

REGISTERED COMPANY NUMBER: 03034923 (England and Wales)
REGISTERED CHARITY NUMBER: 1049370

Yorkshire ArtSpace Society Limited

Financial Statements For The Year Ended 31 March 2021

Allotts Business Services Ltd, Statutory Auditor
Chartered Accountants
The Old Grammar School
13 Moorgate Road
Rotherham
South Yorkshire
S60 2EN

Yorkshire ArtSpace Society Limited

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For The Year Ended 31 March 2021

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Yorkshire ArtSpace Society Limited

Report of the Trustees **For The Year Ended 31 March 2021**

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 2021. 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).

The report includes the requirements of a directors' report in the Companies Act 2006.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The charity's objects are to foster and promote the maintenance, improvement and development of artistic taste and the knowledge, understanding and appreciation of arts among the inhabitants of Sheffield.

It is our vision that visual and applied art in South Yorkshire is thriving and accessible. We exist to support visual and applied artists, providing excellent affordable studio space, and collaborating with partners to create professional development and meaningful engagement opportunities across Sheffield, the region and beyond.

Yorkshire Artspace is a registered charity providing studio space for around 160 artists and makers across two sites in Sheffield city centre. We provide high quality, affordable studio space and deliver a professional development programme which offers exhibition opportunities, training and subsidised Starter Studios for early career creatives.

Established in 1977 by art graduates, Yorkshire Artspace was one of the first studio groups developed outside London. Since then, we've grown to become one of the largest and most established studio providers in the UK, described by Arts Council England as "one of the leading artist studio spaces in Europe".

We aim for a 50:50 balance of visual and applied artists across our studios, which makes our community of painters, metalsmiths, ceramicists, fine artists, furniture makers, sculptors, jewellers, writers, fashion designers and more a unique hub of skills and experience. Our work is informed by consultation with our members in order to deliver activity that responds to their collective needs.

We are an ACE National Portfolio Organisation, which enables us to programme activity in support of our vision. We achieve this by supporting creative careers through our two Starter Studios and wider professional development offer, and by creating opportunities for the public to engage with art through exhibitions, workshops and our annual Open Studios event.

There is lots of information about Yorkshire Artspace the organisation, our studios, our programmes and our artists at www.artspace.org.uk

Significant activities

The charity's principal activity is to provide affordable workspace for artists and craftspeople. Various exhibition, support and outreach projects are also in place.

This year we reviewed and updated our Artistic Policy and studio selection process. The policy ensures that the valuable (and publicly funded) resource we provide supports professional artists moving towards full time commitment to their practice.

The Society aims to maintain a 50:50 balance of visual artists and applied artists as studio holders, something that makes us a distinctive choice and that we are well-placed to support with the range of studio spaces we operate. Our Artistic Policy requires that prospective studio holders are able to demonstrate a continued commitment to maintaining a creative practice. While we actively encourage our studio holders to offer services and sell their work, their ideas, skills and creative vision must guide their practice and the work they produce.

Our review of our selection process saw us move away from a waiting list system in favour of a competitive application process. We now invite applications only when a space becomes available, and these applications are reviewed by a panel of volunteer studio holders who score each applicant against a set of criteria. These criteria take into consideration the suitability of practice for the space, artistic merit, opportunity, and added value to the Yorkshire Artspace community. Emphasis on these qualities versus time spent on a waiting list makes the application process more democratic and gives younger people a fairer chance at joining the organisation.

Our **programme** is wide-ranging, encompassing professional development for artists and makers as well as a range of activities that offer inspiring and meaningful opportunities for the public to engage with creativity, focussing on the neighbourhoods known to have low take up of the city's cultural offer.

Public access to the studios and artistic product is enabled through the annual **Open Studios** event in November and a dynamic **exhibition programme**.

Public benefit

The trustees have had due regard to guidance published by The Charity Commission on public benefit.

Through our exhibition programme, we are committed to providing a wide range of opportunities for audiences to engage with the work of artists and makers in meaningful ways. We aim to work in partnership to reach new audiences and develop and expand the public offer that we provide.

Yorkshire ArtSpace Society Limited

Report of the Trustees **For The Year Ended 31 March 2021**

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Through our programme we are committed to providing opportunities for artists to extend their practice and develop their learning. We offer professional development programmes across career stages, with particular support for emerging artists.

As well as professional development programmes we offer project spaces where studio holders can develop their own initiatives to show and sell work and to run classes and workshops.

Studios

We are proud that the Arts Council calls us 'one of the leading artist studio spaces in Europe'. The workspace that we provide is affordable, accessible, well managed, warm, safe and secure.

Persistence Works (opened 2001) is a purpose-built studio complex located in the heart of Sheffield's Cultural Industries Quarter. It is home to around 75 artists. The building has won a number of awards for its architecture, and currently features the public artwork and living wall Growing City (2020) by artist Jo Peel.

Persistence Works features a gallery space and a meeting room which can be used by our members. It is the planned location for a communal kiln facility, accessible to members of Yorkshire Artspace and the wider public for firings and workshops.

Exchange Place Studios (opened 2013) is based in a 1920s Art Deco building in the fast-changing area of Castlegate. It is home to around 85 artists. The building sits beside the former site of Sheffield Castle (for which there are redevelopment plans) and is surrounded by the beautiful meadow planting and wildlife habitats of Grey to Green 2.

Exchange Place Studios features a gallery and a project space which can be used by our members. At some point, we hope to host Sheffield Print Club in one of these spaces, offering an excellent facility for printmaking.

While Persistence Works is better equipped to host more industrial practices, together both our buildings are home to a thriving community that includes 160 visual artists, ceramicists, silversmiths, jewellers, painters, illustrators, printmakers, fashion and costume designers, photographers, sculptors and more. More information about the artists who make up our community can be found on the 'Our Artists and Makers' section of our website. Crucially, we own both of our magnificent buildings which grants our members more stability in comparison to rented or meanwhile studio spaces.

It is important to both the community and business model of Yorkshire Artspace that our artists are able to continue making work. Much of our efforts and resources in 2020 were therefore redistributed to directly benefit our members in ways that might help their practices survive the pandemic.

We therefore worked hard to ensure both our buildings remained open for any artists who needed to access their studios; we are pleased to have succeeded in maintaining access for artists throughout the entire year. This has allowed for minimal disruption in the making process, and also allowed some artists to run workshops when guidelines allowed. Beyond this, and importantly, many members reported that access to their studios had positive impacts on their mental wellbeing.

In April 2020 we offered a 20% rent reduction for up to three months, available to any members who needed it. We also offered an additional 20% reduction to those most in need, repayable as an interest-free loan. This was intended to ease some of the initial financial and emotional shock of Covid-19 and to avoid a situation where members could not afford to keep their studio. We are grateful that an overwhelming majority of our members elected to continue to pay their full rent amount even when they may not have been accessing their studio and expressed that the long-term survival of Yorkshire Artspace was a key motivator for doing so.

Our Finance & Office Manager dedicated time to liaising with studio holders to encourage them to apply for the government Small Business Rates Relief grant of £10,000, and helped with the process where required. As a result of this effort, many members were able to successfully claim this grant which had a positive impact on rental income and member morale.

We maintained regular and transparent communication with our members throughout the year, giving them updates about our buildings and sharing commission and grant opportunities for their consideration.

We did not benefit from Cultural Recovery Funding, so we worked hard to maintain 100% occupancy across both our buildings and reduce the financial impact of Covid-19 on our organisation. We achieved this largely by supporting members in more direct ways, such as the provision of rent reductions and frequent sharing of grant information and opportunities, recognising that our members thriving through the pandemic would have positive knock-on effects for the organisation.

This has safeguarded both our membership and our organisation from the full financial impact of the pandemic, but there are still more ways that we can improve our collective resilience. For this reason, most of our planned work in the transitional year of 2021/22 is focused towards activity that directly supports our membership and their practices. We have undergone an internal restructure to fortify us against future risks, ensuring that we are able to support artists long into the future and that our available funds are being used in ways that most benefit our members and the wider public.

Starter Studio Programmes

To foster new talent and support early career artists, Yorkshire Artspace runs two Starter Studio Programmes: one for Silversmiths and Jewellers, and one for Ceramicists.

Yorkshire ArtSpace Society Limited

Report of the Trustees **For The Year Ended 31 March 2021**

This year marks the 20th anniversary of our Silversmithing & Jewellery Starter Studio. Unfortunately, both our Starter Studios were suspended this year. With staff furloughed and a shared studio, it was not feasible for the programme to run as usual through the pandemic. We therefore offered Starters a rent-free period to alleviate hardship in the immediate impact of Covid-19, and later offered access to the studio facilities for an additional year. To support their return to the Studio, each Starter was awarded a personal budget to spend on personal development activity that they felt would be most beneficial to them; this has thus far included mentoring sessions, skills courses and product photography.

In November 2020, we appointed a Kiln Technician for the Ceramic Starter Studio with over 30 years of experience in pottery studios as an educator and technician, along with a broad knowledge of wood, gas and electric kilns.

Our Starters managed to bring their pieces for our Precious Little Gems and All Fired Up commissions to completion this year, having originally been commissioned in late 2019. The completed piece will go on display at Millennium Galleries when it reopens in June.

There were three Precious Little Gems commissions this year, with the additional commission made possible by Charles Turner to celebrate his appointment as Master Cutler in 2024.

Our All Fired Up commissions have an outreach element that helps the selected artists engage with communities and explore the potential wellbeing benefits of being creative. While some of this participatory activity was disrupted by Covid-19, the finished pieces were informed by initial visits to the communities involved in the commissions.

The pause in our Starter Studio this year has given us the opportunity to reflect on our existing offer, and to imagine ways we might improve this in the future. We have therefore produced a new vision for our Silversmithing & Jewellery Starter Studio, which refocuses its content on silversmithing and ensures that the programme will remain relevant and valuable for another twenty years to come.

Gallery Space

Striving to avoid cancellations, all planned exhibitions were successfully postponed to the year 2021/22, with our microgrant offer extended to cover a further two exhibitions. Our public exhibitions programme resumed in April 2021.

Partnerships

Our Starter Studios continue to benefit from our partnerships with Sheffield Museums, Sheffield Assay Office and South Yorkshire Housing Association, which allow us to provide valuable commission and exhibition opportunities for our Starters. We are actively seeking further partnerships to support the development of the programme and the improvement of its spaces.

We are a registered Create Sheffield partner, which will see us contribute to their mission of bringing arts and culture to as many young people as possible and open gateways to engagement-based practices for our members. We played an important role in taking Create Sheffield from an exciting idea to a fully-fledged charitable company, which has since secured IVE funding.

As a member of Sheffield Culture Consortium, we work hard to deliver a citywide cultural plan which takes a coherent approach to the city's cultural offer and audience reach. Sheffield Culture Consortium develops projects which bring additional resources into the city and encourages collaboration within the sector. The last year has sharpened the focus of our conversations, allowing us to share response strategies, address inequalities and discuss plans to generate change in our sector. Work has subsequently begun on an EDI action plan for Consortium activities.

Since its inception, the Consortium has raised more than £2m for additional arts and culture activity, resulting in a cultural offer that is stronger, more vibrant, and better connected across the city. The main achievements this year included:

- Completing the process of becoming constituted as a Limited Company;
- Establishing a Visual Arts Panel, in which Yorkshire Artspace participates, to help implement the city's visual art statement: Making Our Way;
- Establishing a Freelance Arts and Culture Workers Fund in response to the serious impact of Covid-19 on creative freelancers in Sheffield, which made £77,000 of small grants available to 83 freelance arts and cultural workers;
- Delivery of a creative consultation project, Darnall Community of Culture, in partnership with Darnall Wellbeing, Ignite Imaginations and Tickets for Good, to inform a larger bid submitted in March 2021 to support a two-year activity programme for Darnall's diverse communities.

We play an active role in the regeneration of the Castlegate area of Sheffield, home of Exchange Place Studios, through our membership of the Castlegate Partnership. This involves regular meetings between Sheffield City Council and stakeholders to help steer the ongoing developments of the area. As the area regenerates, these conversations increasingly allow us to connect and collaborate with other arts and cultural organisations of varying scales, particularly in the delivery of the annual Castlegate Festival.

Yorkshire ArtSpace Society Limited

Report of the Trustees **For The Year Ended 31 March 2021**

We were a partner in Site Gallery's City of Ideas urban realm project, connecting us with Sheffield City Council's Knowledge Gateway and allowing us to contribute to the regeneration work within the Cultural Industries Quarter. The majority of activity took place in 2019/20, however in 2021 the project will conclude with the introduction of new wayfinding signage to enhance the visibility of the CIQ. As part of this strategy, colourful window stickers were installed in the tower of Persistence Works and we were also able to feature street-level information about our organisation and Growing City mural.

Open Studios

Our annual open studios weekend in November is our biggest public event, and this year moved online in light of the pandemic. This was a real disappointment for many members and visitors alike, but it did allow us to develop a framework that will allow Open Studios to have online elements in the future and expand our reach.

We wanted to create an online experience that emulated a real-life visit to Open Studios, and were guided by the theme: meet artists, see studios, take part. The main activity during our Online Open Studios therefore hung on our pre-established Artist Spotlight Instagram series, which profiles our members and their spaces. More than 20 artists took part in the Artist Spotlight, which involved being photographed in their studio and interviewed about their work. This content was then shared at regular intervals on Instagram, attracting supportive comments and over 1,500 likes collectively.

Inspired by the workshops our artists usually deliver at Open Studios and with a theme of encouraging artists to adapt, we helped produce a number of online activities that could be participated in at home. This video content reached 1,145 people. We curated an exhibition of 2D work to be displayed in a virtual reality gallery. Aptly titled 'Persistence', the exhibition featured work from 11 Yorkshire Artspace artists and received more than 200 visitors.

During this activity our website was visited by 329 people, of whom 277 (84%) were new users who had not visited our site before. While certainly different from a usual Open Studios at Yorkshire Artspace, the online event felt positive and gave us some useful ideas to carry forward that will help Open Studios reach more people.

Professional Development

In a year where our doors were closed, our programme of support moved from the delivery of exhibitions and public-facing projects to more practical support that offered direct aid to our members as they worked to navigate the pandemic.

In a year where all the exciting plans for our gallery spaces were put on hold, we worked hard to find other ways to support our artists. Consultation revealed that the closure of galleries and cancellation of fairs was one of the biggest challenges our members were faced with, so we focussed on offering support that would help facilitate sales and generate income.

In September, we sponsored a premiere artist marquee at Sheffield's established Art in the Gardens event. We offered spaces on the stall to artists who had been hit hardest by the pandemic, with a different line-up of artists each day. For the VIP preview night, we filled the marquee with alumni of our Silversmithing Starter Studio, who then scaled down to share a communal table for the remainder of the weekend. They were joined by a varied selection of jewellery, prints, ceramics, photography and paintings that felt like a great representation of the Yorkshire Artspace community. Our presence at Art in the Gardens was scaled up in comparison to previous years, showcasing our members and our organisation to 4,800 visitors and generating total sales of almost £3,000.

In the run up to Christmas, we hosted a Seasonal Ceramics Shop in our Persistence Works gallery. Stocked with work from established ceramicists as well as Starter Studio alumni, the shop was open for three consecutive weekends in December. It attracted over 200 visitors and generated £3,000 in sales for the artists involved.

Despite being brought about by difficult times, the success of both these events has informed our planning for the future: we will continue to take part in Art in the Gardens on a larger scale, and are exploring ways that our spaces and staff can be used to support more member-led projects.

Fundraising activities

The charity does not engage in significant fundraising activities.

FINANCIAL REVIEW

Financial position

The charity received income of £428,397 (2020: £414,627) in the year which included coronavirus job retention scheme grant income of £55,131. Expenditure totalled £537,303 (2020: £559,121) which includes depreciation of fixed assets of £138,578. The Statement of Financial Activities reports a deficit for the year of £108,906 (2020: deficit of £144,494) after taking account depreciation.

Yorkshire ArtSpace Society Limited

Report of the Trustees For The Year Ended 31 March 2021

FINANCIAL REVIEW

Principal funding sources

Our business model is simple; earned rental income from the studios covers the running costs and the management of the premises and surplus is invested in programming and building a free reserve to ensure the sustainability of the charity for the long-term, see our reserves policy below. Despite having forecast a 2% increase in studio charges for 2020/21, we chose not to implement this as a small way of supporting our members through Covid-19.

We are very grateful for the relative stability that has been offered to our organisation by the Arts Council England NPO funding that supports our business plan, which includes our public programme offer and core professional development programme for artists. We also enjoyed continued support from Sheffield Assay Office who sponsor the Precious Little Gems commissions for our Starter Studio Silversmiths, and from South Yorkshire Housing Association, who support the All Fired Up commissions for our Starter Studio Ceramicists.

There are no major planned changes in our financial model, and we recognise the need to increase the balance of unrestricted funds to comply with our reserve policy. We have established a fundraising target of £44.5K for the coming year, and our business plans focus on improving our facilities and membership offer, in order to sure up our business model. The implementation of the restructure of the staff team creates a 12% saving in salary costs, concurrently creating the staff roles needed to take forward our plans.

Investment powers

The charity's investment powers are set out in its Memorandum and Articles of Association and allow the trustees to invest funds not immediately required for the furtherance of its objects in or upon such investments, securities or property as may be thought fit.

Reserves policy

The trustees are of the view that the charity's activities most likely to trigger unforeseen costs are its properties, which are held on a long leasehold basis. In previous years, funds had been set aside into a designated Buildings Maintenance Fund in order to generate a level of reserves which it was believed was appropriate for the provision of such costs. However, the need to undertake urgent improvements following the purchase of Exchange Place Studios used up the general fund and buildings maintenance fund and the trustees are aware of the need to build up reserves.

In light of this, the Trustees have reviewed the charity's reserves policy, and have agreed that the total amount of free reserves the company should aim to hold is £250,000. This target level of reserves has been calculated with reference to the risks that the charity faces and after considering mitigations that are in place. Of the total target of £250,000, the aim is to raise £100,000 as a matter of urgency to provide funds to cover operational risks that have been identified. This level equates to around 3 months running costs. The overall aim to hold a total of £250,000 of free reserves includes the need to retain funds for one-off and urgent property costs so that the properties remain of high quality and are attractive to artists and makers in the region. This target level will be reconsidered once the newly appointed Premises Manager has undertaken a review of the properties.

As at 31 March 2021, the level of free reserves held by the charity was £46,803 (2020: £17,131) and we are working on our strategies for building up reserves through fundraising and income-generating opportunities. Designated funds total £11,141 which represents the net book value of fixed assets that are used for operational purposes and therefore cannot be spent. Restricted funds total £3,797,531 (2020: £3,933,324) which are represented by fixed assets being Exchange Place Studios, Persistence Works and furniture and equipment.

Yorkshire ArtSpace Society Limited

Report of the Trustees **For The Year Ended 31 March 2021**

FUTURE PLANS

We usually develop a new business plan every five years and update it annually. Progress against the plan is reported on quarterly at our open Board meetings and annually in our Annual Report.

In March 2021, following detailed consultation with our members, we submitted an interim business plan to Arts Council England for the year 2021/22, and in September 2021 will be submitting a business plan for an extension year to the current NPO funding agreement. Early in 2022 we will reapply to the portfolio, and demonstrate our important contribution to ACE's new strategy ten-year strategy: Let's Create. The relaxation and removal of certain funding conditions allowed by ACE has been invaluable in enabling us to properly respond to the fast-changing landscape of the last year, as has the postponement of a number of deadlines.

Our work in the transitional year of 2021/22 is focused towards activity that directly supports our membership and their practices, and supports our public engagement offer.

We will deliver new creative development opportunities for our members, establish new partnerships, improve our physical spaces and facilities, and seek new income streams to develop our programme. We submitted a grant application to National Lottery Project Grants, made available to NPOs until the end of March 2021, to enable the creation of communal gas kilns at Persistence Works and associated engagement, and await the outcome of this. The year will be characterized by fundraising as we seek new investment for a reimagined silversmithing Starter programme and facility. We are conscious that we need to do a great deal of work with our new Board, preparing for and applying to the ACE NPO, revisiting our Audience Development Plans and looking again at our organisational diversity.

Our transitional year aims are:

1. To focus our professional development support and opportunities on Yorkshire Artspace members.
2. To strengthen our strategic partnerships in and beyond Sheffield that benefit our members and the wider city.
3. To renew and secure funding for our Starter Studio offer for Silversmiths in its 20th year.
4. To invest in the development and improvement of our physical spaces and facilities.

The objectives and work plans connected to these aims are laid out in our Business plan.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is registered as a company limited by guarantee, without a share capital. The charity's governing document is its memorandum and articles of association.

Recruitment and appointment of new trustees

New trustees are appointed by the board and are selected based on a review of desirable skills and experience. One third of the trustees retire by rotation at each AGM and may stand for reelection.

Organisational structure

The charity is governed by a board of trustees which is responsible for setting the strategic direction of the charity and for establishing policy. The day to day affairs of the charity are delegated to a small but dedicated staff team led by the director and operations manager.

Induction and training of new trustees

In ordinary times we operate a rolling chair programme, offering individual board members a time-limited period to invest more time in delivering their own manifesto, reflecting their skills, experience and passions.

Key management remuneration

Remuneration of key management is determined by the board with due regard to staff performance and changes in responsibility resulting from development of the society's activities.

Risk management

The trustees have reviewed the major risks to which the charity is exposed and systems have been established to mitigate those risks. These are reviewed periodically.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

03034923 (England and Wales)

Registered Charity number

1049370

Registered office

Persistence Works
21 Brown Street
Sheffield
South Yorkshire
S1 2BS

Yorkshire ArtSpace Society Limited

Report of the Trustees **For The Year Ended 31 March 2021**

Trustees

D Peters
T Tobia
J C Morris
K Young (appointed 2.2.2021)
M Plowden (appointed 2.2.2021)
M Goodeve (appointed 2.2.2021)
R Rowbottom (appointed 2.2.2021)
E Coates-Madden (appointed 2.2.2021)
S Sylvester (appointed 2.2.2021)

Auditors

Allotts Business Services Ltd, Statutory Auditor
Chartered Accountants
The Old Grammar School
13 Moorgate Road
Rotherham
South Yorkshire
S60 2EN

Bankers

National Westminster Bank Plc
PO Box 120
42 High Street
Sheffield
S1 1QG

Senior Management

G Kettlewell Director (from April 2020)

TAX STATUS

The society is a registered charity and is exempt from corporation tax under section 505 of the Corporation Taxes Act 1988.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Yorkshire ArtSpace Society Limited 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) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"

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;
- 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.

AUDITORS

The auditors, Allotts Business Services Ltd, Statutory Auditor, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Yorkshire ArtSpace Society Limited

Report of the Trustees
For The Year Ended 31 March 2021

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 20 July 2021 and signed on its behalf by:

A handwritten signature in black ink, appearing to be 'D Peters', written over a horizontal line.

D Peters - Trustee

Report of the Independent Auditors to the Trustees of Yorkshire ArtSpace Society Limited

Opinion

We have audited the financial statements of Yorkshire ArtSpace Society Limited (the 'charitable company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 2021 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; 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.

Report of the Independent Auditors to the Trustees of
Yorkshire ArtSpace Society Limited

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management and examination of relevant documentation around actual and potential litigation and claims and fraud;
- Enquiry of management and review of routine audit testing to identify any instances of non-compliance with laws and regulations;
- Performing audit work over the risk of management override of controls, including review of nominal ledger transactions and other adjustments for appropriateness and evaluating the business rationale of any significant transactions outside the normal course of business;
- Reviewing accounting estimates for bias;
- Reviewing minutes of trustee meetings.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.



for and on behalf of Allotts Business Services Ltd, Statutory Auditor
Chartered Accountants
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
The Old Grammar School
13 Moorgate Road
Rotherham
South Yorkshire
S60 2EN

Date: 12/08/2021

Yorkshire ArtSpace Society Limited

**Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
For The Year Ended 31 March 2021**

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and grants	3	55,131	-	55,131	-
Charitable activities	4				
Support and promotion of arts and crafts		297,991	75,275	373,266	414,627
Total		<u>353,122</u>	<u>75,275</u>	<u>428,397</u>	<u>414,627</u>
EXPENDITURE ON					
Charitable activities	5				
Support and promotion of arts and crafts		326,235	211,068	537,303	559,121
NET INCOME/(EXPENDITURE)		<u>26,887</u>	<u>(135,793)</u>	<u>(108,906)</u>	<u>(144,494)</u>
RECONCILIATION OF FUNDS					
Total funds brought forward		31,057	3,933,324	3,964,381	4,108,875
TOTAL FUNDS CARRIED FORWARD		<u>57,944</u>	<u>3,797,531</u>	<u>3,855,475</u>	<u>3,964,381</u>

The notes form part of these financial statements

Yorkshire ArtSpace Society Limited (Registered number: 03034923)

Balance Sheet
31 March 2021

	Notes	2021 £	2020 £
FIXED ASSETS			
Tangible assets	12	3,808,672	3,947,250
CURRENT ASSETS			
Debtors	13	5,531	7,108
Cash at bank and in hand		114,507	56,151
		120,038	63,259
CREDITORS			
Amounts falling due within one year	14	(73,235)	(46,128)
NET CURRENT ASSETS		46,803	17,131
TOTAL ASSETS LESS CURRENT LIABILITIES		3,855,475	3,964,381
NET ASSETS		3,855,475	3,964,381
FUNDS	17		
Unrestricted funds		57,944	31,057
Restricted funds		3,797,531	3,933,324
TOTAL FUNDS		3,855,475	3,964,381

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2021.

The members have not deposited notice, pursuant to Section 476 of the Companies Act 2006 requiring an audit of these financial statements.

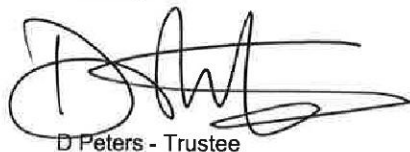
The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been audited under the requirements of Section 145 of the Charities Act 2011.

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

The financial statements were approved by the Board of Trustees and authorised for issue on 20 July 2021 and were signed on its behalf by:



D Peters - Trustee

Yorkshire ArtSpace Society Limited

Notes to the Financial Statements For The Year Ended 31 March 2021

1. LEGAL FORM

The charity is a private company limited by guarantee and registered in England and Wales. Its registered office and activities are set out in the Trustees' Report.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS102, have been prepared in accordance with the Charities SORP (FRS102) '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 United Kingdom and Republic of Ireland (FRS102) (effective 1 January 2019)', the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102) (effective 1 January 2019), and the Companies Act 2006. The financial statements have been prepared under the historical cost convention. The charity is a public benefit entity.

The charity was able to keep studios available to artists at all times despite coronavirus restrictions and has not experienced increased vacancies. Therefore the trustees remain confident the going concern basis remains appropriate.

Income

All incoming resources are included on the Statement of Financial Activities when the charity is entitled to the income, it is probable that the income will be received and the amount can be quantified with reasonable accuracy.

Grants received with conditions imposed by the donor over the timing of the related expenditure are deferred to the stated period.

Grants that involve the provision of services in furtherance of the funder's objectives are recognised when those services are provided.

Income received in advance of recognition is included as deferred income within creditors.

Income is only netted off against expenditure where not material.

Donated services and facilities are valued at an estimate of the price the charity would have paid for an equivalent item in an open market.

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.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Support costs

In the opinion of the trustees, the proportion of overheads attributable to management and administration of the charity is not material and has therefore not been shown separately.

Value added tax

Income and expenditure includes irrecoverable VAT.

Allocation and apportionment of costs

In the opinion of the trustees, the proportion of overheads attributable to management and administration of the charity is not material and has therefore not been shown separately.

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 building (Exchange Place Studios)	- 2.5% on cost
Long leasehold building (Persistence Works)	- 2% on cost
Furniture and equipment	- 20% on reducing balance

The costs of financing the construction of the charity's premises have been capitalised. In the year these totalled £nil.

Taxation

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

Yorkshire ArtSpace Society Limited

Notes to the Financial Statements - continued **For The Year Ended 31 March 2021**

2. ACCOUNTING POLICIES - continued

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees. These include funds freely available to the charity for expenditure or appropriation to reserves for internally designated purposes.

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.

Debtors and creditors

Debtors and creditors are measured at the amount expected to be received or paid less any future charges.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

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

Consolidation

As explained in the notes, the charity has a trading subsidiary. However the group's income is less than £500,000. Therefore consolidated accounts have not been prepared and these accounts present information about the charity and not about its group.

3. DONATIONS AND GRANTS

	2021 £	2020 £
Grants	55,131	-

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

	2021 £	2020 £
Exceptional coronavirus grants	55,131	-

4. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2021 £	2020 £
Grants	Support and promotion of arts and crafts	73,192	86,870
Members' contributions	Support and promotion of arts and crafts	297,962	313,325
Programme income	Support and promotion of arts and crafts	2,112	10,765
Other income	Support and promotion of arts and crafts	-	3,667
		<u>373,266</u>	<u>414,627</u>

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

	2021 £	2020 £
Arts Council regular funding	73,192	71,870
City of Ideas capital grant	-	15,000
	<u>73,192</u>	<u>86,870</u>

Yorkshire ArtSpace Society Limited

**Notes to the Financial Statements - continued
For The Year Ended 31 March 2021**

5. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Grant funding of activities (see note 6) £	Support costs (see note 7) £	Totals £
Support and promotion of arts and crafts	532,425	1,248	3,630	537,303

6. GRANTS PAYABLE

	2021 £	2020 £
Support and promotion of arts and crafts	1,248	22,334

The total grants paid to individuals during the year was as follows:

	2021 £	2020 £
Microgrants awarded to arts and crafts businesses	1,248	22,334

7. SUPPORT COSTS

	Governance costs £
Support and promotion of arts and crafts	3,630

8. NET INCOME/(EXPENDITURE)

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

	2021 £	2020 £
Auditor's fees for audit services	1,540	1,520
Auditor's fees for non-audit services	2,090	1,730
Depreciation - owned assets	138,578	141,814
Other operating leases	24	2,527
Government arts grant	(73,192)	(71,870)
Government capital grant	-	(15,000)
Government coronavirus grants	(55,131)	-
Exceptional studio costs	17,293	-

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2021 nor for the year ended 31 March 2020.

There were no disclosable transaction with trustees. Any transactions with entities in which trustees have an interest are shown in the related party note.

Trustees' expenses

No trustees were reimbursed for personal expenditure incurred in the proper performance of their duties as trustees in either the current or previous year.

Yorkshire ArtSpace Society Limited

**Notes to the Financial Statements - continued
For The Year Ended 31 March 2021**

10. STAFF COSTS

	2021 £	2020 £
Wages and salaries	139,201	128,280
Social security costs	10,386	7,560
Other pension costs	2,806	2,450
	<u>152,393</u>	<u>138,290</u>

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

	2021	2020
Charitable activities	6	5
Administration	1	1
	<u>7</u>	<u>6</u>

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

Key management personnel remuneration was £70,803 (2020: £61,710).

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Charitable activities			
Support and promotion of arts and crafts	318,779	95,848	414,627
EXPENDITURE ON			
Charitable activities			
Support and promotion of arts and crafts	324,941	234,180	559,121
NET INCOME/(EXPENDITURE)	<u>(6,162)</u>	<u>(138,332)</u>	<u>(144,494)</u>
RECONCILIATION OF FUNDS			
Total funds brought forward	37,219	4,071,656	4,108,875
TOTAL FUNDS CARRIED FORWARD	<u>31,057</u>	<u>3,933,324</u>	<u>3,964,381</u>

Yorkshire ArtSpace Society Limited

**Notes to the Financial Statements - continued
For The Year Ended 31 March 2021**

12. TANGIBLE FIXED ASSETS

	Long leasehold building (Exchange Place Studios) £	Long leasehold building (Persistence Works) £	Furniture and equipment £	Totals £
COST				
At 1 April 2020 and 31 March 2021	847,622	5,222,259	161,707	6,231,588
DEPRECIATION				
At 1 April 2020	209,374	1,977,966	96,998	2,284,338
Charge for year	21,191	104,445	12,942	138,578
At 31 March 2021	230,565	2,082,411	109,940	2,422,916
NET BOOK VALUE				
At 31 March 2021	617,057	3,139,848	51,767	3,808,672
At 31 March 2020	638,248	3,244,293	64,709	3,947,250

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade debtors	5,531	7,108

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade creditors	22,053	3,858
Members' deposits	18,418	26,658
Social security and other taxes	12,036	8,808
Accruals and deferred income	20,728	6,804
	73,235	46,128

15. LEASING AGREEMENTS

The minimum lease payments falling due for operating leases were:

	2021 £	2020 £
Within one year	100	100
In the second to fifth years	400	400
After more than five years	9,800	9,900
	10,300	10,400

Yorkshire ArtSpace Society Limited

Notes to the Financial Statements - continued
For The Year Ended 31 March 2021

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
Fixed assets	11,141	3,797,531	3,808,672	3,947,250
Current assets	119,732	306	120,038	63,259
Current liabilities	(72,929)	(306)	(73,235)	(46,128)
	<u>57,944</u>	<u>3,797,531</u>	<u>3,855,475</u>	<u>3,964,381</u>

17. MOVEMENT IN FUNDS

	At 1.4.20 £	Net movement in funds £	Transfers between funds £	At 31.3.21 £
Unrestricted funds				
General fund	-	27,498	19,305	46,803
Building Maintenance	-	(611)	611	-
Programme	21,351	-	(21,351)	-
Rates Contingency	9,706	-	(9,706)	-
Fixed assets fund	-	-	11,141	11,141
	<u>31,057</u>	<u>26,887</u>	<u>-</u>	<u>57,944</u>
Restricted funds				
National Lottery Building Costs	2,333,757	(74,866)	-	2,258,891
ERDF Building Costs	902,063	(29,307)	-	872,756
English Partnerships Building Costs	8,473	(272)	-	8,201
Arts Council development project	923	(185)	-	738
Arts Council Small Capital Grant	475,000	(12,500)	-	462,500
Sheffield City Council donation in kind	89,300	(2,350)	-	86,950
Capital donations & fundraising	9,296	(245)	-	9,051
Required contribution from retained funds to capital project	114,512	(16,068)	-	98,444
	<u>3,933,324</u>	<u>(135,793)</u>	<u>-</u>	<u>3,797,531</u>
TOTAL FUNDS	<u>3,964,381</u>	<u>(108,906)</u>	<u>-</u>	<u>3,855,475</u>

Yorkshire ArtSpace Society Limited

Notes to the Financial Statements - continued
For The Year Ended 31 March 2021

17. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	353,122	(325,624)	27,498
Building Maintenance	-	(611)	(611)
	<u>353,122</u>	<u>(326,235)</u>	<u>26,887</u>
Restricted funds			
National Lottery Building Costs	-	(74,866)	(74,866)
ERDF Building Costs	-	(29,307)	(29,307)
English Partnerships Building Costs	-	(272)	(272)
Arts Council regular funding	73,192	(73,192)	-
Programme Activity	2,083	(2,083)	-
Arts Council development project	-	(185)	(185)
Arts Council Small Capital Grant	-	(12,500)	(12,500)
Sheffield City Council donation in kind	-	(2,350)	(2,350)
Capital donations & fundraising	-	(245)	(245)
Required contribution from retained funds to capital project	-	(16,068)	(16,068)
	<u>75,275</u>	<u>(211,068)</u>	<u>(135,793)</u>
TOTAL FUNDS	<u>428,397</u>	<u>(537,303)</u>	<u>(108,906)</u>

Comparatives for movement in funds

	At 1.4.19 £	Net movement in funds £	Transfers between funds £	At 31.3.20 £
Unrestricted funds				
General fund	-	(5,398)	5,398	-
Building Maintenance	-	(764)	764	-
Programme	21,351	-	-	21,351
Rates Contingency	15,868	-	(6,162)	9,706
	<u>37,219</u>	<u>(6,162)</u>	<u>-</u>	<u>31,057</u>
Restricted funds				
National Lottery Building Costs	2,408,623	(74,866)	-	2,333,757
ERDF Building Costs	931,370	(29,307)	-	902,063
English Partnerships Building Costs	8,745	(272)	-	8,473
Arts Council development project	1,154	(231)	-	923
Arts Council Small Capital Grant	487,500	(12,500)	-	475,000
Sheffield City Council donation in kind	91,650	(2,350)	-	89,300
Capital donations & fundraising	9,541	(245)	-	9,296
Required contribution from retained funds to capital project	133,073	(18,561)	-	114,512
	<u>4,071,656</u>	<u>(138,332)</u>	<u>-</u>	<u>3,933,324</u>
TOTAL FUNDS	<u>4,108,875</u>	<u>(144,494)</u>	<u>-</u>	<u>3,964,381</u>

Yorkshire ArtSpace Society Limited

Notes to the Financial Statements - continued
For The Year Ended 31 March 2021

17. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	318,779	(324,177)	(5,398)
Building Maintenance	-	(764)	(764)
	<u>318,779</u>	<u>(324,941)</u>	<u>(6,162)</u>
Restricted funds			
National Lottery Building Costs	-	(74,866)	(74,866)
ERDF Building Costs	-	(29,307)	(29,307)
English Partnerships Building Costs	-	(272)	(272)
Arts Council regular funding	71,870	(71,870)	-
Programme Activity	8,978	(8,978)	-
Arts Council development project	-	(231)	(231)
Arts Council Small Capital Grant	-	(12,500)	(12,500)
Sheffield City Council donation in kind	-	(2,350)	(2,350)
Capital donations & fundraising	-	(245)	(245)
Required contribution from retained funds to capital project	-	(18,561)	(18,561)
City of Ideas	15,000	(15,000)	-
	<u>95,848</u>	<u>(234,180)</u>	<u>(138,332)</u>
TOTAL FUNDS	<u>414,627</u>	<u>(559,121)</u>	<u>(144,494)</u>

Building Maintenance Fund

The trustees have assessed the possibility of major building repairs as an important risk facing the organisation. Therefore they have established a designated building maintenance fund to ensure that sufficient reserves are held to enable the charity to maintain the buildings to the desired standard.

A modest proportion of studio rents contributes to this fund to provide confidence in our ability to maintain high quality buildings, subject to the availability of unrestricted funds.

Funds have been used accordingly to fund significant inevitable but unpredictable repairs and in 2014 were used to fund development of the new studios.

The target has been increased to £150,000 and with both premises now full the trustees are confident this can be reached.

Programme Fund

In earlier years the trustees designated part of the charity's unrestricted funds to support the continuance of programme funding to stage artist residencies and other art programmes. Following a review of income and risks in the current year this is no longer considered relevant and the funds have been released to general unrestricted reserves.

Rates Contingency Fund

In an earlier year following a government announcement of a review of business rates, the trustees identified a risk of significant additional rates costs arising in the foreseeable future, the sudden imposition of which could cause financial difficulties if not properly anticipated and planned for. The trustees therefore designated part of the charity's unrestricted funds to support the charity in such a scenario. Given the time that has elapsed since the above announcement and the rates relief made available to small businesses in recent years, particularly during the coronavirus pandemic, the risk is no longer considered sufficient to justify this designated fund.

Fixed Assets Fund

The trustees have designated that part of the charity's unrestricted funds that is represented by the net book value of fixed assets. This is to reflect the reality that these amounts cannot readily be realised for other purposes.

Yorkshire ArtSpace Society Limited

Notes to the Financial Statements - continued
For The Year Ended 31 March 2021

18. RELATED PARTY DISCLOSURES

The charity is owed £nil (2020: £nil) by its non-trading subsidiary undertaking Yorkshire ArtSpace Gallery.

The charity received £833 contribution to art programme activity from South Yorkshire Housing Association, of which M Plowden is a director. This is an annual contribution which has been made for many years before her appointment.

19. TRADING SUBSIDIARY

On 6 December 2011 the charity established a trading subsidiary, Yorkshire ArtSpace Gallery (registered number 07873017), to operate an exhibition. It is a company incorporated in England and Wales and limited by guarantee with the charity as the only member. The company has not traded in the current and previous years. Its reserves were £nil.