

COMPANY REGISTRATION NUMBER: 02999055

CHARITY REGISTRATION NUMBER: 1043197

**ADEC (Arts Development In East Cambridgeshire)
T/A Babylon Arts**

Company Limited by Guarantee

Unaudited financial statements

31 March 2020

**ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts
Company Limited by Guarantee**

Financial statements

Year ended 31 March 2020

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**ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts
Company Limited by Guarantee**

Trustees' annual report (incorporating the directors' report)

Year ended 31 March 2020

The Board of management, 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.

ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts

Company Limited by Guarantee

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

Year ended 31 March 2020

Chair's report

This year has been a positive and exciting one for Babylon Arts with many opportunities helping us realise our vision to be the creative heart of Ely and West Anglia.

Since joining the board of trustees at Babylon ARTS in November 2019 I have been really impressed with the range of work that is carried out by staff lead, CEO Claire Somerville and supported by my colleagues on the board. I was delighted that the board asked me to become Chairperson early in March 2020. Some staff changes this year have resulted in significant shifts in the way the team works, increasing a collaborative approach. In addition, a refreshed business plan has redefined the work we do in two key strands: Creative Spaces and Creative Communities.

Support for our 'Save Ely Cinema' campaign was great, raising £12,300 and we have seen an increase of 12% in cinema admissions this year. In Summer 2019 We hosted a Q&A session with actor Himesh Patel, who starred in the hit 'Yesterday' by Danny Boyle. Himesh also supported our cinema campaign by recording a short film appeal for us.

This year has seen an increase in Arts Council investment in Babylon ARTS' work with £63,291 awarded for grant applications made in 2019-20, compared with £29,700 in 2018-19. This has allowed us to deliver successful programmes and events, which continue into 2020-21.

It is really pleasing that the Creative People and Places Market Place project continued to meet its objectives, as it moved into Phase 2 (year 5) of delivery. The evaluation report (2018-19) produced by independent evaluators highlighted that whilst there is still lots of work to be done, the project is reaching some of those in our communities who have been least engaged in arts and culture in the past.

Treasurers report

Firstly, I need to say that the financial year 2019-20 was largely untouched by the Covid 19 lockdown although we did see cinema audiences tailing off in March 2020.

This is the first time in some years that we are showing a surplus to our unrestricted funds - £5,806 - as shown on page 13 and demonstrates the developing strength of the organisation and the hard work of everyone involved. I said at the last AGM that in my experience of the last five years the value of bids submitted and largely granted had not been as high as in 2018-19. This has fortunately continued into 2019-20 as well.

The accounts are complex as required by SORP regulations and I will refer to different pages to explain the more important aspects of our activities. Income for restricted funds shows a healthy increase as set out on page 25 but the actual activity - expenditure - is lower than the previous year reflecting activity that actually took place in the year. The balance on restricted funds carried forward of £122,914 is considerably larger than the balance the previous year of £48,995. This is due to when grant payments are paid, the fact that we had just secured new funding for a young curators' project and how the project cycle falls at the date of the financial year end. These restricted funds will underpin activity into 2020-21. More details by project are covered in the achievements and performance report on pages 6,7 and 8.

Activities divide between restricted project based work and primary trading as set out in note 6 on page 20. Since March, Covid 19 has caused considerable negative impact on our trading and project activities. All our primary trading activities have been closed for most of the period since April 2020.

From the commencement of the pandemic, we have accessed financial support to mitigate against the impacts of the virus on the charity, including the government's Job Retention Scheme, and various emergency grant funds and continue to apply for this funding where we are eligible. We are also grateful to our landlord who agreed to a temporary reduction in our rent.

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

Year ended 31 March 2020

Good financial controls are vital and we have been modelling different scenarios to establish likely outcomes and the Board is monitoring our affairs closely to ensure that we can emerge from this pandemic in good financial shape. It is to the credit of our staff that considerable momentum had been building up over the past fifteen months or so and this should enable us to re-start a number of projects as soon as circumstances allow, including two exciting new projects.

The uncertainty in terms of when we might return to any form of normality with regard to projects and trading activities continues. Given the extraordinary adaptability of our staff and their successes to date I am confident in our ability to overcome whatever difficulties we encounter in the next six months or more.

We view the future with optimism and look forward to strengthening relationships across the breadth of our activities.

Reference and administrative details

Registered charity name	ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts
Charity registration number	1043197
Company registration number	02999055
Principal office and registered office	Babylon Gallery Babylon Bridge Waterside Ely Cams CB7 4AU

The trustees

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

Mrs L McCord (Chair - Appointed 13/01/2020)
Mr I Downey BA
Ms L Holland FRSA
Mr D Johnson
Mr T Coney
Mr M Macey FCA (Treasurer)
Mrs V J Massey (Resigned 18/01/2020)
Mrs E Chase (Resigned 17/01/2020)
Ms T A Veith (Appointed 09/03/2020)
Mr S Green
Mrs C Harvey (Appointed 17/10/2020)
Mx A Tyrrell (Appointed 11/01/2021)

**ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts
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Trustees' annual report (incorporating the directors' report) *(continued)*

Year ended 31 March 2020

Secretary	Mr I Downey
Independent examiner	Mr L Thurston FCCA Lovewell Blake LLP Chartered accountants 11 Lynn Road Ely CB7 4EG

**ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts
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Trustees' annual report (incorporating the directors' report) *(continued)*

Year ended 31 March 2020

Objectives and activities

a. Policies and objectives

In setting objectives and planning for activities, the trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit and they consider that the charity is fulfilling its obligations in this respect.

The charity's objects are to: Promote, maintain and encourage the arts, including without limitation, the arts of drama, dance, visual art, literature and film, for the advancement of education and to encourage public understanding of the arts, in the Eastern region of England.

In meeting our artistic objects, the charity also undertakes associated performance activities that contribute to making art, opera, theatre, ballet and film available to our key audiences as well as enhancing our profile as the key provider in the area that we represent.

Strategic report

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

ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts

Company Limited by Guarantee

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

Year ended 31 March 2020

Achievements and performance

ADEC's vision is:

To be the Creative Heart of Ely and West Anglia.

Its mission is to:

Develop Creativity and Connect Communities with Arts and Culture.

Its aims are:

- For ADEC (trading as Babylon Arts) to be seen as an essential part of the area's cultural, economic and artistic life.
- To enrich more people's lives through our inspiring and dynamic Creative Spaces and Creative Communities programmes.
- To build our networks, developing partnerships and connections that enable us to grow arts and cultural provision for the enjoyment of people across West Anglia.
- To nurture creative practice of those who live and work in West Anglia, providing opportunities through our programmes, to showcase their work.

ADEC holds four key values and seeks to be:

Resourceful: we seek to develop new partnerships and create opportunities through our work to increase opportunities for arts and creativity to flourish.

Passionate: We care deeply about the communities in which we work and will work fervently to showcase and develop engaging and exciting creative opportunities.

Curious: we are interested in people's ideas and in new ways of working. We're open to trying new things and taking considered risks to reach new audiences. We're keen to invoke curiosity in the communities we work in.

Inclusive: we value diversity, promote equality and provide a supportive environment for artists, audiences, partners and businesses to be creative in response to a variety of art forms, styles and genres.

ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts Company Limited by Guarantee

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

Year ended 31 March 2020

Achievements and performance *(continued)*

Some highlights from our programme between April 2019 and March 2020 include:

- We welcomed over 19,560 visitors to the Babylon Gallery, plus more than 200 children through new schools' visits as part of our Creative & Cultural Future project.
- We saw a 12% increase in cinema admissions compared to the previous year and raised £12,300 through our 'Save Ely Cinema Campaign'.
- We hosted a Q&A with actor Himesh Patel, who starred in the Summer 2019 hit 'Yesterday' by Danny Boyle. Himesh also supported our cinema campaign by recording a short film appeal for us.
- We engaged over 28,712 people from communities that have a history of rural and social isolation in bespoke arts and cultural activities through the Creative People & Places Market Place Project in Fenland and Forest Heath (now part of West Suffolk).
- We delivered four live dance productions in Ely, through the Leap into Dance project supported by Arts Council England, to a total audience of over 800 children and families.
- In our role as Arts Partner, we helped programme 113 events and workshops in 27 Cambridgeshire libraries, through the 'Library Presents' project in partnership with Cambridgeshire County Council; bringing a diverse range of dance, theatre, film and visual arts to villages and towns across the county.
- We welcomed 500 people to the 'Origins' exhibition at Babylon Gallery from 16th to 26th October, which showcased the fascinating findings of the Word Garden's project.
- We partnered with the Environment Agency and gained funding from Ely City Council to run a community exhibition highlighting the importance of the flood management systems in the area, which led to the creation of 124 fish by visitors and local school children as part of the underwater scene.
- We've led on the formation of a new Cultural Strategy Group for Ely, bringing together cultural venues and event organisers to share ideas and develop a shared strategy which elevates the arts, culture and heritage opportunities and connections in the city.

At a strategic level there has been a significant amount of work undertaken to form a refreshed business plan for the organisation and to re-define the work we do in two key strands: Creative Spaces and Creative Communities.

Creative Spaces: Focuses on the work we do in/around the Babylon Gallery and also at Ely Cinema and outdoors.

Creative Communities: Focuses on our work with people across East Cambridgeshire, Fenland and West Suffolk and includes much of our project work.

There have been some developments to our core activities during this period, details of which are outlined below:

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

Year ended 31 March 2020

Achievements and performance *(continued)*

Babylon Gallery

This year has seen us continue to operate the gallery space as a creative hub, not only for exhibitions, but also for events such as the Doodle Dance Show, our Study Days, the Digitally Engaged CPD day for artists and various other events with partners such as Fen Speak, IntuFilm and Gateway Film Festival.

The Gallery Advisory group, which comprises specific staff and board members and an independent visual arts specialist, have worked hard to look at how the gallery space can be used as a catalyst for even more social and community benefit. The aim is for the gallery to be known and valued as a driving force in arts underpinned by community, social and participatory engagement.

This work has led to a successful bid to Arts Council England for a £50k project (Creative Spaces 2020) that will support two young curators to develop new exhibitions with artists and lead on learning and engagement activities with our communities, connecting with the exhibitions. Due to the Covid-19 pandemic the schedule for their exhibitions has changed so they're now both in Spring 2021.

A key part of our strategy for the gallery is to balance the needs for commercial success as well as our role in supporting artists and providing meaningful public engagement with the public that isn't purely focused on a financial transaction. This is a challenge, when there is an imperative to build revenue and therefore there are now a set of seven priorities setting out what we want to present and support in the gallery space, whether or not it is a selling exhibition.

The Covid 19 pandemic has had a significant effect on the gallery operations from the middle of March 2020 onwards. The CPP MarketPlace exhibition 'Conversation' had to close two weeks early, after a very successful launch earlier in the month with many new visitors coming to the gallery space. Thanks to Arts Council England's Emergency Funding we have been able to stabilise our financial position and make available two art projects that people can get involved with at home.

Ely Cinema

We are grateful for the continued support from the City of Ely Council for our community cinema housed within The Maltings.

From the start of the financial year we ran a public appeal to raise money to secure the survival of the cinema, due to year-on-year decreases in cinema audiences and ticket income. This campaign was very successful, raising £12,300 within the year, plus a further £1,052 from Riverside Bar and Kitchen donated in May 2020.

The cinema's profile has been increased through the campaign, which was championed by actor Himesh Patel (Eastenders, Yesterday, Aeronauts, Tenet) and this has helped us achieve a 12% increase in attendance.

We have also looked at how we can diversify our audience and ensure we're providing a benefit to the community. As part of this we began screening subtitled versions of mainstream films from February 2020. This has enabled us to build a new connection with Cambridge Deaf Association and has seen new visitors to the cinema and positive feedback about their experience.

We did start to see a decline in cinema attendance from late February, with the growing concern and awareness of Covid 19 in the UK. Following the governments' recommendation that people avoid attending cinemas on 16th March, we took immediate action and temporarily closed the cinema, so as to help ensure the safety of our community. Since then we have been maintaining contact with our members and audiences via the newsletter and sharing other online content which they can enjoy at home. We also submitted a successful bid to the BFI for £900, which will support the operational costs of the cinema when we re-open.

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

Year ended 31 March 2020

Achievements and performance *(continued)*

MarketPlace (Creative People and Places Project)

This project represents a significant proportion of the project work that ADEC is responsible for and has its own small team, including two creative practitioners, who work with the communities in Fenland and Forest Heath (now part of West Suffolk).

MarketPlace has focused on developing projects and community groups from the ground-up and then supporting residents of the MarketPlace towns to join together, so they can lead on making exciting and relevant arts happen in the places they live. The newly formed Creative Collective had been preparing plans for outdoor events across the area, which although on hold for now, the group has remained engaged with the process of commissioning artists during the Covid-19 crisis.

The project has engaged over 28,000 people, across 63 events and activities; and provided support and CPD to 49 artists.

The Library Presents

ADEC continued to be the Arts Partner for the Library Presents project, which is led by Cambridgeshire County Council and funded by Arts Council England. Two rounds of programming took place, which saw 100 arts events delivered. ADEC specifically manage the artist engagement aspect of the project and this has continued to see increases in the number of applicants. It was through the TLP project that we were able to present 2Faced Dances' production of 'Moon' on Ely market square in October half term, which was attended by 760 people, paving the way for further collaborations of this nature. ADEC is contracted to continue in the role of Arts partner for the next financial year.

Leap into Dance

We identified that there are few publicly funded performing arts productions coming to Ely and the surrounding area and have sought to change this through the Arts Council funded Leap into Dance project. We brought Anatomical Dance to Ely for three performances and had programmed Protein Dances' 'The Little Prince' performance for March 22nd. This has been postponed until the company can go back on tour. The project has highlighted an appetite for more dance and theatre and we'll be seeking to secure more funding to develop this programme further.

Creative & Cultural Futures

The final significant project to focus on in this report is Creative & Cultural Futures; a project that aims to increase young people's understanding of the jobs in the creative industries and to begin to develop the skills that can transfer into these workplaces. It is focused on secondary school students in East Cambridgeshire and Fenland and is funded by the Opportunity Area and Festival Bridge.

The project had been exceeding its targets and building partnerships with several schools and cultural organisations, when it had to pause its work in schools due to their partial closure. Work has continued on the Culture Catalogue, an online repository of creative careers opportunities and guidance, which is hosted and managed by ADEC.

ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts Company Limited by Guarantee

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

Year ended 31 March 2020

Achievements and performance *(continued)*

Looking Ahead

It is fortunate that we had built some additional resilience into the organisation through 2019-20, which is helping us to weather the Covid 19 storm. Apart from the financial gains, we have also forged stronger relationships with external partners in the cultural and education sectors and have taken another step forward in consolidating our position as the Creative heart of Ely and West Anglia.

There are challenges ahead, but the significant support we have had already from funders and through the government schemes, has given us additional cause for looking ahead with confidence and preparing our medium to long-term programming with a sense of purpose and ambition.

Financial review

a. 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. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

b. Review of activities

A long term approach to planning, combined with prudent financial management, has enabled ADEC to manage the withdrawal of funding from its largest single funder, and continue to operate successfully against a national backdrop of uncertainty for arts organisations. The process of diversification of activities to reduce the reliance on individual funding bodies will continue. We have a very small operational staff to keep down core costs and the appointment of a CEO (see below) has provided the opportunity to review our operations fundamentally. This has also provided new skills to enable a wider range of activities to take advantage of changing attitudes to health and well being for example. We also want to extend existing work across all age groups. New ways of fund raising have been successfully identified.

c. Investment policy and performance

The charity does not hold funds for long term investment: funds are received and spent in the short term. Income from bank interest has reduced substantially in recent years.

d. Reserves policy

The board of trustees has examined the charity's requirements for reserves in light of the main risks to the charity. It has established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets held by the charity should be approximately 3 to 6 months operating costs. As shown in the management accounts this is between £15,000 and £30,000, being the level of funds required to cover short term cash flow deficits caused when funders pay grants in arrears of expenditure and also to ensure that the charity has sufficient reserves to cover the operational costs during any period of low activity. Currently we have a considerable part of our projects guaranteed for at least nine months into the future.

Although the strategy is to build reserves through operating surpluses, in the short term, the board of trustees has also considered the extent to which existing activities and expenditure could be curtailed, should this be necessary.

ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts

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

Year ended 31 March 2020

Plans for future periods

a. Future developments

ADEC will continue to develop its relationships and partnerships with other arts and cultural organisations, as well as local businesses to help secure its position as a vital part of the local cultural and economic landscape.

In the first half of 2020 we will be continuing our awareness raising campaign for the cinema at The Maltings and we will also be submitting grant applications to Arts Council England, National Lottery Heritage Fund and other funders to develop and support our portfolio of projects. In particular we will be seeking to increase the amount of work we're funded to deliver in East Cambridgeshire, alongside our work in Fenland and West Suffolk with MarketPlace.

Structure, governance and management

a. Constitution

The charity is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 7 December 1994. We have permission not to use 'Ltd' in our name. The charity is constituted under a Memorandum of Association dated 7 December 1994 and is a registered charity number 1043197.

b. Method of appointment or election of trustees

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements are listed in the reference and administration details of these accounts.

The management of the charity is the responsibility of the trustees who are elected or co-opted under the terms of the Articles of Association. The board of trustees aim to maintain a broad mix of business, artistic and community based skills, and to this end an audit of trustee skills is carried out on a regular basis. When particular skills are lost, individuals with relevant skills are approached to offer themselves for election to the board of trustees. Members are elected to serve for a period of three years after which they can offer themselves for re-election at the next Annual General Meeting.

c. Organisational structure and decision making

ADEC has a board of trustees of up to 15 members who meet six times a year and are responsible for the strategic direction and policy of the charity. At the 2019/20 year end, the committee was made up of nine members from a variety of backgrounds relevant to the work of the charity. The board is accountable for the general management of ADEC, and responsible for the direction of its affairs; it determines all policy matters including ADEC's strategy, business plan and budget, and the board determines the delegated powers to its chair and any sub-committees. Sub-committees report to the board and a sub-committee may authorise its chair to take appropriate executive action, according to its delegated powers. We have two sub-committees, a Finance and General Purposes Sub-Committee and a Gallery Advisory Sub Committee.

d. Policies adopted for the induction and training of trustees

Potential trustees are provided with an information pack, including information about the structure and activities of the charity, and the role of the trustee in the operation of the charity, and are invited to visit ADEC and meet the staff team. All trustees are regularly invited to attend events and activities run by the charity.

ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts

Company Limited by Guarantee

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

Year ended 31 March 2020

Structure, governance and management *(continued)*

e. Related party relationships

In so far as it is complementary to the charity's objects, the charity is guided by both local and national policy. These policies fall into two main categories; arts and cultural policy, and broader non-arts policies, where the arts are able to play a positive role in meeting policy needs. Owing to the nature of the charity's operations and the composition of the board of trustees being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the charity's financial regulations and normal procurement procedures.

f. Risk management

The trustees have assessed the major risk to which the charity is exposed, in particular those related to the operations and finances of the charity, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks. A risk register has been established which is reviewed annually. Where appropriate, systems have been established to mitigate the risks faced by the charity. External risks to funding have led to the development of a strategic plan, which allows for the diversification of funding and activities. Internal risks are minimised by the implementation of procedures for authorisation of all transactions and projects and to ensure consistent quality of delivery for all operational aspects of the charitable company. These procedures are periodically reviewed to ensure that they still meet the needs of the charity.

The trustees' annual report and the strategic report were approved on 10th February '21 and signed on behalf of the board of trustees by:



Mrs L McCord (Chair)
Trustee

ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts

Company Limited by Guarantee

Independent examiner's report to the trustees of ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts

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), balance sheet, 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 Association of Chartered Certified Accountants, 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.

 19/2/21

Mr L Thurston FCCA
Independent Examiner

Lovewell Blake LLP
Chartered accountants
11 Lynn Road
Ely
CB7 4EG

ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts

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	17,484	393,304	410,788	368,837
Charitable activities	6	171,075	—	171,075	70,866
Other trading activities	7	7,766	—	7,766	9,741
Investment income	8	190	—	190	8
Total income		<u>196,515</u>	<u>393,304</u>	<u>589,819</u>	<u>449,452</u>
Expenditure					
Charitable activities	9	<u>190,709</u>	<u>319,385</u>	<u>510,094</u>	<u>527,902</u>
Total expenditure		<u>190,709</u>	<u>319,385</u>	<u>510,094</u>	<u>527,902</u>
Net income/(expenditure) and net movement in funds		<u>5,806</u>	<u>73,919</u>	<u>79,725</u>	<u>(78,450)</u>
Reconciliation of funds					
Total funds brought forward		<u>15,374</u>	<u>48,995</u>	<u>64,369</u>	<u>142,819</u>
Total funds carried forward		<u>21,180</u>	<u>122,914</u>	<u>144,094</u>	<u>64,369</u>

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

The notes on pages 18 to 29 form part of these financial statements.

ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts
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Balance sheet

31 March 2020

		2020		2019 (restated)	
	Note	£	£	£	£
Fixed assets					
Tangible fixed assets	15		4,248		932
Current assets					
Stocks	16	583		576	
Debtors	17	17,587		14,029	
Cash at bank and in hand		142,778		99,954	
		<u>160,948</u>		<u>114,559</u>	
Creditors: Amounts falling due within one year	18	<u>(20,063)</u>		<u>(50,083)</u>	
Net current assets			140,885		64,476
Total assets less current liabilities			145,133		65,408
Creditors: Amounts falling due after more than one year	19		<u>(1,039)</u>		<u>(1,039)</u>
Net assets			<u>144,094</u>		<u>64,369</u>
Funds of the charity					
Restricted funds			122,914		48,995
Unrestricted funds			21,180		15,374
Total charity funds	22		<u>144,094</u>		<u>64,369</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.

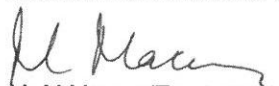
The balance sheet
continues on the following page.
The notes on pages 18 to 29 form part of these financial statements.


**ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts
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Balance sheet *(continued)*

31 March 2020

These financial statements were approved by the board of trustees and authorised for issue on 10th February '21, and are signed on behalf of the board by:


Mr M Macey (Treasurer)
Trustee


Mrs L McCord (Chair)
Trustee

Company registration number: 02999055

The notes on pages 18 to 29 form part of these financial statements.

**ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts
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Statement of cash flows

Year ended 31 March 2020

	2020	2019
	£	(restated) £
Cash flows from operating activities		
Net income/(expenditure)	79,725	(78,450)
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	547	280
Other interest receivable and similar income	(190)	(8)
Accrued income	(10,553)	(9,047)
Effects of prior year adjustment	—	(4,595)
<i>Changes in:</i>		
Stocks	(7)	37
Trade and other debtors	(3,558)	3,905
Trade and other creditors	(19,467)	(22,959)
Cash generated from operations	46,497	(110,837)
Interest received	190	8
Net cash from/(used in) operating activities	<u>46,687</u>	<u>(110,829)</u>
Cash flows from investing activities		
Purchase of tangible assets	(3,863)	(232)
Net cash used in investing activities	<u>(3,863)</u>	<u>(232)</u>
Net increase/(decrease) in cash and cash equivalents	42,824	(111,061)
Cash and cash equivalents at beginning of year	99,954	211,015
Cash and cash equivalents at end of year	<u>142,778</u>	<u>99,954</u>

The notes on pages 18 to 29 form part of these financial statements.

ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts
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 Babylon Gallery, Babylon Bridge, Waterside, Ely, Cambs, CB7 4AU.

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 measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity, and rounded to the nearest pound.

Going concern

The accounts have been prepared on the going concern basis and the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected income and expenditure for the next 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

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 a finance cost in profit or loss in the period in which it arises.

Fund accounting

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

Restricted funds are subjected to restrictions on their expenditure declared by the donor. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 31 March 2020

3. Accounting policies *(continued)*

Incoming resources

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:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

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

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.

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.

Tangible assets

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

Depreciation

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

Gallery and cinema equipment - 20% straight line

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 31 March 2020

3. Accounting policies *(continued)*

Financial instruments

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.

Debt instruments are subsequently measured at amortised cost.

4. Limited by guarantee

The charity is a company limited by guarantee and accordingly does not have share capital. Every member of the company undertakes to contribute such an amount as may be required (not exceeding £10) to the company's assets if it should be wound up whilst they are a member, or within one year after they cease to be a member, to cover the liabilities of the company.

5. Donations and legacies

	Unrestricted Funds	Restricted Funds	Total Funds 2020
	£	£	£
Donations			
Donations received	5,955	–	5,955
Gift Aid tax reclaimed	1,738	–	1,738
Donated goods, facilities and services	191	–	191
Grants			
CPP (Creative People and Places) (Arts Council England)	–	276,811	276,811
Catalyst (Arts Council England)	–	2,920	2,920
Herritage Lottery Fund	–	24,600	24,600
Live Events	–	–	–
The Library Presents	–	–	–
Youth Bank Workshop	–	–	–
Gallery Workshops Grant	–	500	500
Leap Into Dance (Arts Council England)	–	12,550	12,550
Ely City Council Projects	–	750	750
CC Futures (Bridge)	–	49,208	49,208
Creative Spaces (ACE - Arts Council England)	–	25,815	25,815
Save The Ely Eel	–	150	150
Other donations and legacies			
Donated use of Maltings Cinema by Ely Council	9,600	–	9,600
	<u>17,484</u>	<u>393,304</u>	<u>410,788</u>

**ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts
Company Limited by Guarantee**

Notes to the financial statements (continued)

Year ended 31 March 2020

5. Donations and legacies (continued)

	Unrestricted Funds	Restricted Funds	Total Funds 2019 (restated)
	£	£	£
Donations			
Donations received	3,409	2,184	5,593
Gift Aid tax reclaimed	848	—	848
Donated goods, facilities and services	254	—	254
Grants			
CPP (Creative People and Places) (Arts Council England)	—	245,139	245,139
Catalyst (Arts Council England)	—	26,495	26,495
Herritage Lottery Fund	—	51,537	51,537
Live Events	—	305	305
The Library Presents	—	25,575	25,575
Youth Bank Workshop	2,841	—	2,841
Gallery Workshops Grant	—	650	650
Leap Into Dance (Arts Council England)	—	—	—
Ely City Council Projects	—	—	—
CC Futures (Bridge)	—	—	—
Creative Spaces (ACE - Arts Council England)	—	—	—
Save The Ely Eel	—	—	—
Other donations and legacies			
Donated use of Maltings Cinema by Ely Council	9,600	—	9,600
	<u>16,952</u>	<u>351,885</u>	<u>368,837</u>

6. Charitable activities

	Unrestricted Funds	Total Funds 2020	Unrestricted Funds	Total Funds 2019 (restated)
	£	£	£	£
Babylon gallery	13,235	13,235	26,383	26,383
Ely cinema	60,511	60,511	40,252	40,252
ADeC live events	2,493	2,493	1,195	1,195
Sundry earned income	1,315	1,315	1,786	1,786
Contract income from projects	37,890	37,890	1,250	1,250
Recovery of project overheads	55,631	55,631	—	—
	<u>171,075</u>	<u>171,075</u>	<u>70,866</u>	<u>70,866</u>

7. Other trading activities

	Unrestricted Funds	Total Funds 2020	Unrestricted Funds	Total Funds 2019 (restated)
	£	£	£	£
Rental income from Gallery lettings	<u>7,766</u>	<u>7,766</u>	<u>9,741</u>	<u>9,741</u>

**ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts
Company Limited by Guarantee**

Notes to the financial statements *(continued)*

Year ended 31 March 2020

8. Investment income

	Unrestricted Funds	Total Funds 2020	Unrestricted Funds	Total Funds 2019 <i>(restated)</i>
	£	£	£	£
Interest receivable	<u>190</u>	<u>190</u>	<u>8</u>	<u>8</u>

9. Expenditure on charitable activities

	Unrestricted Funds	Restricted Funds	Total Funds 2020
	£	£	£
Fundraising costs	—	—	—
Costs of goods sold - general Projects	75,701	139,903	215,604
Advertising	7,054	7,679	14,733
Use of Maltings Cinema	9,600	—	9,600
Staff costs	47,973	123,066	171,039
Depreciation and impairment	—	—	—
Support costs	<u>50,381</u>	<u>48,737</u>	<u>99,118</u>
	<u>190,709</u>	<u>319,385</u>	<u>510,094</u>

	Unrestricted Funds	Restricted Funds	Total Funds 2019 <i>(restated)</i>
	£	£	£
Fundraising costs	1,179	—	1,179
Costs of goods sold - general Projects	37,533	231,611	269,144
Advertising	1,831	8,016	9,847
Use of Maltings Cinema	9,600	—	9,600
Staff costs	12,887	128,817	141,704
Depreciation and impairment	45	—	45
Support costs	<u>56,246</u>	<u>40,137</u>	<u>96,383</u>
	<u>119,321</u>	<u>408,581</u>	<u>527,902</u>

**ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts
Company Limited by Guarantee**

Notes to the financial statements *(continued)*

Year ended 31 March 2020

10. Analysis of support costs

	Unrestricted Funds	Restricted Funds	Total Funds 2020
	£	£	£
Premises costs	13,943	14,000	27,943
Staff costs	27,787	26,355	54,142
General office costs	8,651	8,382	17,033
	<u>50,381</u>	<u>48,737</u>	<u>99,118</u>
	Unrestricted Funds	Restricted Funds	Total Funds 2019
	£	£	£
Premises costs	13,979	11,669	25,648
Staff costs	36,532	23,560	60,092
General office costs	5,735	4,908	10,643
	<u>56,246</u>	<u>40,137</u>	<u>96,383</u>

11. Net income/(expenditure)

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

	2020	2019 <i>(restated)</i>
	£	£
Depreciation of tangible fixed assets	<u>547</u>	<u>280</u>

12. Independent examination fees

	2020	2019 <i>(restated)</i>
	£	£
Fees payable to the independent examiner for:		
Independent examination of the financial statements	1,750	1,700
Other assurance services	780	—
Tax advisory services	1,225	—
	<u>3,755</u>	<u>1,700</u>

13. Staff costs

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

	2020	2019 <i>(restated)</i>
	£	£
Wages and salaries	<u>225,181</u>	<u>201,796</u>

ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 31 March 2020

13. Staff costs *(continued)*

The average head count of employees during the year was 15 (2019: 12). The average number of full-time equivalent employees during the year is analysed as follows:

	2020 No.	2019 No.
Charitable activities	13	10
Administrative activities	2	2
	<u>15</u>	<u>12</u>

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

Key Management Personnel

Key management personnel include all personnel that have the authority and responsibility for planning, directing and controlling the activities of the charity. The total compensation paid to key management personnel for services provided to the charity was £47,099 (2019: £37,382).

14. Trustee remuneration and expenses

During the year no trustee received any remuneration or expenses other than travel and subsistence costs for attending various seminars and meetings for the charity. These amounted to £348 (2019 - £761).

15. Tangible fixed assets

	Gallery and cinema equipment £
Cost	
At 1 April 2019 (as restated)	47,447
Additions	3,863
At 31 March 2020	<u>51,310</u>
Depreciation	
At 1 April 2019	46,515
Charge for the year	547
At 31 March 2020	<u>47,062</u>
Carrying amount	
At 31 March 2020	<u>4,248</u>
At 31 March 2019	<u>932</u>

16. Stocks

	2020 £	2019 <i>(restated)</i> £
Raw materials and consumables	<u>583</u>	<u>576</u>

**ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts
Company Limited by Guarantee**

Notes to the financial statements *(continued)*

Year ended 31 March 2020

17. Debtors

	2020	2019 <i>(restated)</i>
	£	£
Trade debtors	953	2,836
Prepayments and accrued income	4,157	4,558
Other debtors	12,477	6,635
	<u>17,587</u>	<u>14,029</u>

18. Creditors: Amounts falling due within one year

	2020	2019 <i>(restated)</i>
	£	£
Trade creditors	4,990	7,820
Accruals and deferred income	7,103	17,656
Social security and other taxes	5,873	21,359
Other creditors	2,097	3,248
	<u>20,063</u>	<u>50,083</u>

19. Creditors: Amounts falling due after more than one year

	2020	2019 <i>(restated)</i>
	£	£
Other creditors	<u>1,039</u>	<u>1,039</u>

20. Deferred income

Deferred income comprises advance cinema ticket sales and gallery hire.

	£
Balance as at 1 April 2019	12,956
Amount released to income earned from charitable activities	(12,856)
Amount deferred in year	568
Balance as at 31 March 2020	<u>668</u>

21. Pensions and other post retirement benefits

The charity operates a defined benefit pension scheme. The pension cost charge for the period represents contributions payable by the charity to the scheme and amounted to £6,335 (2019: £20,288).

Contributions totalling £470 (2019: £1,627) were payable to the scheme at the end of the period and are included in creditors.

The defined benefit scheme is provided and operated by Northamptonshire County Council, therefore no liability is recognised in respect of a pension schemes deficit.

**ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts
Company Limited by Guarantee**

Notes to the financial statements *(continued)*

Year ended 31 March 2020

22. Analysis of charitable funds

Unrestricted funds

	At 1 April 2019 £	Income £	Expenditure £	Transfers £	At 31 March 2020 £
General funds	15,374	196,515	(190,709)	—	21,180

Restricted funds

	At 1 April 2019 £	Income £	Expenditure £	Transfers £	At 31 March 2020 £
Creative People and Places	27,948	246,811	(212,724)	—	62,035
Save the Ely Eel	235	150	(385)	—	—
Catalyst	10,233	2,920	(13,153)	—	—
Gallery Participation	330	500	(830)	—	—
HLF Origins	7,249	24,600	(31,849)	—	—
Library Presents	3,000	30,000	(33,000)	—	—
Leap Into Dance (Arts Council England)	—	12,550	(9,722)	—	2,828
Ely City Council Projects	—	750	(750)	—	—
CC Futures (Bridge)	—	49,208	(16,942)	—	32,266
Creative Spaces (ACE - Arts Council England)	—	25,815	(30)	—	25,785
	48,995	393,304	(319,385)	—	122,914

Unrestricted funds

	At 1 April 2018 £	Income £	Expenditure £	Transfers £	At 31 March 2019 £
General funds	41,723	97,567	(123,916)	—	15,374

Restricted funds

	At 1 April 2018 £	Income £	Expenditure £	Transfers £	At 31 March 2019 £
Creative People and Places	95,936	245,139	(313,127)	—	27,948
Heritage Lottery Fund	8,856	26,937	(35,793)	—	—
Kick Start	100	—	(100)	—	—
Summer of Music	200	—	(200)	—	—
Save the Ely Eel	300	2,166	(2,231)	—	235
Youth Band Workshop	300	—	(300)	—	—
Catalyst	—	26,495	(16,262)	—	10,233
Centre-E Crew	—	105	(105)	—	—
Folk Festival	—	218	(218)	—	—
Gallery Participation	—	650	(320)	—	330
HLF Origins	—	24,600	(17,351)	—	7,249
Library Presents	—	25,575	(22,575)	—	3,000
	105,691	351,885	(408,581)	—	48,995

ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 31 March 2020

Creative People and Places

A large-scale project called MarketPlace to increase arts engagement in Fenland and West Suffolk, funded primarily by Arts Council England.

Save Ellie the Eel

A fundraising campaign through the Big Give, led to funds to repair the two eels and provide community workshops to get people involved in their repair.

Catalyst

An Arts Council England programme, which helped support our fundraising objectives and procure a new CRM system.

Gallery Participation

Workshops and activities for people to learn more about different artists and have a go at creative activities.

HLF Origins

A Word Garden Project, funded by the National Lottery Heritage Fund, on which Babylon ARTS carried our project management and marketing work.

The Library Presents

Babylon ARTS is the arts partner (to Cambridge County Council's NPO) for two seasons of arts events and activities taking place in libraries across Cambridgeshire each year.

Leap into Dance

An Arts Council England funded project, aimed at bringing professional dance performance aimed at family audiences, to Ely.

Ely City Council Projects

In 2019-20 ECC supported the 'Submerged' community exhibition focusing on themes of flood risk management and the waterways. This exhibition was also delivered in partnership with the Environment Agency.

CC Futures (Bridge) Project

This is aimed at improving the skills and opportunities for young people in East Cambridgeshire and Fenland so they are better equipped to enter into jobs in the Creative Industries. This is in partnership with Festival Bridge, and is funded through the opportunity Area and the Take Your Place programme.

Creative Spaces 2020

An Arts Council England funded project, which will support two Young Curators to develop exhibitions at The Babylon Gallery. The project will also develop our professional development work with artists from across West Anglia.

ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 31 March 2020

23. Analysis of net assets between funds

As at 31 March 2020

	Unrestricted Funds	Restricted Funds	Total Funds 2020
	£	£	£
Tangible fixed assets	4,248	—	4,248
Current assets	17,971	122,914	140,885
Long term liabilities	(1,039)	—	(1,039)
Net Assets	21,180	122,914	144,094

As at 31 March 2019

	Unrestricted Funds	Restricted Funds	Total Funds 2019
	£	£	£
Tangible fixed assets	932	—	932
Current assets	15,481	48,995	64,476
Long term liabilities	(1,039)	—	(1,039)
Net Assets	15,374	48,995	64,369

24. Financial instruments

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

	2020 £	2019 (restated) £
Financial assets measured at fair value through income and expenditure		
Trade debtors (note 17)	953	2,836
Prepayments and accrued income (note 17)	4,157	4,558
Other debtors (note 17)	12,477	6,635
	17,587	14,029
Financial liabilities measured at fair value through income and expenditure		
Trade creditors (note 18)	4,990	7,820
Accruals and deferred income (note 18)	7,103	17,656
Other creditors (note 18)	2,097	3,248
	14,190	28,724

25. Analysis of changes in net debt

	At 1 Apr 2019 £	Cash flows £	At 31 Mar 2020 £
Cash at bank and in hand	99,954	42,824	142,778

**ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts
Company Limited by Guarantee**

Notes to the financial statements *(continued)*

Year ended 31 March 2020

26. Related parties

During this year and the prior year there were no related party transactions.