
JUNCTION ARTS LIMITED
(a company limited by guarantee)

UNAUDITED

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

JUNCTION ARTS LIMITED
(a company limited by guarantee)

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JUNCTION ARTS LIMITED
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2020**

Trustees	Paul Steele Annie French Lucie Maycock Catherine Rogers, Chair Adam Barnes Arlene Honeyman Marion Thorpe Esther Wakeman (resigned 28 February 2020)
Company registered number	1802999
Charity registered number	515303
Registered office	First Floor Springwell House Newbold Road Chesterfield Derbyshire S41 7PB
Principal operating office	First Floor Springwell House Newbold Road Chesterfield Derbyshire
Managing director	Paul Steele
Independent examiner	Jonathan Wilson Chartered Accountant 68 West Gate Mansfield Nottinghamshire NG18 1RR
Bankers	NatWest Bank PLC Chesterfield Derbyshire S40 1TJ

JUNCTION ARTS LIMITED
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2020

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

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

Objectives and activities

a. Policies and objectives

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

Public Benefit

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

Vision:

To create a better future for everyone through the arts.

Mission Statement:

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

Aims & Values:

Co-creation

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

Relevance

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

Objectives and activities (continued)

Responsive

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

Innovation

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

Social Change

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

Opportunity

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

Supporting the arts

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

Achievements and performance

a. Main achievements of the company

Artistic Programme Overview

In 2019/20 we delivered 19 projects, 2 outdoor free, family festivals, 1 conference and 3 exhibitions. In total we delivered 180 sessions, worked with 2,622 participants and reached an audience of 13,845. We delivered all of our workshops, festivals and events as outreach, consciously removing traditional participation barriers such as transport and cost. We deliver work at local venues such as schools, community centres, heritage sites, libraries and out in the landscape ensuring any accessibility needs are catered for. Our extremely popular school holiday programmes of Children and Young People workshops were delivered at a well-used local community centre, in the heart of the town.

The majority of our programme is targeted at communities living in the ex-industrial and rural areas of Bolsover District and wider North Derbyshire, which are similar in terms of levels of rural isolation and low arts infrastructure.

We have continued to work with a wide range of established artists and encouraged new artist development, working with 26 individual artists during 2019/20. We develop our projects through collaboration with artists and communities to ensure that the process is democratic and empowering. We held three open calls for artists this year, making connections with artists we have not worked with before and assisting housing developers to work with artists for public realm art pieces.

We completed 3 public art projects and a new short film. We delivered community lantern making workshops in 2 towns in Bolsover District and helped 42 young people achieve their Discover Arts Award.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

Achievements and performance (continued)

In May 2019 we held our second Derbyshire Creative Heritage Conference at Haarlem Artspace in Wirksworth. 55 delegates attended the conference focusing on resilience and collaboration.

Over the past year we have supported several ACE National Lottery Project Grant applications. For example, we supported Ashgate Hospicecare to host innovative artist residencies in a palliative care setting, benefitting many people and creating a significant arts and health project.

Opportunity to experience and participate

We operate from a base in Chesterfield and deliver all of our participatory activity in communities with local people. Our target communities are similar in terms of rural isolation and low arts infrastructure. Most of the areas we deliver in are areas of least engagement in the arts. The themes of landscape and heritage are important tools to engage people in these communities. Our approach is to build on the themes and stories of the area as this will engage people initially and then introduce new perspectives and artistic ambition.

Poverty, isolation and health problems are issues faced by the communities we engage. An analysis of our 2019/20 participant figures show that 17.5% of our participants had a disability or health problem and 21.2% were 65 or older. Our Health and Wellbeing strand particularly focuses on engaging older people in participatory arts projects and improving their wellbeing through the arts.

In 2019/20 we delivered 2 free outdoor art festivals which attracted large numbers of participants and attendees, our festivals have become traditions in the community where families can spend time together and enjoy the arts. We also brought touring theatre to 2 local venues in Bolsover District. 'Without Malice or Ill Will' (written by local artist Ray Castleton) was performed at Creswell Social Centre and Shirebrook Parish Church.

Our projects are shared digitally through our website and social media accounts.

Our main programme of activity is supplemented by a touring exhibition programme (Pathways into Spaces), which exhibits work in varied venues such as local businesses, libraries and places of worship.

We have developed strong relationships with a range of local venues and open spaces over the years and are committed to ensuring that the widest possible number of people has the opportunity to experience and participate in our work.

International

In 2019/20 we developed an exciting international collaboration with Instituto Procomum (IP) from Brazil. After forming a partnership with Haarlem Artspace (Derbyshire) and Advantage Creative in 2018 we applied to the British Council DICE Fund. The DICE fund provides grants to intermediary organisations which support the development of creative and social enterprises. It focusses on supporting enterprises to empower women and girls, foster youth employment and promote disabled peoples and other marginalised groups' inclusion and economic development. Our Chair, Catherine Rogers developed a relationship with IP and developed a project entitled 'Collaboradora'.

After welcoming our Brazilian partners in May to the Derbyshire Creative Heritage Conference, Catherine and Paul Steele, Managing Director of Junction Arts, travelled to Sao Paulo to Instituto Procomums lab in Santos on the 21st Sep for two weeks. Whilst there Catherine and Paul delivered a workshop residency with 25 participants of the Collaboradora programme who were all creative enterprise start-ups. We delivered workshops in Business Planning and Fundraising, using Junction Arts as case studies.

Junction Arts and Haarlem Artspace are exploring ways that we can continue to work with Instituto Procomum and potential partnership projects beyond the Collaboradora project.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

Achievements and performance (continued)

Partnerships

We hosted our annual networking event for volunteers, artists and partners on the 12th December in Chesterfield and have continued to collaborate in local, regional and national forums. We continue to chair the Bolsover Culture and Tourism Partnership who meet quarterly.

At a strategic level we continue to attend (quarterly) East Midlands Participatory Arts Forum and Arts Derbyshire meetings to share best practice with our peers. In this financial year we continued to deliver the Digital Expedition series of events exploring digital arts participation in partnership with EMPAF.

Working in partnership with Animate Projects Derby, Fermynwoods Contemporary Arts, QUAD and Vivid Projects we completed a new short film with artist Esther Johnson titled 'a ROLE to PLAY' which focuses on working life in Bolsover. The film is part of four films made by partners and artists about working life across the Midlands.

Young People

Although our programme is aimed at all members of the community, a significant number of the participants we engage with are children and young people. In 2019/20, we worked with 10 schools and 511 pupils. We worked with school children aged six to sixteen through our rural strand and festivals and events.

Through our Get Creative Kids programme we identified the need for free arts activities for children throughout the school holidays. One day a week we held half-day drop in arts activities with skilled artists in a community hub in South Normanton. These workshops are extremely popular and we recorded 231 attendances in 2019. These workshops provide opportunities for children to learn skills, have fun and be inspired.

In 2019 as part of our Tapton Lock Festival outreach work we helped 42 young people to complete their Discover Arts Award and receive a certificate from Trinity College, London for their achievement.

Children and young people have influenced public art pieces that have been installed throughout North East Derbyshire and Bolsover District.

As a participatory arts organisation co-creation is at our core and we strive for a positive and inclusive experience for all of our young participants.

Equality & Diversity

Within our artistic programme we have 5 strands of delivery: Rural, Health & Wellbeing, Digital, Festivals & Events and Pathways into Spaces. Through the diversity of the projects delivered we aim to engage varied audiences and participants. During this period we have worked with low-income families, children and young people, vulnerable adults and elderly and disability groups. For example, through our Health and Wellbeing programme we delivered an intergenerational project with local primary schools and vulnerable adults suffering from dementia and receiving respite care. Project examples include 'The Art of Letter Writing' in Blackwell and Pinxton and 'Arts and Crafts at Fulleylove Court'.

We delivered 11 projects with people from low socio-economic groups in 2019/20.

Our Board actively review the diversity of our programming and attend Junction Arts workshops and events throughout the year to review our Creative Case for Diversity. Trustees feedback verbally at Board meetings.

Junction Arts reviews its Equality & Diversity Action plan and programme annually and our equal opportunities policy is promoted through all of our board, staff and artist recruitment.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

Achievements and performance (continued)

Management & Governance

Risks continued to be monitored and mitigated through quarterly Board meetings and Board and Staff Away Days. At our most recent Away Day we reviewed our vision and mission and developed our longer-term goals.

We have a very proactive Board who regularly volunteer at our workshops and events and actively assess our work for the Creative Case. We also develop Board sub-groups when required to focus on specific issues or challenges. All staff, volunteers and trustees actively implement environmental sustainability targets and initiatives.

Charity Resilience

We have continued to work through and develop our Fundraising Plan. We over-achieved on all of our Arts Council Catalyst: Evolve fundraising targets. We have made great progress in building fundraising skills into our existing core team with the help of our Fundraising Consultant, which will provide us with a significant platform to sustain stronger fundraising in the long term. We are planning to develop a new post within the core team to develop our relationships with donors and local businesses to garner support. Our Board continues to support our fundraising strategy and activities and takes an active role in contributing to fundraising initiatives. We delivered two successful community fundraising workshops using our strengths in arts delivery and utilising the large space we have at our offices in Chesterfield.

Achievements and Performance Highlights:

(For a full list of progress against Business Plan targets, please see 2018 – 2022 Business Plan (revised March 2020))

- We will engage 600 attendees across our rural programme: We engaged 894 attendees
- We will engage 40 participants over the age of 60: We engaged 62 participants through our Health & Wellbeing programme
- We will engage 800 attendees across our events programme: We engaged 6,047 attendees across our events programme
- We will engage 5,000 attendees across our exhibition programme: We engaged 7,540 attendees across our exhibition programme.

Young People:

- We will work with 4 schools in our rural programme per year: We worked with 10 Schools.
- We will engage 240 school attendees per year: We worked with 511 school attendees during this period.
- We will engage 100 CYP through Health & Wellbeing projects; We worked with 231 CYP through our Health & Wellbeing programme.

Digital:

- We will engage 50 participants through our digital programme: We engaged with 20 participants. This was due to a delayed start for our This Girl Codes digital delivery.
- We will engage 200 attendees through our digital programme: We engaged 33 attendees during this period.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

Achievements and performance (continued)

This was due to a delayed start for our This Girl Codes digital delivery.

Financial review

a. Going concern

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

b. Reserves policy

The board of directors have examined the charity's requirements for reserves in the light of the main risks to the organisation. The directors aim to maintain free reserves in unrestricted funds at a level, which equates to approximately six months of unrestricted charitable expenditure. The reserves are needed to meet the working capital requirements of the charity in the event of a significant drop in funding or when some of the income generating activities may be curtailed due to circumstances outside their control. Core current reserves at 31 March 2020 were £88,435 (2019 - £92,938).

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

c. Financial position

The charity had total incoming resources for the year of £293,836 (2019 - £241,736). Resources expended amounted to £236,435 (2019 - £246,591). There was a net increase in funds of £57,401 for the year (2019 - net decrease in funds of £4,855).

Structure, governance and management

a. Constitution

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

b. Methods of appointment or election of trustees

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

Structure, governance and management (continued)

c. Organisational structure and decision-making policies

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

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

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

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

d. Policies adopted for the induction and training of trustees

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

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

e. Managing director

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

Structure, governance and management (continued)

f. Financial risk management

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

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

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

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

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

- Health and safety
- Safeguarding, equal opportunities and equality

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

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

Approved by order of the members of the board of trustees on 26 October 2020 and signed on their behalf by:

Catherine Rogers
(Chair of Trustees)

Annie French
(Treasurer)

JUNCTION ARTS LIMITED
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INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 MARCH 2020

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

I report to the charity trustees on my examination of the accounts of the company for the year ended 31 March 2020.

Responsibilities and Basis of Report

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

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

Independent Examiner's Statement

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

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

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

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

Signed: Jonathan Wilson FCA

Dated: 14 December 2020

Jonathan Wilson

ICAEW

JUNCTION ARTS LIMITED
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**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2020**

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:					
Donations and legacies	3	159	16,280	16,439	27,861
Charitable activities	4	133,293	122,544	255,837	190,991
Other trading activities	5	-	21,246	21,246	22,720
Investments	6	314	-	314	164
Total income		133,766	160,070	293,836	241,736
Expenditure on:					
Raising funds	7	-	1,307	1,307	7,280
Charitable activities	8	136,413	98,715	235,128	239,311
Total expenditure		136,413	100,022	236,435	246,591
Net movement in funds		(2,647)	60,048	57,401	(4,855)
Reconciliation of funds:					
Total funds brought forward		94,509	15,580	110,089	114,944
Net movement in funds		(2,647)	60,048	57,401	(4,855)
Total funds carried forward		91,862	75,628	167,490	110,089

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

The notes on pages 13 to 29 form part of these financial statements.

JUNCTION ARTS LIMITED
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REGISTERED NUMBER: 1802999

BALANCE SHEET
AS AT 31 MARCH 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	11	3,427	1,571
Current assets			
Debtors	12	8,809	12,188
Cash at bank and in hand		183,600	104,817
		<u>192,409</u>	<u>117,005</u>
Creditors: amounts falling due within one year	13	(28,346)	(8,487)
Net current assets		<u>164,063</u>	108,518
Total net assets		<u><u>167,490</u></u>	<u><u>110,089</u></u>
Charity funds			
Restricted funds	14	75,628	15,580
Unrestricted funds	14	91,862	94,509
Total funds		<u><u>167,490</u></u>	<u><u>110,089</u></u>

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

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

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

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

The financial statements were approved and authorised for issue by the trustees on 26 October 2020 and signed on their behalf by:

Catherine Rogers
(Chair of Trustees)

Annie French
(Treasurer)

The notes on pages 13 to 29 form part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

1.2 Going concern

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

1. Accounting policies (continued)

1.3 Income

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

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

Where the donated good is a fixed asset, it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset class and depreciated over the useful economic life in accordance with the company's accounting policies.

On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the company which is the amount it 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.

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

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

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

1.4 Expenditure

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

1. Accounting policies (continued)

1.4 Expenditure (continued)

All expenditure is inclusive of irrecoverable VAT.

1.5 Interest receivable

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

1.6 Tangible fixed assets and depreciation

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

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

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

Depreciation is provided on the following basis:

Fixtures and fittings	- 33.33% straight line or 15% reducing balance
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1.7 Debtors

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

1.8 Cash at bank and in hand

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

1.9 Liabilities and provisions

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

1. Accounting policies (continued)

1.10 Financial instruments

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

1.11 Pensions

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

1.12 Fund accounting

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

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

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

2. General information

Junction Arts Limited is a private company limited by guarantee and incorporated in England, registration number 1802999. Its registered office is First Floor, Springwell House, Newbold Road, Chesterfield, Derbyshire, S41 7PB.

JUNCTION ARTS LIMITED
(a company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

3. Income from donations and legacies

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations				
General	-	-	-	15
Trusts, foundations and charities	-	10,712	10,712	13,281
Donation - business	-	2,964	2,964	10,197
Donation - individuals	58	2,604	2,662	2,105
Donations - public body	-	-	-	2,000
Gift Aid and sponsorship				
Gift Aid	101	-	101	263
	<u>159</u>	<u>16,280</u>	<u>16,439</u>	<u>27,861</u>
Total 2019	<u>259</u>	<u>27,602</u>	<u>27,861</u>	

Included in restricted income are donations from individuals of £674 and donations from trusts, foundations and charities of £7,687 for Creswell Gets Creative.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

4. Income from charitable activities

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
General Funds	133,293	-	133,293	132,694
First Art	-	6,000	6,000	6,045
Other Projects	-	56,844	56,844	52,252
This Girl Codes	-	59,700	59,700	-
Total 2020	<u>133,293</u>	<u>122,544</u>	<u>255,837</u>	<u>190,991</u>
Total 2019	<u>132,694</u>	<u>58,297</u>	<u>190,991</u>	

Arts Council England - £100,580 - (2019 - £100,580)
District of Bolsover - £16,000 - (2019 - £16,000)
Derbyshire County Council - £15,200 - (2019 - £15,200)
Heritage Lottery Funding - £39,700 - (2019 - £9,500)

5. Income from other trading activities

Income from fundraising events

	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Catalyst match funding	21,000	21,000	22,618
Fundraising event	246	246	102
	<u>21,246</u>	<u>21,246</u>	<u>22,720</u>
Total 2019	<u>22,720</u>	<u>22,720</u>	

JUNCTION ARTS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

6. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Bank interest	314	314	164
	<hr/>	<hr/>	<hr/>
Total 2019	164	164	
	<hr/>	<hr/>	

JUNCTION ARTS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

7. Expenditure on raising funds

Fundraising trading expenses

	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Fundraising costs	1,307	1,307	7,280
	<hr/>	<hr/>	
Total 2019	7,280	7,280	
	<hr/>	<hr/>	

JUNCTION ARTS LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

8. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £	Total funds 2019 £
General Funds	89,965	46,448	136,413	135,137
Combine HLF	-	-	-	220
First Art	471	5,529	6,000	6,045
Other Projects	42,024	36,016	78,040	97,909
Creswell Gets Creative	6,215	2,652	8,867	-
This Girl Codes	4,143	1,665	5,808	-
	<u>142,818</u>	<u>92,310</u>	<u>235,128</u>	<u>239,311</u>
Total 2019	<u>149,491</u>	<u>89,820</u>	<u>239,311</u>	

Analysis of direct costs

	Total funds 2020 £	Total funds 2019 £
Staff costs	89,684	81,320
Artists' fees	40,728	52,933
Project publicity	762	1,900
Other project expenses	11,592	13,074
Staff training	52	264
	<u>142,818</u>	<u>149,491</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2020 £	Total funds 2019 £
Staff costs	50,272	54,530
Depreciation	1,264	1,249
Premises costs	17,832	14,658
Motor and travel expenses	905	979
Professional fees	8,920	7,210
Sundry office costs	5,896	6,674
Publicity and printing	3,243	2,525
Staff training	2,051	232
Trustees' meetings and expenses reimbursed	547	413
Independent examiner's fees	1,380	1,350
	92,310	89,820

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

9. Staff costs

	2020 £	2019 £
Wages and salaries	128,280	125,499
Social security costs	8,749	8,452
Contribution to defined contribution pension schemes	2,927	1,899
	139,956	135,850

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

	2020 No.	2019 No.
Projects	5	5

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

Details of remuneration for key management personnel are disclosed in note 10 to the financial statements. There were also additional costs of £4,384 (2019 - £4,364) for employer's national insurance.

10. Trustees' remuneration and expenses

		2020 £	2019 £
Paul Steele	Remuneration	40,400	40,000
	Pension contributions paid	1,028	679

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

During the year ended 31 March 2020, no trustee expenses have been incurred (2019 - £NIL).

During the year, no trustees received any benefits in kind (2019 - £NIL).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

11. Tangible fixed assets

	Fixtures and fittings £
Cost or valuation	
At 1 April 2019	27,835
Additions	3,120
At 31 March 2020	<u>30,955</u>
Depreciation	
At 1 April 2019	26,264
Charge for the year	1,264
At 31 March 2020	<u>27,528</u>
Net book value	
At 31 March 2020	<u><u>3,427</u></u>
At 31 March 2019	<u><u>1,571</u></u>

12. Debtors

	2020 £	2019 £
Trade debtors	7,153	11,440
Prepayments and accrued income	1,656	748
	<u><u>8,809</u></u>	<u><u>12,188</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

13. Creditors: Amounts falling due within one year

	2020	2019
	£	£
Trade creditors	2,898	2,583
Other taxation and social security	2,532	2,889
Other creditors	636	397
Accruals and deferred income	22,280	2,618
	28,346	8,487
	2020	2019
	£	£
Resources deferred during the year	20,000	-

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

14. Statement of funds

Statement of funds - current year

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

14. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 April 2018 £	Income £	Expenditure £	Balance at 31 March 2019 £
Unrestricted funds				
General Funds	96,548	133,117	(135,156)	94,509
Restricted funds				
Combine HLF	220	-	(220)	-
First Art	-	6,045	(6,045)	-
Other projects	18,176	88,937	(98,078)	9,035
Creswell Gets Creative	-	13,637	(7,092)	6,545
	18,396	108,619	(111,435)	15,580
Total of funds	114,944	241,736	(246,591)	110,089

General Funds:

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

Restricted Funds:

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

JUNCTION ARTS LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

15. Analysis of net assets between funds

Analysis of net assets between funds - current period

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

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Tangible fixed assets	1,571	-	1,571
Current assets	101,425	15,580	117,005
Creditors due within one year	(8,487)	-	(8,487)
Total	94,509	15,580	110,089

16. Pension commitments

The company operates a defined contribution pension scheme. 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 by the company to the fund and amounted to £2,927 (2019 - £1,899). Contributions totalling £636 (2019 - £397) were payable to the fund at the balance sheet date and are included in creditors.

17. Members' liability

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

18. Related party transactions

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