £	At 31 December 2019 £
London Youth	(10,997)	–	–	(10,997)
Wandsworth	(1,044)	–	–	(1,044)
European	32,476	103,246	(97,114)	38,608
Community Links	20,828	63,306	(84,134)	–
Arts Council	–	1,217	(1,217)	–
NAT Heritage	–	97,400	(97,400)	–
Capital Grant	79,178	182,150	(260,539)	789
Collage Works	–	17,887	(4,194)	13,693
	<u>120,441</u>	<u>465,206</u>	<u>(544,598)</u>	<u>41,049</u>

	At 1 January 2018 £	Income £	Expenditure £	At 31 December 2018 £
London Youth	(5,355)	22,563	(28,205)	(10,997)
Wandsworth	(11,473)	10,429	–	(1,044)
European	19,045	130,353	(116,922)	32,476
Community Links	37,021	141,472	(157,665)	20,828
Arts Council	–	13,500	(13,500)	–
Capital Grant	–	90,000	(10,822)	79,178
	<u>39,238</u>	<u>408,317</u>	<u>(327,114)</u>	<u>120,441</u>

24. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £
Tangible fixed assets	705,104	–	705,104
Current assets	450,422	41,049	491,471
Creditors less than 1 year	(693,585)	–	(693,585)
Creditors greater than 1 year	(193,343)	–	(193,343)
Net liabilities	<u>268,598</u>	<u>41,049</u>	<u>309,647</u>

Collage Arts.

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

24. Analysis of net assets between funds (continued..)

	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £
Tangible fixed assets	666,308	79,177	745,485
Current assets	769,989	41,263	811,252
Creditors less than 1 year	(1,071,554)	—	(1,071,554)
Creditors greater than 1 year	(98,563)	—	(98,562)
Net liabilities	266,181	120,440	338,621

25. Analysis of changes in net debt

	At 1 Jan 2019 £	Cash flows £	At 31 Dec 2019 £
Cash at bank and in hand	89,389	(89,353)	36
Bank overdrafts	—	(9,499)	(9,499)
Debt due within one year	(81,613)	(25,378)	(106,991)
Debt due after one year	(98,562)	(94,781)	(193,343)
	<u>(90,786)</u>	<u>(219,011)</u>	<u>(309,797)</u>

27. Operating lease commitments

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

	2019 £	2018 £
Not later than 1 year	642,043	529,043
Later than 1 year and not later than 5 years	1,271,672	1,707,102
Later than 5 years	762,126	1,143,189
	<u>2,675,841</u>	<u>3,379,334</u>

28. Related parties

During the year charity purchased paintings from trustee Y Stanjo of £nil (2018: £800).

28. Post balance sheet event

In the first quarter of 2020 the World Health Organisation declared a worldwide pandemic as a result of the spread of Covid-19. The charity was not immune to this effect. The charity has taken advantage of government schemes and funding which has provided the support needed. The management is of the opinion that charity will continue to run as a going concern.