

REGISTERED COMPANY NUMBER: 03177640 (England and Wales)
REGISTERED CHARITY NUMBER: 1054793

Report of the Trustees and
Financial Statements
for the Year Ended 31 March 2020
for
STUDIO 3 ARTS

Haines Watts Essex LLP
Coopers House
65a Wingletye Lane
Hornchurch
Essex
RM11 3AT

STUDIO 3 ARTS

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STUDIO 3 ARTS

Report of the Trustees for the year ended 31 March 2020

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2020. The trustees have adopted the provisions of 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 2019).

Objectives and activities

Go big or go home: 19/20 at Studio 3 Arts

It's my pleasure to share with you some of the highlights of a creatively packed year at Studio 3 Arts. More than 45,000 people experienced our work this year as audience, creators, performers, curators, participants, steering groups and volunteers.

Key project highlights:

Civil Blood: Studio 3 Arts as Sadlers' Wells

My personal highlight of the year was our high-profile partnership project with Matthew Bourne's New Adventures. Inspired by Bourne's interpretation of the Shakespearean classic, with a score by Prokofiev, our young people created their own work, entitled Civil Blood and performed on the main stage of Sadlers' Wells, to an audience of hundreds of supporters, including Sir Matthew Bourne OBE himself. This project was no mean feat to pull together - 3 years in the planning and fundraising; but the final performance was worth every second of the hard work. This was a memorable, transformational and very emotional evening and I'll never forget it.

"What those young people achieved they should be super proud of. They worked so hard, even out of their comfort zone. It was apparent how proud they were of themselves and so they should be. May they continue on to bigger and more amazing careers. Even if they don't I am sure they will always remember being on the stage at 'Sadler's Wells'. What a memory to have. I wish them all the best for their next adventure." - Dianne Keegan, audience member

"We did not know what to expect but we came along willingly. Considering the limited time to learn the piece and the amateur status and youthfulness of the performers, Civil Blood was outstanding and the performance enhanced substantially by the incredible choice of music." - Antony Andrews, audience member

Guild of Experience - the party continues!

Our older people's programme, Guild of Experience built great momentum this year, with a standout event being the Twilight Tea Party at the Broadway Theatre, at which more than 100 local older people created live art, sipped prosecco, got into costume, sang karaoke and generally brought the house down! The project is dynamic and exciting and led by a local residents' steering group. Next on the agenda is a performance at Tate Exchange where no doubt we will be bringing our trademark performance style and contagious energy to the Tate audiences. We hope they're ready for us!

The Hare and The Tortoise plays

Our Christmas family show, featuring actors Tendayi Jembere, Nimisha Odedra and Tom Mangan played to a sell-out audience over 15 shows. We told the classic story in our now famous in-house style - plenty of humour, fast pace and jokes for the adults and well as the kids. This year we were thrilled to commission street artist Normally Ben to create a bespoke Hare and the Tortoise mural for our front of house space so our audiences were immersed in the story from the minute they entered the building.

"We loved every second and can't wait to come back again Saturday with family and friends.

Cast was amazing and was both very funny and very touching - warms the cockles" - Noosha Calli Gibbs, audience member

"Absolutely loved the show on Saturday. Kieran and Ann Shiels also thought it was brilliant. Thanks again for bring such fun and laughter and loveliness to Barking." - Helen Shiels, audience member

Changing The Boundaries develops a vision

Carrying on from the great start we made last year, we've spent the year bringing local people into collaboration with our architects, Citizens Design Bureau, to create the vision and designs for our Galleon Centre refurbishment project. Local people have been involved in decision-making at every level of the project which means we're confident that the building will truly reflect the ambitions, needs and ideas of the community we are proud to be part of. We've still got a way to go to reach our fundraising target, but we are all systems go to get there!

As ever, the strength and impact of our work is in the commitment and passion of our Artists, Partners, Funders, Volunteers, Cultural Connectors, Trustees, Staff, Participants and Audiences. We are hugely inspired by their support and dedication. Thank you, so much.

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Report of the Trustees for the year ended 31 March 2020

Reserves Policy

The Trustees have developed this reserves policy based on the following assumptions:

- In the event of a significant drop in direct programming income to fund project activity, the project expenditure would reduce in line with income.
- Agreed long-term funding from Arts Council England would continue for at least 4 months in the event of a drop in project income, whilst alternative direct funding for projects is sought.

The Trustees have assessed and allocated reserves on the basis of principal risks identified through the Company Risk Assessment, and upon review of the previous policy and funds available.

Funds have been Designated to cover the following liabilities, in the unlikely event of organisational liquidation:

- 3 months staff salaries
- 3 months organisational overheads
- Redundancy obligations to long-serving staff

These liabilities have been assessed on the basis of the revised staff headcount, and re-calculated as £70,000.

The Trustees have agreed to increase the Designated Funds (in relation to the above) from £60,000 to £70,000 at 31st March 2020, meeting the targeted level set for 2022 two years early.

The trustees have also decided to designate the net book value of the leasehold property in order to present a clearer picture of their liquid assets held in the General Fund

Annual Finance Report 2019-20

Budgeted

Income: £570,585 + £181,982 (CBD) = £752,567

Expenditure: £535,243 + £248,968 (CBD) = £784,211

Deficit: £31,644

Actual

Income: £526,352 + £182,482 (CBD) = £708,834

Expenditure: £464,214 + £244,620 (CBD) = £694,858

Surplus: £14,116

The Surplus of £14,116 will be added to the organisation's reserves, and allocated between Designated Funds and Undesignated Funds as agreed by the Trustees.

Reserves

Reserves at 31st March 2020 were £250,165

Designated Funds: £70,000 of reserves (increased by £10,000 in line with our target of £70k by 2020) and £106,369 being the net book value of the leasehold property.

Studio 3 General Funds: £6,380

CBD Restricted Funds: £67,847

Restricted funds relates to the Creative Barking & Dagenham (CBD) project, which is restricted by nature of the funding agreement. CBD is a separate division of the charity, with Studio 3 as the accountable body, therefore any funds received in relation to CBD must be spent on CBD projects, staff costs and overheads.

Comments on Actual performance vs Budgeted 2019-20

During 19-20, Studio 3 Arts had all staff roles filled for the year. The average FTE for 19-20 has been calculated to include the staff working on the Creative Barking & Dagenham project for which, whilst consortium led, Studio 3 Arts is the lead and accountable body.

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Report of the Trustees for the year ended 31 March 2020

19-20 has been another successful year in terms of fundraising and securing contracts, especially larger, strategic and multi-year projects. This is a result of investing in building relationships with funders and partners, and working more collaboratively with the local council as a partner/commissioner. In light of this success we have seen consistency in our income, with an increase in Trust and Foundations in particular.

Actual income was generally in line with budget, as we had already secured major funding from Arts Council England (Core Programme) and Youth Investment Fund (Big Deal) and of course capital funding is secured from both Arts Council England the GLA Good Growth Fund for the redevelopment of the Galleon Centre.

Our regular commissions from LBBD continued, including working with the Cultural Educational Partnership on the Young People's Conference, as well as Event Hosting for summer festivals and other events.

Additional funding from Arts Council England as part of the Celebrating Age programme has been carried forward to continue the delivery of this project aimed at Older People from Barking & Dagenham.

Analysis

	2019-20	2018-19
Major commissions delivered	14	11
Project total costs	£653k	£603k
Core Costs	£41k	£11k
Core Costs as % of total cost	6%	2%
Salary Costs	£272k	£248k
Staff Numbers (full-time equivalent)	8	10
Total Expenditure	£695k	£614k
Total Income	£709k	£708k
Income less Expenditure/Surplus	£14k	£94k

In addition, the % is inflated slightly due to the capitalisation of building improvement works (thus reducing Total Costs accordingly).

Year	SLA	CBD	Trusts	Core	Total Income	Project costs	CBD costs	Core costs	Total costs	Outcome
10/11	192k	276k	120k	102k	690k	231k	276k	102k	609k	+80,876
11/12	193k	-	23k	151k	367k	123k	-	258k	381k	-14,161
12/13	78k	34k	65k	125k	302k	85k	34k	183k	302k	+125
13/14	39k	99k	81k	111k	330k	89k	99k	139k	327k	+2,774
14/15	31k	316k	42k	108k	497k	73k	316k	104k	493k	+3,870
15/16	101k	425k	90k	95k	711k	425k	425k	85k	702k	+9,404
16/17	224k	275k	83k	113k	666k	289k	275k	92k	655k	+10,574
17/18	118k	307k	214k	52k	691k	442k	162k	6k	610k	+80,876
18/19	47k	344k	284k	33k	708k	424k	179k	11k	614k	+94,035
19/20	38k	182k	465k	24k	709k	426k	228k	41k	695k	+14,116

The Future

We are pleased to share that the following funding is confirmed going forward:

1. **Arts Council England** - National Portfolio Funding - Four year agreement with a significant uplift of £30k per year on the previous agreement, specifically ring-fenced for venue programming. Starting April 2018 to March 2022. *This has been increased to Five years due to Covid-19
2. **Arts Council England** - Small Capital Grants - We are delighted to have been awarded £500k to re-develop the Galleon Centre
3. **Arts Council England/LBBD** - Creative People & Places - Creative Barking & Dagenham will continue to be funded to 2023 for Phase 3.
4. **GLA - Good Growth Fund** - We are delighted to have been awarded £500k to redevelop the Galleon Centre.
5. **Youth Investment Fund** - 3rd year funding - £24k for Big Deal

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Report of the Trustees
for the year ended 31 March 2020

6. **LBB Youth Arts Platform** - Connected Communities - Big Deal
7. **LBB Early Interventions** - Big Deal
8. **Children In Need** - Big Art, Little People - A Creative family learning programme £20k *funding moved forward due to Covid19
9. **Celebrating Age** - Guild of Experience - £100k over 18 months from Nov 2018 *funding has been moved forward due to Covid19
10. **Clothworkers Foundation** - Capital Funding - 75k *funding to be drawn down in 2021
11. **Theatre's Trust** - £5k - Capital Funding *funding to be drawn down in 2021
12. **National Lottery Celebrate** 25 £1,000 for Creative Barking & Dagenham
13. **Young Londoner's Fund** - Groundbreakers - new programme about Youth Leadership
14. **YLF Sports Activity Fund** - Big Deal Summer Activity
15. **Coop Community Fund** - Big Deal

Fundraising is well underway for projects in 2020-21 and beyond with outcomes pending including:

1. **Esmée Fairbairn** £150,000 for Creative Barking & Dagenham
2. **London Marathon Charitable Trust** £100,000 for Capital Works
3. **Veolia Environmental Trust** £75,000 for Capital Works

The agreed amount which is included in the project's income towards the indirect costs of the Project Manager and core office costs is monitored against the estimated core costs.

As ever, it is essential for Studio 3 Arts to secure income not only for direct costs of running projects but also to fund the indirect costs of running the organisation.

As many funders cap the amount allocated to core/management and overhead costs, these are reduced to an absolute functional minimum.

Trustees response to the COVID-19 pandemic

The trustees worked with the senior management team to ensure that adequate measures were put in place to safeguard the organisation against the threat Covid-19 posed. It was agreed that overheads should be kept as minimal as possible until the situation changes. As the Galleon Centre closed to the public at the end of 2019, staff were already equipped for remote and distance working. Studio 3 Arts fundraising strategy changed to reflect the situation and focussed in on short-term emergency funding, which proved to be highly successful, securing a total of £377,878 from funders including The National Lottery Community Fund, Children in Need, London Community Response Fund (City Bridge Trust), Youth Endowment Fund and the Cultural Relief Fund (Arts Council England/DCMS). Impact was also felt where many funders who Studio 3 Arts applied to for Capital funding withdrew those programmes. However, the organisation was successful in its application to the Capital Kickstart Fund via Arts Council England (part of the Culture Relief Fund) for £410,000. The focus has now moved to organisation focusing on fundraising for the period 2020/21 - 2021/22. We have confirmed income from Arts Council England (NPO and CPP) for these periods along with some projects which are funded also in this timeframe, and as funders begin to reopen programmes Studio 3 Arts will begin the process of applying to them.

Studio 3 Arts can be stated as an "ongoing concern" with confidence for 2020-21.

Structure, governance and management

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Reference and administrative details

Registered Company number

03177640 (England and Wales)

Registered Charity number

1054793

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Report of the Trustees for the year ended 31 March 2020

Registered office

The Galleon Centre
Boundary Road
Barking
Essex
IG11 7JR

Trustees

Miss S Lees Chartered Accountant
Ms S Murray Manager (appointed 11/11/2019)
Miss L L Cox Consultant (appointed 12/11/2019)
Mr F McDonagh Engineer
Miss C R S N Meaby Director (appointed 12/11/2019)
Mr S W D Abaka-Wood Freelancer (appointed 12/11/2019)
Ms K M West-Whyllie Chief Officer

Auditors

Haines Watts Essex LLP
Coopers House
65a Wingletye Lane
Hornchurch
Essex
RM11 3AT

Statement of trustees' responsibilities

The trustees (who are also the directors of Studio 3 Arts for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

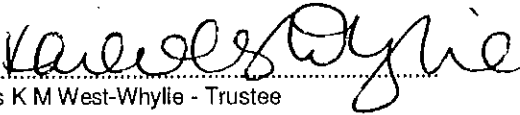
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Report of the Trustees
for the year ended 31 March 2020

Auditors

The auditors, Haines Watts Essex LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on
21.1.2021 and signed on the board's behalf by:


.....

Ms K M West-Whyllie - Trustee

Opinion

We have audited the financial statements of Studio 3 Arts (the 'charitable company') for the year ended 31 March 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

However, not all future events or conditions can be predicted. The COVID-19 viral pandemic is one of the most significant economic events for the UK with unprecedented levels of uncertainty of outcomes. It is therefore difficult to evaluate all of the potential implications on the charity's activities, sponsors, suppliers and wider economy. The Trustees' view on the impact of COVID-19 is disclosed within the accounting policies.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ian Gorsuch (Senior Statutory Auditor)
for and on behalf of Haines Watts Essex LLP
Coopers House
65a Wingletye Lane
Hornchurch
Essex
RM11 3AT

Date: 25 Jan 2021



STUDIO 3 ARTS

Statement of Financial Activities
for the year ended 31 March 2020

		Unrestricted funds	Restricted fund	2020 Total funds	2019 Total funds as restated
	Notes	£	£	£	£
Income and endowments from					
Donations and legacies	2	258,867	449,967	708,834	707,877
Investment income	3	<u>140</u>	<u>-</u>	<u>140</u>	<u>274</u>
Total		259,007	449,967	708,974	708,151
 Expenditure on					
Charitable activities	4				
Project costs		151,263	502,135	653,398	603,252
Audit fees		7,500	-	7,500	9,680
Other support costs		<u>33,960</u>	<u>-</u>	<u>33,960</u>	<u>1,184</u>
Total		<u>192,723</u>	<u>502,135</u>	<u>694,858</u>	<u>614,116</u>
NET INCOME/(EXPENDITURE)		66,284	(52,168)	14,116	94,035
 Reconciliation of funds					
Total funds brought forward		<u>116,063</u>	<u>119,986</u>	<u>236,049</u>	<u>142,014</u>
Total funds carried forward		<u><u>182,347</u></u>	<u><u>67,818</u></u>	<u><u>250,165</u></u>	<u><u>236,049</u></u>

The notes form part of these financial statements

STUDIO 3 ARTS

Balance Sheet
31 March 2020

		Unrestricted funds	Restricted fund	2020 Total funds	2019 Total funds as restated
	Notes	£	£	£	£
Fixed assets					
Tangible assets	11	122,407	-	122,407	48,623
Current assets					
Debtors	12	217,684	-	217,684	84,752
Cash at bank		<u>167,440</u>	<u>67,818</u>	<u>235,258</u>	<u>264,232</u>
		385,124	67,818	452,942	348,984
Creditors					
Amounts falling due within one year	13	(325,184)	-	(325,184)	(161,558)
Net current assets		<u>59,940</u>	<u>67,818</u>	<u>127,758</u>	<u>187,426</u>
Total assets less current liabilities		<u>182,347</u>	<u>67,818</u>	<u>250,165</u>	<u>236,049</u>
NET ASSETS		<u>182,347</u>	<u>67,818</u>	<u>250,165</u>	<u>236,049</u>
Funds	14				
Unrestricted funds:					
General fund				5,978	56,063
Designated fund				<u>176,369</u>	<u>60,000</u>
				182,347	116,063
Restricted funds				<u>67,818</u>	<u>119,986</u>
Total funds				<u>250,165</u>	<u>236,049</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 21 January 21 and were signed on its behalf by:



Ms K M West-Whyllie - Trustee

The notes form part of these financial statements

STUDIO 3 ARTS

Cash Flow Statement
for the year ended 31 March 2020

		2020	2019
	Notes	£	as restated £
Cash flows from operating activities			
Cash generated from operations	1	<u>63,874</u>	<u>157,554</u>
Net cash provided by operating activities		<u>63,874</u>	<u>157,554</u>
Cash flows from Investing activities			
Purchase of tangible fixed assets		(92,988)	(7,929)
Interest received		<u>140</u>	<u>274</u>
Net cash used in investing activities		<u>(92,848)</u>	<u>(7,655)</u>
Change in cash and cash equivalents in the reporting period		(28,974)	149,899
Cash and cash equivalents at the beginning of the reporting period		<u>264,232</u>	<u>114,333</u>
Cash and cash equivalents at the end of the reporting period		<u>235,258</u>	<u>264,232</u>

The notes form part of these financial statements

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Notes to the Cash Flow Statement
for the year ended 31 March 2020

1. Reconciliation of net income to net cash flow from operating activities

	2020	2019 as restated
	£	£
Net Income for the reporting period (as per the Statement of Financial Activities)	14,116	94,035
Adjustments for:		
Depreciation charges	19,204	10,735
Interest received	(140)	(274)
(Increase)/decrease in debtors	(132,932)	45,943
Increase in creditors	<u>163,626</u>	<u>7,115</u>
Net cash provided by operations	<u>63,874</u>	<u>157,554</u>

2. Analysis of changes in net funds

	At 1/4/19 £	Cash flow £	At 31/3/20 £
Net cash			
Cash at bank	<u>264,232</u>	<u>(28,974)</u>	<u>235,258</u>
	<u>264,232</u>	<u>(28,974)</u>	<u>235,258</u>
Total	<u>264,232</u>	<u>(28,974)</u>	<u>235,258</u>

The notes form part of these financial statements

STUDIO 3 ARTS

Notes to the Financial Statements
for the year ended 31 March 2020

1. Accounting policies

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, 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 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Company status

The charity is a company limited by guarantee, registered in the UK. The members of the company are the Trustees.

Going concern

The trustees have a reasonable expectation that the charity 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.

The financial statements have been prepared on a going concern basis. The trustees have reviewed and considered relevant information, including the annual budget and future cash flows in making their assessment. In particular, in response to the COVID-19 pandemic, the trustees have tested their cash flow analysis to take into account the impact on their business of possible scenarios brought on by the impact of COVID-19, alongside the measures that they can take to mitigate the impact. Based on these assessments, given the measures that could be undertaken to mitigate the current adverse conditions, and the current resources available, the trustees have concluded that they can continue to adopt the going concern basis in preparing the annual report and accounts.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Long leasehold	- 10% on cost
Fixtures and fittings	- 20% on cost

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Designated funds are unrestricted funds that the trustees have set aside for a particular purpose.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

STUDIO 3 ARTS

Notes to the Financial Statements - continued
for the year ended 31 March 2020

1. Accounting policies - continued

Pension costs and other post-retirement benefits

The charity operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

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.

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.

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 charity 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.

2. Donations and legacies

	2020	2019 as restated
	£	£
Gifts and donations	459,402	517,634
Gift aid	28,779	46,519
Other income	<u>220,653</u>	<u>143,724</u>
	<u>708,834</u>	<u>707,877</u>

3. Investment income

	2020	2019 as restated
	£	£
Deposit account interest	<u>140</u>	<u>274</u>

STUDIO 3 ARTS

Notes to the Financial Statements - continued for the year ended 31 March 2020

4. Charitable activities costs

	Direct Costs £	Support costs (see note 5) £	Totals £
Project costs	653,398	-	653,398
Audit fees	-	7,500	7,500
Other support costs	-	33,960	33,960
	<u>653,398</u>	<u>41,460</u>	<u>694,858</u>

5. Support costs

	Finance £	Governance costs £	Totals £
Audit fees	-	7,500	7,500
Other support costs	33,960	-	33,960
	<u>33,960</u>	<u>7,500</u>	<u>41,460</u>

6. Net income/(expenditure)

Net income/(expenditure) is stated after charging/(crediting):

	2020 £	2019 as restated £
Auditors remuneration	7,500	9,680
Depreciation - owned assets	<u>19,204</u>	<u>10,735</u>

7. Trustees' remuneration and benefits

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

There were no trustees' expenses paid for the year ended 31 March 2020 nor for the year ended 31 March 2019.

8. Staff costs

	2020 £	2019 as restated £
Wages and salaries	161,681	225,821
Social security costs	12,623	18,384
Other pension costs	<u>3,413</u>	<u>3,324</u>
	<u>177,717</u>	<u>247,529</u>

STUDIO 3 ARTS

Notes to the Financial Statements - continued
for the year ended 31 March 2020

8. Staff costs - continued

The average monthly number of employees during the year was as follows:

	2020	2019 as restated
Charitable activities	8	10
	<u>8</u>	<u>10</u>

No employees received emoluments in excess of £60,000.

9. Comparatives for the statement of financial activities

	Unrestricted funds	Restricted fund	Total funds as restated
	£	£	£
Income and endowments from			
Donations and legacies	361,723	346,154	707,877
Investment income	<u>274</u>	<u>-</u>	<u>274</u>
Total	<u>361,997</u>	<u>346,154</u>	<u>708,151</u>
Expenditure on			
Charitable activities			
Project costs	351,928	251,324	603,252
Audit fees	9,680	-	9,680
Other support costs	<u>1,184</u>	<u>-</u>	<u>1,184</u>
Total	<u>362,792</u>	<u>251,324</u>	<u>614,116</u>
NET INCOME/(EXPENDITURE)	<u>(795)</u>	<u>94,830</u>	<u>94,035</u>
Reconciliation of funds			
Total funds brought forward	<u>116,858</u>	<u>25,156</u>	<u>142,014</u>
Total funds carried forward	<u><u>116,063</u></u>	<u><u>119,986</u></u>	<u><u>236,049</u></u>

STUDIO 3 ARTS

Notes to the Financial Statements - continued
for the year ended 31 March 2020

10. Prior year adjustment

In the course of preparing these financial statements, the trustees advised that there are incoming and expended resources for the current and previous periods that should have been treated as restricted funds. As a result a prior year adjustment has been made to reflect the correct position. Net funds of £119,986 have been reclassified from unrestricted to restricted.

11. Tangible fixed assets

	Long leasehold £	Fixtures and fittings £	Totals £
Cost			
At 1 April 2019	28,064	174,176	202,240
Additions	<u>91,800</u>	<u>1,188</u>	<u>92,988</u>
At 31 March 2020	<u>119,864</u>	<u>175,364</u>	<u>295,228</u>
Depreciation			
At 1 April 2019	5,613	148,004	153,617
Charge for year	<u>7,882</u>	<u>11,322</u>	<u>19,204</u>
At 31 March 2020	<u>13,495</u>	<u>159,326</u>	<u>172,821</u>
Net book value			
At 31 March 2020	<u>106,369</u>	<u>16,038</u>	<u>122,407</u>
At 31 March 2019	<u>22,451</u>	<u>26,172</u>	<u>48,623</u>

12. Debtors: amounts falling due within one year

	2020 £	2019 as restated £
Trade debtors	35,323	540
Prepayments and accrued income	<u>182,361</u>	<u>84,212</u>
	<u>217,684</u>	<u>84,752</u>

STUDIO 3 ARTS

Notes to the Financial Statements - continued
for the year ended 31 March 2020**13. Creditors: amounts falling due within one year**

	2020	2019 as restated
	£	£
Trade creditors	15,121	6,914
Other creditors	27,510	13,997
Accruals and deferred income	<u>282,553</u>	<u>140,647</u>
	<u>325,184</u>	<u>161,558</u>

14. Movement in funds

	At 1/4/19 £	Net movement in funds £	Transfers between funds £	At 31/3/20 £
Unrestricted funds				
General fund	56,063	66,284	(116,369)	5,978
Designated fund	<u>60,000</u>	<u>-</u>	<u>116,369</u>	<u>176,369</u>
	116,063	66,284	-	182,347
Restricted funds				
Retricted	<u>119,986</u>	<u>(52,168)</u>	<u>-</u>	<u>67,818</u>
TOTAL FUNDS	<u>236,049</u>	<u>14,116</u>	<u>-</u>	<u>250,165</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	259,007	(192,723)	66,284
Restricted funds			
Retricted	<u>449,967</u>	<u>(502,135)</u>	<u>(52,168)</u>
TOTAL FUNDS	<u>708,974</u>	<u>(694,858)</u>	<u>14,116</u>

STUDIO 3 ARTS

Notes to the Financial Statements - continued
for the year ended 31 March 2020

14. Movement in funds - continued

Comparatives for movement in funds

	At 1/4/18 £	Net movement in funds £	Transfers between funds £	At 31/3/19 £
Unrestricted funds				
General fund	67,858	(795)	(11,000)	56,063
Designated fund	<u>49,000</u>	<u>-</u>	<u>11,000</u>	<u>60,000</u>
	116,858	(795)	-	116,063
Restricted funds				
Retricted	<u>25,156</u>	<u>94,830</u>	<u>-</u>	<u>119,986</u>
TOTAL FUNDS	<u>142,014</u>	<u>94,035</u>	<u>-</u>	<u>236,049</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	361,997	(362,792)	(795)
Restricted funds			
Retricted	<u>346,154</u>	<u>(251,324)</u>	<u>94,830</u>
TOTAL FUNDS	<u>708,151</u>	<u>(614,116)</u>	<u>94,035</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1/4/18 £	Net movement in funds £	Transfers between funds £	At 31/3/20 £
Unrestricted funds				
General fund	67,858	65,489	(127,369)	5,978
Designated fund	<u>49,000</u>	<u>-</u>	<u>127,369</u>	<u>176,369</u>
	116,858	65,489	-	182,347
Restricted funds				
Retricted	<u>25,156</u>	<u>42,662</u>	<u>-</u>	<u>67,818</u>
TOTAL FUNDS	<u>142,014</u>	<u>108,151</u>	<u>-</u>	<u>250,165</u>

STUDIO 3 ARTS

Notes to the Financial Statements - continued
for the year ended 31 March 2020

14. Movement in funds - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	621,004	(555,515)	65,489
Restricted funds			
Retricted	796,121	(753,459)	42,662
TOTAL FUNDS	<u>1,417,125</u>	<u>(1,308,974)</u>	<u>108,151</u>

15. Related party disclosures

There were no related party transactions for the year ended 31 March 2020.

STUDIO 3 ARTS

Detailed Statement of Financial Activities
for the year ended 31 March 2020

	2020 £	2019 as restated £
Income and endowments		
Donations and legacies		
Gifts and donations	459,402	517,634
Gift aid	28,779	46,519
Other income	<u>220,653</u>	<u>143,724</u>
	708,834	707,877
Investment income		
Deposit account interest	<u>140</u>	<u>274</u>
Total incoming resources	708,974	708,151
Expenditure		
Charitable activities		
Wages	161,681	225,821
Social security	12,623	18,384
Pensions	3,413	3,324
Insurance	3,438	4,471
Telephone	9,041	7,045
Postage and stationery	10,687	9,299
Advertising	5,253	6,830
Sundries	15,721	3,382
Travel	5,192	5,508
Cleaning	4,668	5,564
Galleon Centre Overheads	298,245	212,495
Artist fees	83,373	69,211
Conferences and Events	-	5,386
Computer costs	20,185	15,288
Bank charges	674	509
Short leasehold	7,882	2,806
Fixtures and fittings	<u>11,322</u>	<u>7,929</u>
	653,398	603,252
Support costs		
Finance		
Accountancy and legal fees	33,960	1,184
Governance costs		
Auditors' remuneration	<u>7,500</u>	<u>9,680</u>
Total resources expended	<u>694,858</u>	<u>614,116</u>
Net income	<u>14,116</u>	<u>94,035</u>

This page does not form part of the statutory financial statements