

COMPANY REGISTRATION NUMBER: 02960157
CHARITY REGISTRATION NUMBER: 1040321

Creative Arts East
Company Limited by Guarantee
Unaudited financial statements
31 March 2020

Creative Arts East

Company Limited by Guarantee

Financial statements

Year ended 31 March 2020

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Creative Arts East

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Trustees' annual report (incorporating the directors' report)

Year ended 31 March 2020

The Trustees, who are also the directors for the purposes of company law, present their report and the unaudited financial statements of the charity for the year ended 31 March 2020.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Companies Act 2006 and 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 published in October 2019.

Chair's report

2019/20 has been another successful year for Creative Arts East.

With renewed investment from Spirit of 2012, new investment from the Earl of Northampton's Charity and National Lottery Community Fund, and continued investment from Arts Council England, Youth Music, Esmeé Fairbairn, British Film Institute Film Audience Network and local authorities across Norfolk and Suffolk, the team have continued to make great strides in the development of the charity's work and as a result we have gained greater profile, including a prestigious Royal Society of Public Health award for work which resulted in statistically significant increases in wellbeing for vulnerable older people in rural areas. Moreover, with funding from Arts Council England, through their Catalyst Evolve programme, we completed our three-year push towards diversification of our income streams, securing new philanthropic giving, corporate sponsorship and private donations, resulting in a successful public fundraising campaign to celebrate our 25th anniversary in August 2019.


In September 2019, I was privileged to take over the position of Chair from Pat Holtom. It has been a pleasure to work alongside the team more closely over recent months, and to help enable the organisation to realise its growing mission and ambitions. In October 2019, we welcomed a new Finance Manager, Chris Allison, into the team and I would like to thank both Chris, and his predecessor, Jo Knowlden, for completion of a smooth and expert handover.

We held a successful Board and staff Awayday during the year, with an emphasis on looking ahead to the role and purpose of the charity for the next 5-10 years and in addition, I chaired the Staffing and Finance Committee which met regularly to oversee the detailed running of the budget and to ensure effective management was maintained. Both myself and other Board members represented the organisation at key events and meetings throughout the year and successfully met our own Board-led fundraising goals in support of the 25-year anniversary campaign.

We are grateful for the continued and essential backing of our funders and supporters. As we look ahead to 2020/21 and the challenges that the global coronavirus pandemic will bring, we are confident to be entering a period of uncertainty with robust financial management in place, a plan to consolidate our outgoings and to repurpose our resources in order to make a meaningful contribution to emergency relief effort locally. I am certain that by working closely together the Board and the staff have both the skills and dedication to face this uncertain future with creativity, resilience, and success.

I would like to offer thanks to the outgoing Chair, the Board and the Senior Management Team for their positivity and support in helping me assume my new role, and for their clear and measured approach to the challenges that lie ahead.

Max Edwards
Chair



Creative Arts East

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Trustees' annual report (incorporating the directors' report) *(continued)*

Year ended 31 March 2020

Reference and administrative details

Registered charity name	Creative Arts East
Charity registration number	1040321
Company registration number	02960157
Principal office and registered office	19 Griffin Court Market Street Wymondham Norfolk NR18 0GU

The trustees

The trustees who served during the year and at the date of approval were as follows:

Pat Holtom
Max Edwards
Alison McFarlane
Tony Russell
Mari Martin
Mike Webb (resigned 17 September 2019)
Sydney Burges (resigned 17 September 2019)
Elizabeth Somerville

Principal Officer	Natalie Jode (Executive Director)
Observers	Cassie Catchpole - Arts Council England Sarah Dennis - Borough Council of King's Lynn and West Norfolk
Company secretary	Chris Allison
Independent examiner	Mark Proctor FCA DChA Lovewell Blake LLP Chartered accountants Bankside 300 Peachman Way Broadland Business Park Norwich NR7 0LB
Bankers	Santander Bootle Merseyside L30 4GB

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Trustees' annual report (incorporating the directors' report) *(continued)*

Year ended 31 March 2020

Barclays Bank PLC
1 Churchill Place
London
E14 5HP

Virgin Money
Jubilee House
Gosforth
Newcastle Upon Tyne
NE3 4PL

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Trustees' annual report (incorporating the directors' report) *(continued)*

Year ended 31 March 2020

Objectives and activities

The purposes of the charity are the promoting, maintaining, improving and advancing of education within the community at large, and particularly in the rural areas of Norfolk, through the promotion, production, performance and encouragement of the arts (defined as the performing, visual, media, plastic or written arts). In furtherance of such objects the charity shall have power:

- to co-operate and enter into agreements or arrangements with any authorities, national, local or otherwise, international bodies, parish councils, village hall committees, schools, churches, arts centres, theatres, clubs, societies, charitable trusts and other similar bodies and individuals;
- to cause to be held exhibitions, meetings, lectures, classes, seminars, courses, performances, workshops, excursions, entertainments and broadcasts either alone or with others;
- to cause to be written and printed or otherwise reproduced and circulated, gratuitously or otherwise, periodicals, magazines, books, leaflets or other documents or films or recorded tapes or other technology-based media.

These objects set out the breadth of activity that Creative Arts East may undertake and the collaborative approach that lies at the heart of the organisation. They also define the peripatetic nature of the activities, and the centrality of learning about, and through, the arts to enrich and improve the quality of life of the whole community. To this end Creative Arts East's mission is "To increase people's enjoyment, skills and health through the power of the arts".

Our main aims are to -

- To inspire people to expand their individual creativity and broaden their cultural horizons- To empower adults and young people to join together to enrich their communities- To enhance the wellbeing of individuals within rural and disadvantaged communities- To raise the skills and/or aspirations of rurally isolated and disadvantaged individuals and communities- To be a highly efficient, innovative and effective organisation

We focus on engaging those communities or its members who face geographical, physical or other barriers to participating in the cultural life of the area, and do this by providing a range of activities that take place on an outreach basis in a wide variety of locations. Mostly targeted at those who are disadvantaged and provided free of charge, where charges are made for activities these are kept as low as possible and concessions provided to ensure wide accessibility. In doing so the trustees have had due regard to the Charity Commission's general guidance on public benefit and to its supplementary guidance on fee charging.

Summary of the main activities in relation to these objects

Our strategy is to deliver activities that benefit the public through two major strands of work in order to fulfil our aims. These are:-

1. The delivery of core community touring work. In partnership with local authorities and voluntary groups in Norfolk and Suffolk we organise highly successful community touring schemes, bringing professional performing artists and an eclectic programme of films into rural communities.
2. The delivery of a portfolio of learning projects using the arts as a tool for engagement in partnership with private, public and voluntary sector stakeholders.

Creative Arts East

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Trustees' annual report (incorporating the directors' report) *(continued)*

Year ended 31 March 2020

Objectives and activities *(continued)*

Significant activities

Summary of the main achievements of the charity during the year

1. The delivery of core community touring work.

Rural and community touring across Norfolk and Suffolk remains a core priority for Creative Arts East (CAE). Throughout 2019/20 CAE has enabled people to engage with arts and culture in rural and disadvantaged areas at least 30,000 times through rural touring activities. Taking artists and cultural activities to communities is environmentally responsible, whilst using community venues contributes to their sustainability and to the vibrancy of community life. Overall the purpose of CAE's rural touring work is to provide memorable, uplifting and enjoyable cultural experiences that enrich community life, and embed into those communities the skills and knowledge to make things happen. Specifically:

Creative Arts East Live! continued to support 40+ grassroots voluntary groups and community venues with training, marketing assistance and financial subsidy alongside bespoke programmes of professional live performance and specially commissioned new work, including outdoor performance for market towns. The scheme enabled over 90 events to take place in this year.

Creative Arts East Screen, the community cinema scheme, supported a network of 60+ voluntary groups organising cinema screenings. Groups select feature films on general release, archive films and shorts, and screen them in village halls and community venues. To support these activities CAE provided access to properly maintained sound and projection equipment and demountable screens, technical training, programming help, marketing support and a web-based booking system. Throughout the year over 480 events took place across Norfolk and Suffolk.

The work of the Creative Arts East's Live! and Screen schemes has been maintained thanks to ongoing investment by Norfolk County Council alongside contributions from South Norfolk, Breckland, Kings Lynn & West Norfolk, Mid-Suffolk and Babergh District Councils.

2019-20 was the second year of CAE's 4-year National Portfolio agreement with Arts Council England (2018-2022), during which time the charity has achieved its stated goals.

2. The delivery of a portfolio of learning projects, using the arts as a tool for engagement.

Alongside its core rural touring activities CAE develops and manages a portfolio of participatory and developmental projects. Project delivery remains a necessary element of the Creative Arts East financial model, the income from which, in conjunction with essential local authority investment, underwrites the costs of core rural touring activities. As such the Charity continued to manage a wide portfolio of project activity during 2019/2020 that provided learning opportunities, health and wellbeing interventions and volunteer development activities to communities and individuals across East Anglia.

Much of the project delivery taking place in 2019/2020 was firmly aligned to the core touring activities as identified above, including two large-scale linked projects - Create, Promote Encourage Music, a young promoter training scheme funded by Youth Music, and Inn Crowd, touring live literature to rural pubs funded by Arts Council England. The Creative Arts East Screen scheme also continued to attract investment in both the strategic and artistic development of its portfolio, with project funders including the British Film Institute (BFI). In addition, there remained a strong focus on delivering projects where the emphasis supported the cultural education of people who face barriers to participations, in particular the delivery of the increasingly popular 'Our Day Out' programme - an inclusive older peoples programme of arts participation, with specific emphasis on reaching those living with dementia and their carers and other more isolated older people - funded until 2022 by Spirit of 2012, National Lottery Community Fund and the Earl of Northampton's Charity via Mercer's Company

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Trustees' annual report (incorporating the directors' report) *(continued)*

Year ended 31 March 2020

Objectives and activities *(continued)*

Public benefit

In planning activities for the year under review the Trustees kept in mind the Charity Commission's guidance on Public Benefit at meetings, when exercising powers or performing duties in their roles. The activities outlined above in this report provide examples of how the charity has sought to further its charitable purposes for the benefit of the general public. The Trustees believe passionately that the delivery of our work as outlined on page 5 benefits a significant section of the general public in in Norfolk and Suffolk.

Our volunteers

Creative Arts East thrives and succeeds thanks to its close relationship with volunteers and voluntary groups across Norfolk and Suffolk. They constitute the 100+ promoting groups of the community touring schemes described above and are involved in many of the charity's participatory projects. Between them they donated at least 13,000 hours of time during 2019/20. Evaluation reports and promoter meetings are held every year to gather feedback and ensure that the service provided is effective and of a high standard.

Creative Arts East has provided work experience and voluntary placements for students and workless adults throughout the year.

Our artistic values

Our artistic aims are to inspire people to expand their individual creativity, broaden their cultural horizons and join together to create culturally rich, diverse and inclusive communities.

In selecting companies and performers for community touring CAE strives to achieve balanced programmes, ensuring representation of a wide range of art forms including drama, dance, music, opera, puppetry, live literature, storytelling, and cross art-form collaborations, which will appeal to all sections of the community. Work by culturally diverse (including BAME and disability-led) and international companies and performers is offered alongside more mainstream work.

Care is taken to use public subsidy wisely, exercising careful control over quality, artistic integrity, breadth, variety and cultural diversity. Wherever possible we seek opportunities to present work which extends experience, and surprises, excites, challenges and develops new audiences. We are keen to identify and support up-and-coming, as well as established, regional companies and performers who can contribute to the development of CAE programmes and projects.

Creative Arts East

Company Limited by Guarantee

Trustees' annual report (incorporating the directors' report) *(continued)*

Year ended 31 March 2020

Strategic report

The following sections for achievements and performance and financial review form the strategic report of the charity.

Achievements and performance

During 2019/20 Creative Arts East continued to work to the Business Plan that was developed for 2018-22, reviewing areas of development and change as necessary. In tandem with this sits the Audience Development, Equality & Diversity and Environmental Action Plans, which are reviewed regularly and updated as necessary.

Creative Arts East Live! continued to offer high quality, professional performances to rural communities, as well as curating bespoke tours to new and alternative venues such as pubs, schools and, along with Creative Arts East Screen and a portfolio of new and continuing projects, Creative Arts East enabled cultural engagement with over 30,000 ticket buyers, participants or onlookers across Norfolk, Suffolk and the East.

Creative Arts East

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Trustees' annual report (incorporating the directors' report) *(continued)*

Year ended 31 March 2020

Financial review

The annual turnover of Creative Arts East was £550,492 (2019: £494,933) and expenditure was at £549,380 (2019: £493,965), resulting in a surplus of £1,112 (2019: £968).

Reserves Policy

The trustees, having regard to the liquidity requirements of operating the charity and to the reserves policy, have operated a policy of keeping available funds in an interest-bearing account and seek to achieve a reasonable rate on deposit. Reserves are needed to bridge the gap between the spending and receiving of resources and to cover unplanned emergencies and other expenditure. The trustees consider that the ideal level of reserves as at 31 March 2020 would be £50,000. The actual reserves were £82,866 providing the charity with £32,866 of working capital. In these times of economic stringency, this working capital will be invested in the charity's future by being used to undertake activities to secure its further medium to long term funding and to support, in the short term, any funding shortfall for the core rural touring programmes.

Of the actual reserves, the charity's free reserves (being net current assets in the unrestricted fund) amounted to £66,798. Of the free reserves, £50,000 has been designated towards the cost of unplanned emergencies and other expenditure, with £16,798 available for spending.

Creative Arts East is grateful to its core funders who enable the core activities to take place each year. These are Arts Council England, Norfolk County Council and the District and Borough Councils of Mid Suffolk & Babergh (Suffolk), Breckland, Kings Lynn & West Norfolk, and South Norfolk.

It also thanks funders which supported specific project activity, including: Spirit of 2012, British Film Institute, Arts Council England, Esmée Fairbairn, Mercer's Company, National Lottery Community Fund, Borough Council of Kings Lynn and West Norfolk, Norfolk County Council and Youth Music.

In addition, volunteers contributed a huge amount through their help 'in kind'. If Creative Arts East had to pay for this time we calculate that it would cost in excess of £100,000 per annum.

Pricing Policy

To ensure that all members of the public can benefit from Creative Arts East's activities charges, where they are levied, are kept as low as possible. Groups participating in the Creative Arts East Live scheme are encouraged to set their own prices. However, as they now have a greater autonomy and a limited subsidy per event, their pricing will be subject to market forces, aiming to optimise audience numbers and box office income.

Groups participating in the Creative Arts East Screen scheme are given advice about pricing but make their own decisions regarding ticket pricing. In practice, these average out at around £4.50 per ticket.

Participatory projects are generally free to participants since they are subsidised by specific funders.

Creative Arts East

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Trustees' annual report (incorporating the directors' report) *(continued)*

Year ended 31 March 2020

Plans for future periods

In July 2014 Arts Council National Portfolio Organisation (NPO) status was awarded to the Charity for three years from 1 April 2015 to 31 March 2018. In July 2017 the Charity was awarded a further four-year NPO funding agreement from 1 April 2018 to 31 March 2022.

Impact of COVID-19

As of Friday 20 March, the Creative Arts East office was closed, and the team deployed to work remotely from their homes. In the weeks leading up to this, in response to the growing health threat, all events and participatory workshops were cancelled or postponed and reviewed on a 6-weekly 'review and respond' cycle. Since then, Creative Arts East has been proactive in repurposing its social impact projects to make a relevant contribution to the COVID-19 emergency relief effort locally.

Thanks to continued and flexible investment commitments by primary funders plus additional emergency investment from the Esmée Fairbairn Foundation and the National Lottery via the British Film Institute Film Audience Network, as well as savings made internally and through the government's Job Retention Scheme, CAE forecast a breakeven budget for the coming financial year 2020-21. This will enable the charity to maintain employment commitments, continue to deliver a portfolio of newly COVID-secure social impact projects and maintain a commitment to underwrite the costs of rural touring events for the remainder of the year, as and when communities feel safe and able to open their village hall doors to artists and audiences again.

Creative Arts East

Company Limited by Guarantee

Trustees' annual report (incorporating the directors' report) *(continued)*

Year ended 31 March 2020

Structure, governance and management

Governing document

The organisation is a charitable company limited by guarantee, incorporated on 20 July 1994 and registered as a charity on 23 August 1994. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association.

Trustee selection methods

Trustees are elected from and by the full members at the Annual General Meeting. One third of the trustees must retire from office. The members to retire shall be those longest in office since their last election. These members are eligible for re-election. Two members are appointed representing service users or partners, the remaining members are appointed by the company in general meeting as it thinks fit.

Trustee induction and training

New Trustees undergo an orientation day to brief them on their legal obligations under charity and company law, the Charity Commission guidance on public benefit, content of the Memorandum and Articles of Association, the Board, the sub-committee and the decision making process, the risk register, the Business plan and recent financial information including the financial performance of the charity.

During the induction day, they meet key employees and other Trustees.

Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

Organisational structure

The Charity is governed by a Board of Management who are elected to office at the AGM in accordance with the terms laid down in its Memorandum and Articles of Association. This Board of Management are the trustees of the Charity.

The Board meets quarterly and there is a sub-committee covering finance, audit and staff which normally meets twice a year or more frequently as required. An Executive Director is appointed by the Trustees to manage the day to day operations of the Charity.

Decisions are made by the Board but to facilitate operations, the Executive Director has delegated authority for operational matters including finance, employment, fundraising, programming and project management.

The Executive Director and Finance Manager attend Board meetings to present reports and advise the Board.

Arrangements for setting pay and remuneration of key management personnel

Creative Arts East operates a Living Wage principle for entry level pay and scale points for all job descriptions, including key management posts, are structured on a pay scale, which mirrors that of a local authority. Individual employee salary points are reviewed annually as part of an appraisal and budget forecasting process. Responsibility related pay increases, inflationary rises and pension contributions are interrogated by the Staffing and Finance Sub-Committee of the Board, who make a recommendation to full Board for the year ahead. This group meets at least twice per year, more as need requires.

Creative Arts East

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Trustees' annual report (incorporating the directors' report) *(continued)*

Year ended 31 March 2020

Risk management

The Trustees meet on a quarterly basis to discuss the issues and risks affecting the company. The company has appropriate systems in place to identify potential risks and assess them in terms of likelihood and significance. The risks are regularly monitored and controls are implemented in order to mitigate any impact that they may have on Creative Arts East. This includes a Risk Register, the content of which is informed by consultation with staff, Board and external stakeholders and which is reviewed at each Board meeting.

Independent examiner

The independent examiner, Mark Proctor of Lovewell Blake LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

The trustees' annual report and the strategic report were approved on17 December 2020..... and signed on behalf of the board of trustees by:

A handwritten signature in black ink, appearing to read 'Max Edwards', with a long horizontal flourish extending to the right.

Max Edwards
Trustee

Creative Arts East

Company Limited by Guarantee

Independent examiner's report to the trustees of Creative Arts East

Year ended 31 March 2020

I report to the charity trustees on my examination of the financial statements of the company for the year ended 31 March 2020 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, statement of cash flows and the related notes.

Responsibilities and basis of report

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

Having satisfied myself that the financial statements 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 your company's financial statements as 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

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales (ICAEW), which is one of the listed bodies.

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 that in any material respect:

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the financial statements do not accord with those records; or
3. the financial statements 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 financial statements 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.



Mark Proctor FCA DChA
Independent Examiner

Lovewell Blake LLP
Chartered accountants
Bankside 300
Peachman Way
Broadland Business Park
Norwich
NR7 0LB

20/01/2021

Creative Arts East

Company Limited by Guarantee

Statement of financial activities (including income and expenditure account)

Year ended 31 March 2020

		Unrestricted funds £	2020 Restricted funds £	Total funds £	2019 Total funds £
	Note				
Income and endowments					
Donations and legacies	5	175,967	–	175,967	189,679
Charitable activities	6	40,757	332,655	373,412	303,890
Investment income	7	1,113	–	1,113	1,364
Total income		<u>217,837</u>	<u>332,655</u>	<u>550,492</u>	<u>494,933</u>
Expenditure					
Charitable activities	8	216,725	332,655	549,380	493,965
Total expenditure		<u>216,725</u>	<u>332,655</u>	<u>549,380</u>	<u>493,965</u>
Net income before transfer of funds		1,112	–	1,112	968
Transfers between funds		3,374	(3,374)	–	–
Net movement in funds		<u>4,486</u>	<u>(3,374)</u>	<u>1,112</u>	<u>968</u>
Reconciliation of funds					
Total funds brought forward		78,380	3,374	81,754	80,786
Total funds carried forward		<u>82,866</u>	<u>–</u>	<u>82,866</u>	<u>81,754</u>

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

Creative Arts East

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Statement of financial position

31 March 2020

	Note	2020 £	£	2019 £	£
Fixed assets					
Tangible fixed assets	14		14,568		14,170
Investments	15		<u>1,500</u>		<u>1,500</u>
			16,068		15,670
Current assets					
Debtors	16	43,514		47,646	
Cash at bank and in hand		<u>194,071</u>		<u>216,774</u>	
		237,585		264,420	
Creditors: Amounts falling due within one year	17	<u>(170,787)</u>		<u>(198,336)</u>	
Net current assets			66,798		66,084
Total assets less current liabilities			82,866		81,754
Net assets			<u>82,866</u>		<u>81,754</u>
Funds of the charity					
Restricted funds			—		3,374
Unrestricted funds			82,866		78,380
Total charity funds	19		<u>82,866</u>		<u>81,754</u>


For the year ending 31 March 2020 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

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

These financial statements were approved by the board of trustees and authorised for issue on 17 December 2020, and are signed on behalf of the board by:


Max Edwards
Trustee

Company registration number: 02960157

The notes on pages 16 to 28 form part of these financial statements.

Creative Arts East

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Statement of cash flows

Year ended 31 March 2020

	2020 £	2019 £
Cash flows from operating activities		
Net income	1,112	968
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	4,955	4,836
Other interest receivable and similar income	(1,113)	(1,364)
Accrued income	(16,891)	(72,081)
<i>Changes in:</i>		
Trade and other debtors	4,132	(4,363)
Trade and other creditors	(10,510)	8,313
Cash generated from operations	(18,315)	(63,691)
Interest received	1,113	1,364
Tax (paid)/received	(148)	148
Net cash used in operating activities	<u>(17,350)</u>	<u>(62,179)</u>
Cash flows from investing activities		
Purchase of tangible assets	(5,353)	(491)
Net cash used in investing activities	<u>(5,353)</u>	<u>(491)</u>
Net decrease in cash and cash equivalents	(22,703)	(62,670)
Cash and cash equivalents at beginning of year	<u>216,774</u>	<u>279,444</u>
Cash and cash equivalents at end of year	<u>194,071</u>	<u>216,774</u>

The notes on pages 16 to 28 form part of these financial statements.

Creative Arts East

Company Limited by Guarantee

Notes to the financial statements

Year ended 31 March 2020

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 19 Griffin Court, Market Street, Wymondham, Norfolk, NR18 0GU.

2. Statement of compliance

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with 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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

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

Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the impact of COVID-19 in making this assessment.

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.

Income

All income is 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:

Creative Arts East

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 31 March 2020

3. Accounting policies *(continued)*

Income *(continued)*

- 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
- funding received in respect of future years is shown as deferred income at the balance sheet date and recognised in the period when the related activity occurs

Expenditure

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.

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.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Creative Arts East

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 31 March 2020

3. Accounting policies *(continued)*

Depreciation

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

Improvements to property	-	33% straight line
Display and office equipment	-	33% Straight line and 20% straight line
Cinema equipment	-	50% Straight line and 33% straight line
Computer equipment	-	33% straight line

Investments

Unlisted equity investments are initially recorded at cost, and subsequently measured at fair value. If fair value cannot be reliably measured, assets are measured at cost less impairment.

Listed investments are measured at fair value with changes in fair value being recognised in income or expenditure.

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.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

Financial instruments

A financial asset or a financial liability is recognised only when the entity 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, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

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

Creative Arts East

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 31 March 2020

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

Creative Arts East is a company limited by guarantee and accordingly does not have a share capital.

5. Donations and legacies

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Donations				
Donations	3,760	3,760	8,872	8,872
Grants				
Grants	172,207	172,207	180,807	180,807
	<u>175,967</u>	<u>175,967</u>	<u>189,679</u>	<u>189,679</u>

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

	2020 £	2019 £
Arts Council NPO Funding	150,000	154,000
Broadland District Council	–	3,000
Forest Heath District Council	–	1,500
King's Lynn and West Norfolk Borough Council	3,000	3,000
Norfolk County Council	10,307	10,307
South Norfolk District Council	2,500	2,500
Breckland District Council	4,000	4,000
Mid Suffolk District Council	1,200	1,250
Babergh District Council	1,200	1,250
Total grants	<u>172,207</u>	<u>180,807</u>

6. Charitable activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Project activities	<u>40,757</u>	<u>332,655</u>	<u>373,412</u>

Creative Arts East

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 31 March 2020

6. Charitable activities *(continued)*

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £
Project activities	<u>13,380</u>	<u>290,510</u>	<u>303,890</u>

7. Investment income

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Bank interest	<u>1,113</u>	<u>1,113</u>	<u>1,364</u>	<u>1,364</u>

8. Expenditure on charitable activities by activity type

Creative Arts East

Company Limited by Guarantee

Notes to the financial statements (continued)

Year ended 31 March 2020

	Activities undertaken directly	Support costs	Total funds 2020	Total fund 2019
	£	£	£	£
Direct project costs	194,172	–	194,172	196,607
Wages	–	261,725	261,725	226,132
Social security	–	18,587	18,587	15,995
Rent and rates	–	18,800	18,800	15,612
Printing, postage and stationery	–	13,659	13,659	9,503
Other accommodation costs	–	–	–	2,445
Subscriptions and publications	–	994	994	789
Telephone and fax	–	2,538	2,538	2,683
Training and development	–	2,145	2,145	1,463
Travel and entertainment	–	1,839	1,839	1,272
Other staff costs	–	4,630	4,630	10,444
Legal and professional fees	–	3,390	3,390	334
Depreciation	–	4,955	4,955	4,836
Sundries	–	75	75	423
Bank fees and charges	–	239	239	52
Repairs and maintenance	–	3,930	3,930	–
Office costs	–	9,646	9,646	–
Marketing	–	2,168	2,168	–
Bad debts written off	–	1,146	1,146	–
Insurance	–	1,981	1,981	1,175
Governance costs	–	2,761	2,761	4,200
	<u>194,172</u>	<u>355,208</u>	<u>549,380</u>	<u>493,965</u>

Governance costs

	2020	2019
	£	£
Independent examination - current year	1,825	–
Audit - prior year	936	4,200
	<u>2,761</u>	<u>4,200</u>

9. Net income

Net income is stated after charging/(crediting):

	2020	2019
	£	£
Depreciation of tangible fixed assets	<u>4,955</u>	<u>4,836</u>

10. Auditors remuneration

	2020	2019
	£	£
Fees payable for the audit of the financial statements	<u>–</u>	<u>4,200</u>

Creative Arts East

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 31 March 2020

11. Independent examination fees

	2020 £	2019 £
Fees payable to the independent examiner for: Independent examination of the financial statements	1,825	—

12. Staff costs

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

	2020 £	2019 £
Wages and salaries	251,653	226,132
Social security costs	18,587	15,995
Employer contributions to pension plans	10,072	—
	<u>280,312</u>	<u>242,127</u>

The average head count of employees during the year was 12 (2019: 10).

No employee received employee benefits of more than £60,000 during the year (2019: Nil).

13. Trustee remuneration and expenses

There were no trustees' remuneration or other benefits for the year ended 31 March 2020 nor for the year ended 31 March 2019.

Trustees' expenses

During the year 2 trustees were reimbursed a total of £109 (4 trustees: £159) for mileage expenses.

14. Tangible fixed assets

	Improvements to property £	Display and office equipment £	Cinema equipment £	Computer equipment £	Total £
Cost					
At 1 Apr 2019	6,022	14,859	33,296	16,034	70,211
Additions	—	—	—	5,353	5,353
At 31 Mar 2020	<u>6,022</u>	<u>14,859</u>	<u>33,296</u>	<u>21,387</u>	<u>75,564</u>
Depreciation					
At 1 Apr 2019	6,022	10,617	24,631	14,771	56,041
Charge for the year	—	1,896	1,589	1,470	4,955
At 31 Mar 2020	<u>6,022</u>	<u>12,513</u>	<u>26,220</u>	<u>16,241</u>	<u>60,996</u>
Carrying amount					
At 31 Mar 2020	—	2,346	7,076	5,146	14,568
At 31 Mar 2019	—	4,242	8,665	1,263	14,170

Creative Arts East

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 31 March 2020

15. Investments

	Other investments £
Cost or valuation	
At 1 Apr 2019	1,500
Additions	—
At 31 Mar 2020	<u>1,500</u>
Impairment	
At 1 Apr 2019 and 31 Mar 2020	—
Carrying amount	
At 31 Mar 2020	<u>1,500</u>
At 31 Mar 2019	<u>1,500</u>

All investments shown above are held at valuation.

There were no investment assets outside the UK.

Investments (neither listed nor unlisted) were as follows:

	2020 £	2019 £
Peter Blake artwork	<u>1,500</u>	<u>1,500</u>

16. Debtors

	2020 £	2019 £
Trade debtors	10,893	13,003
Prepayments and accrued income	32,621	28,901
Other debtors	—	5,742
	<u>43,514</u>	<u>47,646</u>

17. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	12,806	23,323
Accruals and deferred income	151,769	168,660
Corporation tax	—	148
Social security and other taxes	6,160	5,123
Other creditors	52	1,082
	<u>170,787</u>	<u>198,336</u>

Creative Arts East

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 31 March 2020

17. Creditors: Amounts falling due within one year *(continued)*

	2020 £	2019 £
Deferred income brought forward	151,331	233,842
Released during the year	(151,331)	(233,842)
Deferred during the year	140,243	151,331
Deferred income carried forward	<u>140,243</u>	<u>151,331</u>

Deferred income relates to funding received in respect of future years.

18. 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 £10,072 (2019: £Nil).

Creative Arts East

Company Limited by Guarantee

Notes to the financial statements (continued)

Year ended 31 March 2020

19. Analysis of charitable funds

Year ended 31 March 2020

Unrestricted funds

	At 1 April 2019 £	Income £	Expenditure £	Transfers £	At 31 March 2020 £
General funds	78,380	217,837	(216,725)	3,374	82,866

Restricted funds

	At 1 April 2019 £	Income £	Expenditure £	Transfers £	At 31 March 2020 £
BFI Hub 5 and 6	–	29,538	(29,538)	–	–
BFI Musicals	–	2,435	(2,435)	–	–
Catalyst	–	53,329	(53,329)	–	–
Co-op Foundation	–	20	(20)	–	–
Esmée Fairbairn Foundation	–	9,376	(9,376)	–	–
Inn Crowd	–	28,539	(28,539)	–	–
Inn Crowd 2	–	24,902	(24,902)	–	–
KLAD	–	(945)	945	–	–
LCEP	–	17,012	(17,012)	–	–
Mercers (The Earl of Northampton Fund)	–	2,188	(2,188)	–	–
NLCF - ODO West Norfolk	–	28,508	(28,508)	–	–
Operation No Cold Shoulder	–	9,277	(9,277)	–	–
Promoter Development	–	13,557	(13,557)	–	–
RTD Ambassador	–	500	(500)	–	–
ACE - SE Libraries Touring Project	–	8,310	(8,310)	–	–
Silver Social	–	2,470	(2,470)	–	–
SNDF	–	599	(599)	–	–
Spirit of 2012	–	65,541	(65,541)	–	–
Youth Music Project	–	37,499	(37,499)	–	–
Other restricted funds	3,374	–	–	(3,374)	–
	3,374	332,655	(332,655)	(3,374)	–

Year ended 31 March 2019

Unrestricted funds

	At 1 April 2018 £	Income £	Expenditure £	Transfers £	At 31 March 2019 £
General funds	69,365	204,423	(195,408)	–	78,380

Restricted funds

	At 1 April 2018 £	Income £	Expenditure £	Transfers £	At 31 March 2019 £
Restricted funds	11,421	290,015	(298,557)	–	3,374

Creative Arts East

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 31 March 2020

BFI Hub 5 and 6 – project funding from BFI FAN to support the annual costs of community cinema scheme, including management and license subsidy

BFI Musicals – project funding for a special cinema programming menu related to musicals, including management and license subsidy

Catalyst – special philanthropic fundraising programme from Arts Council (2016-19) to match-fund any private giving throughout the three year period

Co-op Foundation – project funding for research into youth loneliness across West Norfolk

Esmee Fairbairn – a three-year touring development project (2017-20)

Inn Crowd – a three year project supporting live performance in rural pubs (2016-19), leading to a further three-year project Inn Crowd Pubs + (2019-22)

KLAD – a two year audience development project for West Norfolk (2017-19 – check that, might e 2016-18)

Mercers – a three year project to support older people across Norfolk, including Our Day Out and rural touring activity

NLCF – ODO West Norfolk – a two year project to deliver Our Day Out activity across two communities of West Norfolk

Operation No Cold Shoulder – a multi-partner, two year loneliness reduction project delivered across parts of Norfolk, CAE are delivering creative workshops

Promoter Development – a combination fund for internal purposes, formed from Catalyst and Esmee Fairbairn income ringfenced for rural touring development activity which diversifies audiences and promoters

RTD Ambassador – local lead as part of the NRTF Rural Touring Dance Initiative, a national three-year programme enabling more and better dance performance across the rural touring circuit

ACE – SE Libraries Touring Project – a one year research project, supporting understanding about potentials and challenges of touring into libraries

Silver Social – programming contract supporting the Breckland Council project reaching isolated older people in rural communities

SNDF – a special dementia-friending film programming project across South Norfolk

Spirit of 2012 – funding to deliver the Our Day Out programme of dementia-inclusive creative workshops across parts of Norfolk between 2016-19 and continued 2019-22

Youth Music Project – a three year project (2017-20) training at-risk young people in rural high schools to become community event managers

Creative Arts East

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 31 March 2020

20. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Tangible fixed assets	14,568	–	14,568
Investments	1,500	–	1,500
Net current assets	66,798	–	66,798
	<u>82,866</u>	<u>–</u>	<u>82,866</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £
Tangible fixed assets	14,170	–	14,170
Investments	1,500	–	1,500
Net current assets	62,710	3,374	66,084
	<u>78,380</u>	<u>3,374</u>	<u>81,754</u>

21. Financial instruments

The carrying amount for each category of financial instrument is as follows:

	2020 £	2019 £
Financial assets that are debt instruments measured at amortised cost		
Investments (note 15)	<u>1,500</u>	<u>1,500</u>

22. Analysis of changes in net debt

	At 1 Apr 2019 £	Cash flows £	At 31 Mar 2020 £
Cash at bank and in hand	<u>216,774</u>	<u>(22,703)</u>	<u>194,071</u>

23. Operating lease commitments

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

	2020 £	2019 £
Not later than 1 year	<u>–</u>	<u>3,008</u>

Creative Arts East

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 31 March 2020

24. Related parties

The Garage Trust Limited

Mari Martin, trustee, is also a trustee of The Garage Trust Limited. During the year the following transactions took place with this company:

	2020	Outstanding	2019
	£	£	£
Goods and services purchased	966	—	1,029

Welborne Village Hall

Mike Webb, trustee, is also a trustee of Welborne Village Hall and Friends of Dereham Memorial Hall. During the year the following transactions took place with these entities:

	2020	Outstanding	2019
	£	£	£
Goods and services purchased	—	—	120
Goods and services sold	40	—	180

Friends of Dereham Memorial Hall

	2020	Outstanding	2019
	£	£	£
Goods and services purchased	450	—	336
Goods and services sold	186	—	641

National Rural Touring Forum

Natalie Jode, executive director, is also a trustee of National Rural Touring Forum. During the year the following transactions took place with this company:

	2020	Outstanding	2019
	£	£	£
Goods and services purchased	4,240	1,350	1,320
Goods and services sold	1,118	—	558