



**PROPOSITION**

**Proposition RTHAPOE Ltd**  
**Annual report and financial statements**

**Year ended 30 April 2020**

Company no 11287355

Charity no 1182929



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## **Legal & administrative information**

<b>Charity name</b>	Proposition RTHAPOE Ltd	
<b>Other names</b>	Proposition	
<b>Charity registration no.</b>	1182929	
<b>Company registration no.</b>	11287355	
<b>Registered office</b>	9a Hornsey Rise Gardens London N19 3PP	
<b>Trustees</b>	Daniel Hudson Solomon Bailey-Barker Nissa Nishikawa Prof. Stuart Wolfe	Chair   <i>(resigned 14 April 2019)</i>
<b>Independent examiner</b>	Andy Nash Accounting & Consultancy Ltd Units 24 & 25 Goodsheds Container Village Hood Road Barry CF62 5QU	
<b>Principal bankers</b>	Unity Trust Bank PO Box 7193 Planetary Road Willenhall WV1 9DG	

## Trustees' annual report

The Board of Trustees, who are also Directors of the Charity for the purposes of the Companies Act, and Trustees for charity law purposes, submit their annual report and the financial statements of Proposition RTHAPOE Ltd for the year ended 30 April 2020. The Board of Trustees confirms that the annual report and financial statements of the Charity comply with current statutory requirements, including the Charity Act 2011, as well as the requirements of the Charity's governing document and the provisions of the 'Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) second edition (effective 1 January 2019)', the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), and the Companies Act 2006.

### Objectives and activities

#### Objects

The objects of the Charity, as set out in its Memorandum of Association, are:

- to:
  - promote the conversation, protection and improvement of the physical and natural environment; and,
  - advance the education of the general public in the same, in particular but not exclusively by:
    - funding research and training in the field of agroecology;
    - organising public lectures and events on the topic of agroecology;
    - promoting art to encourage the public to consider environmental issues and their place in nature; and,
    - supporting the creation of community-led food enterprises and agrarian settlements.
- to advance education in arts and craftsmanship in particular but not exclusively by:
  - organising and promoting public arts workshops, lectures, displays and other events; and,
  - providing affordable facilities for artists and craftsman which are open to the general public.

Throughout the process of determining these activities, the Trustees confirm that they have complied with the duty in section 4 of the Charities Act 2006 to have due regard to the public benefit guidance published by the

Charity Commission in determining the activities undertaken by the Charity.

#### Activities

##### Project brief

Proposition Studios is the first UK arts organisation focused on reimagining our civilization's role in the biosphere and inspiring public dialogue on *The Human as Part of Ecology*. We build bridges between expert landworkers and scientists who are developing regenerative farming practices, and creatives who are passionate about exploring and communicating the transformation of our civilisation's relationship to the living world.

If we are to take the concept of the Anthropocene seriously, we cannot aim to regenerate the biosphere solely by reducing human intervention in natural environments and reducing or redirecting resource consumption and pollution. We must explore ways in which our civilisation can actively increase biodiversity on a grand scale and create abundance not only for ourselves but for the myriad species on this planet.



Meeting Area in Malt Street Studios

##### The Human as Part of Ecology – Why Food?

Food is a fulcrum for human being's relationship with the living world. In the past 50 years there has been a meteoric decline in life on earth. Land vertebrates have declined by 60%, marine species' breeding biomass have declined by 65% and a 27 year study in Germany recorded a 75% decline in insect biomass. On our current trajectory more of the world will become uninhabitable in the near future due to rising sea levels and increasing temperatures. We must change this direction.

Food is at the very heart of these problems. The number one reason for the decline of land species is habitat loss, and of this, agriculture is the number one cause. Industrial fishing is one of the lead causes of decline in marine life. The scientists who carried out the research in Germany gave only one probable cause

for the rapid decline in insect numbers: agricultural intensification, which includes the use of agricultural chemicals.

Combine this with the fact that food as a whole has the largest greenhouse gas emissions of any sector, considering: fertiliser manufacturing, storage, transportation, cooking, agricultural chemical manufacturing, food processing, food packaging, farm machinery emissions, carbon released by cultivation, flooding rice paddies, and emissions from livestock.



*Artist Tour of Martin Crawford's Forest Garden*

Our civilisation's dominant form of agriculture results in not only the largest proportion of pollution, it is also responsible for monumental decline in the biosphere's ability to sequester carbon. Deforestation, soil erosion, destruction of grassland ecology, unmanaged grazing of uplands, poorly managed water, removal of hedgerows and cultivation that leaves soil absent of plant life all tip the scales further toward an atmosphere high in carbon. There is a similar story to be told about the influence our civilisation's agriculture has on the availability and quality of fresh water.

Thousands of farmers across the world are demonstrating there are many other ways of producing food that increase biodiversity and ecological resilience while providing for human needs. Cutting edge science is being combined with traditional practice to create farming systems that can be applied systematically to create ecological abundance in all climatic regions of the world. These pioneers have a message about the potential of humanity to create abundance in the biosphere, this message is the Proposition we are working to deliver.

Many of these issues around food are not a common part of public discourse. We need to eat and we need our food not to destroy our planet's living systems but instead to create abundance for future generations and the web of other living things.

We need to reimagine our role on this planet and provoke feelings that can drive us toward a future of prosperity. That is exactly what artists working with Proposition Studios are doing.



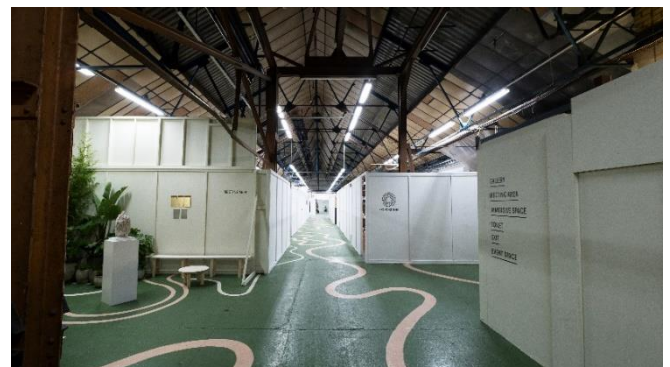
*The Spirit of the Beehive by Food of War*

Farmers are often working in almost complete obscurity, isolated and underrepresented despite their essential role in keeping us all alive. By connecting those working in innovative and regenerative farming practices with cultural voices we hope to forge a bridge bringing much needed attention and support for both and catalyse action.

### ***Overcoming artists' challenges***

A dominant elitist gallery system has resulted in culture which is not reflective of the diversity of our society and encourages people to engage with art as spectators rather than participants whose lives belong with the work. Our studios remove elitist barriers to entry. We offer very affordable spaces in London, access to free programmes with opportunities equivalent to those found in art school, radio and video broadcasting platforms for artists, opportunities to exhibit in our gallery, as well as paid commissions, access to curators and gallerists without charging commission on the sale of work, artist residencies on farms and all expenses paid R&D trips.

Our programme includes professional development, writing groups, movement workshops, film screenings, exhibitions, lectures and visiting tutorials. Proposition has partnerships with farms and research centres across the UK and undertakes tours for artists of cutting-edge biodiverse farming sites. We are developing an extensive residency programme which will enable artists to live on farms and bring their resulting work for exhibition in London and elsewhere in the UK as well as within local communities.



*Entrance to Malt St Studios in Peckham*

We do not subscribe to the myth of the romanticised starving artist. We believe in helping our community to generate income in original ways, as financial independence buys time which is invaluable for creatives and should not have to be a luxury. We believe supporting and empowering artists and engaging with local communities through culture generates a vast ripple effect that defies measurement. Our aim is not to project a centralised vision onto communities where our sites are based but rather to support communities in shaping the programme of each site to reflect the backgrounds of the place and the people there, amplify their interests and insights and help to foster a sense of place through art and community engagement.

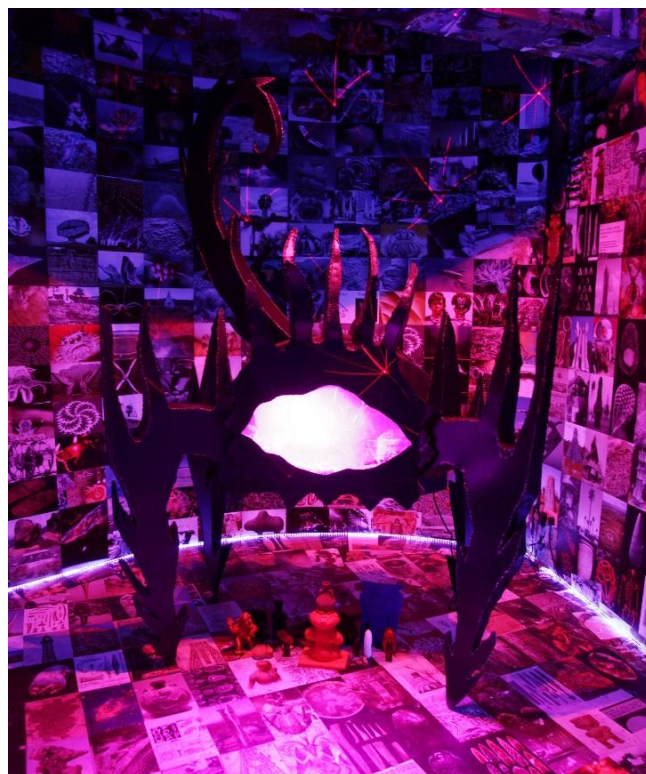
Though our studios are currently focused in London we are in negotiations with landlords about properties across the country to facilitate support for artists across the UK and plan to bring landworkers into cities and creatives onto farms, nurturing a web of collaboration, support, inspiration & initiative across currently unconnected areas.

### **Achievements and performance**

#### ***April 2019 to March 2020***

We were granted charitable status by the charities commission in April 2019 and shortly afterwards opened our first two studio centres, one in a grade II listed building in Shoreditch and the other in some ancillary workshops at an ex-army barracks in Holloway. We completed our fit out of these sites in June. In November we opened our third studio site in Peckham in a 22,000sq ft warehouse previously occupied by National Theatre prop hire. Across these three sites we provided studio space to more than 100 artists who were based at these premises producing an incredibly diverse range of work, from traditional figurative painting and mixed media sculpture through to digital painting, soundscapes, textile art and animatronics. We held 8 open studio days where members of the public and stakeholders were given tours of artists studios, introductions to artists and explanations of work from the artists themselves.

We opened our public program that included weekly writing workshops, movement workshops and critique groups and monthly public lectures which engaged a broad range of the public gathering together artists within our community, artists in local art institutions such as Camberwell College of Art, Goldsmiths University and UAL LCC, as well as artists from much further afield and local residents some of who would not normally attend such artistic events.



*Wyrd Codex: Requiem for the Holocene by Solomon Bailey-Barker*

In February we conducted our first artists tour of an Agroecology site, entirely funding the trip on a coach for 20 artists to go to Wakleyns Agroforestry in Suffolk and participate in a tree planting day hosted by E5 Bakery at their new farm also in Suffolk.

Despite the onset of the pandemic and lockdown in March we managed to keep the majority of our studio space open, maintaining distanced working, provision of PPE, safe working guidelines and ensuring ventilation was sufficient for the artists given permission to work in the studios.



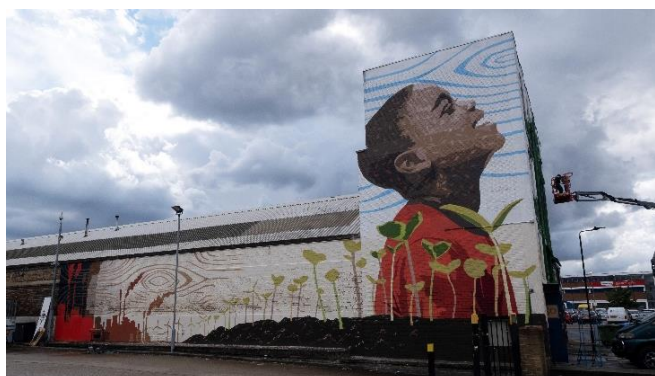
*Metamorphic Nativity by Cristiano Di Martino*

**April 2020 to January 2021**

During lockdown we suffered dramatic loss of income as the vast majority of our artists were unable to pay their licence fees. We managed to keep our staff in employment, our artists with space to make work and continue to manage and maintain our studio centres during this time by using our reserves, using our good standing with contractors to request clemency to delay the payment of invoices and very carefully reducing our expenditure wherever we could. This prevented us from having to acquire any additional debt. Subsequently we received a grant from the Art's Council of £30,000 and another from the Creative Land Trust of £15,000 which replenished some of the revenue lost and enabled us to press on with our public program.

Following the lifting of lockdown in June we hosted three socially distanced exhibitions showcasing work made by artists working in the studios. These exhibitions were conducted in our newly built gallery in the warehouse site in Peckham.

In June we commissioned a mural for our Peckham site on the theme of the project THE HUMAN AS PART OF ECOLOGY. This commission opportunity was offered out to the public through our network of artists and art organisations and advertised online. We had a great number of submissions and finally selected a work by Atma which was to be executed in assistance with veteran muralist Dreph who is one of the artists who makes work in our studios. This mural was a huge success, transforming an ugly neglected building at a roundabout in an industrial estate into a beacon of hope and vitality which generated an enormous amount of attention from locals who were conducting their shopping in the adjacent supermarkets and builders merchants. It also drew the attention and support of Southwark Council who wrote their own glowing press release about the mural and how it displayed a vision of hope and transformation for the local area. The mural told a story of an industrial area being transformed into something more ecologically sound and eventually into a fully fledged forest with an ecstatic child the centrepiece and an enormous tree covering the front of the building. We succeeded in getting a contribution of about 30% from the landlord of our Peckham site for the creation of this mural.



*Atma and Dreph Mural commissioned at Malt Street*

In August we commissioned our first immersive exhibition on the theme of THE HUMAN AS PART OF ECOLOGY. The commission was for an immersive exhibition where each artist would design a room in a labyrinth which guests would navigate their way through. We had more than 120 applications and commissioned 20 artists each with their own vision for a room in this immersive world. Our Creative Director Gabriella Sonabend curated this exhibition, designing the layout of the labyrinth and integrating the artists' world with each other to deliver different messages about humanities relationships with the biosphere. This exhibition named TERRA NEXUS opened to the public on October 10<sup>th</sup> and operated in a strictly socially distanced manner, allowing only six people into the exhibition at one time and only one household in each room within the labyrinth at any one time. We provided three tiers of ticketing: free for local residents and those on universal credit, half price for students and £10 full price. The exhibition was open 5 days a week from 11.00-19.00 with guests entering at half hour intervals. We had more than 500 ticketed customers come to the exhibition before the second lockdown on the 5<sup>th</sup> November. The exhibition has received rave reviews from The Elephant, Southwark News, and Guardian Environment Editor Damien Carrington and has hosted a range of guests from the arts, academia, environmental policy and activism.



*Terra Nexus Flyer*

As part of the Research and Development for this exhibition 20 of the commissioned artists were taken on an all expenses paid 4 day tour of agroecology sites in the UK, at the end of August. All artists travelled together in a coach, large enough for social distancing and with PPE. We first attended Martin Crawford's Forest Garden in Totnes where we were given a tour by Martin himself. We then passed through Oxford to have a dinner lecture and discussion by the world-renowned food writer and agroecology activist Colin Tudge. We

then moved on to Prof. Martin Wolfe's Wakelyns Agroforestry, and received a tour by one of Proposition's trustees, Daniel J Hudson, who was a student of Martin's. Our final tour was of Knepp Rewilding site in West Sussex where we received a tour by two ecologists who are carrying out research into the biodiversity benefits of the rewilding interventions carried out at there. We also interviewed head Chef Harrison Brockington at Gather, a restaurant using predominantly foraged ingredients.

We have recently acquired a 3 year lease for the 10<sup>th</sup>-13<sup>th</sup> floors of The London Studios on South Bank, next to the Hayward Gallery, the National Theatre, BFI and 15 minute walk from Tate Modern. We are creating more than 100 studios at this site along with a professional photography studio, a shared members' studio, an event space and four communal areas which are due to open in January. We are relocating our immersive exhibition TEERA NEXUS to London's South Bank, will be significantly expanding our public program to include live-stream broadcasting and will spread the message of biodiverse farming right in the heart of London, in what is one of the most significant arts locations in the world.

We hope you will come and visit our sites, attend our public program, watch and listen to our content online and participate to increase biodiversity and create a world immersed in art. Together we can transition into abundance.

## **Financial Review**

During the current financial year, the Charity achieved a surplus of £28,178, resulting in total reserves at year end of £28,178 all of which were unrestricted as to use, although only £4,353 of these reserves relate to net current assets.

## **Reserves Policy**

The Trustees are in the process of forming a reserves policy which takes account of the ongoing financial commitments as well as future lease liabilities.

The Trustees are confident that, after taking account of the future rental income the £4,353 of unrestricted reserves relating to net current assets is sufficient to meet current commitments.

## **Structure, Governance and Management**

### **Governing Document**

Proposition RTHAPOE Ltd is registered under the Companies Act 2006 as a company limited by guarantee and not having a share capital. It was incorporated as of 3 April 2018.

Proposition RTHAPOE Ltd became a registered charitable company as of the 10 April 2019.

The charitable company is governed under its Memorandum and Articles of Association.

The charity registration number is 1182929 (England and Wales) and the company registration number is 11287355 (England and Wales).

## **Recruitment and Appointment of Trustees**

The Trustees are also the directors of Proposition RTHAPOE Ltd for the purpose of company law. Proposition RTHAPOE Ltd Articles of Association require a minimum of three trustees and a maximum number of twelve.

A Trustee must retire after three years, and will be eligible for re-election subject to an overall limit of nine years. Only the current directors can appoint new directors.

## **Organisational structure**

The Trustees are responsible for the overall financial control, direction and work of the Charity. They will meet at least three times a year.

## **Risk management**

The Trustees have identified the following risks as part of their responsibilities for managing risk within the Charity:

### **COVID-19**

**Risk:** During the first lockdown our finances were negatively impacted as artists were unable to pay their licence fees. Another expended period of such a situation would compromise our ability to cover our running costs, which have now grown.

**Management:** We have secured a lending partner who would be able to make emergency loans in the event we could not pay our overheads. We would also employ the measured used in following the March lockdown in 2020 that enabled us to continue operating.

### **Economic hardships forcing artists to leave studios**

**Risk:** Many artists have been leaving London due to rising rents and cost of living that makes it difficult for them to produce work. This could be exasperated by Brexit if work becomes even less available.

**Management:** We price our studios based on maximum affordability for grassroots artists while still managing to cover our costs. We maintain a large waiting list and continue to advertise even while our studios are empty so that if artists leave our studios we are able to replace them and the revenue they bring in, quickly.

## **Statement of Board of Trustees' Responsibilities**

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations. Company law requires the Trustees to prepare financial statements for each financial year. Under that law they are required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the excess of income over expenditure for that period. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. In addition, the Trustees confirm that they are happy that content of the annual review, including the legal and administrative information, in pages 3 to 5 of this document meet the requirements of both the Trustees' Annual Report under charity law and the Directors' Report under company law.

They also confirm that the financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and

comply with the Charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014.

## **Preparation of the report**

This report has been prepared taking advantage of the small companies exemption of section 415A of the Companies Act 2006.

## **Independent Examiners**

The independent examiners, Andy Nash Accounting & Consultancy Ltd, have indicated their willingness to accept re-appointment under Section 485 of the Companies Act 2006.

This report was approved and authorised for issue by the Board of Trustees on 29 April 2021 and signed on its behalf by:



Daniel Hudson

## **Chair of Trustees**

## **Independent examiner's report to the board of trustees of Proposition RTHAPOE Ltd**

I report to the Trustees on my examination of the accounts of Proposition RTHAPOE Ltd (charity number 1182929 – England & Wales, company number 11287355) for the year ended 30 April 2020 which are set out on pages 10 to 16.

### **Respective responsibilities of trustees and examiner**

The Trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act'). The Trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 ('the 2011 Act') nor under Part 16 of the 2006 Act, and that an independent examination is needed.

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the general directions given by the Charity Commission under section 145(5)(b) of the Charities Act; and,
- to state whether particular matters have come to my attention.

This report, including my statement, has been prepared for and only for the Charity's Trustees as a body. My work has been undertaken so that I might state to the Charity's Trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees as a body for my examination work, for this report, or for the statements I have made.

### **Basis of independent examiner's statement**

My examination was carried out in accordance with general directions given by the Charity Commission. An examination includes a review of the accounting records kept by the Charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts and seeking explanations from the Trustees concerning any such matters.

The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the

accounts present a 'true and fair' view and the report is limited to those matters set out in the statement below.

### **Independent examiner's statement**

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

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

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



**Andrew Philip Nash ACA**

*Member of the Institute of Chartered Accountants in England and Wales – 2461833*

Dated: 30 April 2021

*Andy Nash Accounting & Consultancy Ltd*  
Units 24 & 25  
Goodsheds Container Village  
Hood Road  
Barry  
CF62 5QU

## Statement of financial activities

Incorporating the income & expenditure account and the statement of recognised gains & losses  
For the year ended 30 April 2020

	Notes	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £
<b>Income from</b>				
Donations & legacies	2	15,000	-	<b>15,000</b>
Charitable activities	3	49,112	-	<b>49,112</b>
<b>Total income</b>		<b>64,112</b>	<b>-</b>	<b>64,112</b>
<b>Expenditure on</b>				
Charitable activities	4	35,934	-	<b>35,934</b>
<b>Total expenditure</b>		<b>35,934</b>	<b>-</b>	<b>35,934</b>
Net income/(expenditure)		<b>28,178</b>	<b>-</b>	<b>28,178</b>
<b>Reconciliation of funds</b>				
Total funds brought forward	8 & 9	-	-	<b>-</b>
<b>Total funds carried forward</b>	8 & 9	<b>28,178</b>	<b>-</b>	<b>28,178</b>

The notes on pages 12 to 16 form part of the financial statements.

There are no comparative figures presented as this is the first year of financial activities.

## **Balance sheet**

**As at 30 April 2020**

	<i>Notes</i>	<b>Total Funds 2020 £</b>
<b>Fixed assets</b>		
Tangible fixed assets	5	<b>46,396</b>
<b>Total fixed assets</b>		<b>46,396</b>
<b>Current assets</b>		
Cash at bank and in hand		<b>12,255</b>
<b>Total current assets</b>		<b>12,255</b>
Creditors - amounts falling due within one year	6	<b>(7,902)</b>
<b>Net current assets</b>		<b>4,353</b>
Creditors - due in more than one year	7	<b>(22,571)</b>
<b>Total net assets</b>		<b>28,178</b>
<b>Funds of the charity</b>		
<b>Unrestricted</b>		
General	8 & 9	<b>28,178</b>
<b>Total unrestricted</b>		<b>28,178</b>
<b>Total funds</b>		<b>28,178</b>

The notes on pages 12 to 16 form part of the financial statements.

There are no comparative figures presented as this is the first year of financial activities.

The financial statements have been prepared in accordance with section 415A of the Companies Act 2006 relating to small companies and FRS 102 Section 1A.

The charitable company is entitled to exemption from audit under section 477 of the Companies Act 2006 for the year ended 30 April 2020, and the members have not required the charitable company to obtain an audit of its financial statements for the year ended 30 April 2020 under section 476 of the Companies Act 2006.



Daniel Hudson

**Chair of Trustees**

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of the accounts.

They were approved and authorised for issue by the Board of Trustees on 29 April 2021 and signed on their behalf by:

## **Notes to the financial statements**

### **1. Accounting policies**

#### **Basis of preparation of the financial statements**

The financial statements have been prepared in accordance with 'Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) second edition (effective 1 January 2019)', the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The effect of any event relating to the period ended 30 April 2020, which occurred before the date of approval of the financial statements by the Board of Trustees has been included in the financial statements to the extent required to show a true and fair view of the state of affairs at 30 April 2020 and the results for the year ended on that date.

Under the exemption available to smaller charities the Board of Trustees has chosen not to include a Statement of Cash Flows within the financial statements.

The functional currency of the Charity is sterling and amounts in the financial statements are rounded to the nearest pound.

#### **Going concern**

The financial statements have been prepared on the going concern basis as the Board of Trustees is confident that future reserves and future income is more than sufficient to meet current commitments. There are no material uncertainties that impact this assessment, and the ongoing global COVID-19 pandemic has had no material impact on this.

#### **Legal status**

Proposition RTHAPOE Ltd is a charitable company registered in England & Wales (no. 11287355) and meets the definition of a public benefit entity. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member. The registered address is 9a Hornsey Rise Gardens, London, N19 3PP.

#### **Fund Accounting**

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

Designated funds comprise of unrestricted funds that have been set aside by the Trustees for particular

purposes. The aim and use of each designated fund is set out in note 8 of the financial statements.

Restricted funds are funds that are to be used in accordance with specific restrictions imposed by donors or that have been raised by the Charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in note 8 of the financial statements.

#### **Income**

Income is recognised when the Charity has entitlement to the funds, any performance indicators attached to the item(s) of income have been met, it is probable that the income will be received, and the amount can be measured reliably.

Donations are recognised in full in the Statement of Financial Activities when entitled, receipt is probable and when the amount can be quantified with reasonable accuracy. Gift aid receivable is included when claimable.

Grant income is credited to the Statement of Financial Activities when received or receivable whichever is earlier, unless the grant relates to a future period, in which case it is deferred.

Income from charitable activities is credited to the Statement of Financial Activities when received or receivable whichever is earlier, unless it relates to a specific future period or event, in which case it is deferred.

#### **Expenditure and irrecoverable VAT**

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities.

Indirect costs, including governance costs, which cannot be directly attributed to activities, are allocated directly to charitable activities as this is the focus of all staff time. A breakdown of these expenses is outlined in note 4 of the financial statements.

Irrecoverable VAT is charged against the category of expenditure for which it was incurred.

#### **Operating leases**

Rentals payable under operating leases are taken to the statement of financial activities on a straight-line basis over the lease term.

### **Tangible fixed assets and depreciation**

All assets costing more than £500 are capitalised.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their residual value, over their useful life, on a straight-line basis. The useful life used is:

Leasehold improvements	3 years
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If the remaining minimum lease period is less than 3 years then the useful life is deemed to be the remaining minimum lease period.

### **Cash at bank and in hand**

Cash at bank and in hand includes cash in hand, deposits with banks and funds that are readily convertible into cash at, or close to, their carrying values, but are not held for investment purposes.

### **Debtors and prepayments**

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

## **2. Income from donations and legacies**

### **Creditors and accruals**

Creditors are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party, and the amount due to settle the obligation can be measured or estimated reliably.

### **Financial instruments**

Basic financial instruments are measured at amortised cost other than investments which are measured at fair value.

### **Critical estimates and judgements**

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. The treatment of tangible fixed assets is sensitive to changes in useful economic lives and residual values of assets. In the view of the Trustees in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

Grant income

Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £
15,000	-	15,000
<b>15,000</b>	<b>-</b>	<b>15,000</b>

## **3. Income from charitable activities**

Provision of studio space

Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £
49,112	-	49,112
<b>49,112</b>	<b>-</b>	<b>49,112</b>

Of the income received for provision of studio space in the year, £45,151 was received by Oaksure Property Protection Ltd on behalf of Proposition RTHAPOE Ltd whilst they were awaiting their bank account to be opened.

#### **4. Expenditure on charitable activities**

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £
Property maintenance	2,511	-	<b>2,511</b>
Depreciation on leasehold improvements	14,402	-	<b>14,402</b>
Tours	620	-	<b>620</b>
Administration	935	-	<b>935</b>
Consultants	6,386	-	<b>6,386</b>
Marketing	5,500	-	<b>5,500</b>
Governance	5,580	-	<b>5,580</b>
	<b>35,934</b>	<b>-</b>	<b>35,934</b>

Of the expenditure incurred in the year, £22,423 was paid by Oaksure Property Protection Ltd on behalf of

Proposition RTHAPOE Ltd whilst they were awaiting their bank account to be opened.

Governance costs comprise of the following expenses:

	Total Funds 2020 £
Legal costs	<b>4,500</b>
Independent examination	<b>1,080</b>
	<b>5,580</b>

#### **5. Tangible fixed assets**

	Leasehold improvements £	Total £
<b>Cost</b>		
Balance as of 1 May 2019	-	-
Additions in year	60,798	<b>60,798</b>
Balance as of 30 April 2020	<b>60,798</b>	<b>60,798</b>
<b>Accumulated depreciation</b>		
Balance as of 1 May 2019	-	-
Charge in year	14,402	<b>14,402</b>
Balance as of 30 April 2020	<b>14,402</b>	<b>14,402</b>
<b>Net book value</b>		
Balance as of 1 May 2019	-	-
Balance as of 30 April 2020	<b>46,396</b>	<b>46,396</b>

## **6. Creditors – amounts falling due within one year**

	<b>Total Funds 2020 £</b>
Deposits held	<b>6,822</b>
Accruals	<b>1,080</b>
	<b>7,902</b>

## **7. Creditors – amounts falling due in greater than one year**

	<b>Total Funds 2020 £</b>
Loan from Oaksure Property Protection	<b>22,571</b>
	<b>22,571</b>

During the current financial Proposition RTHAPOE received a loan totalling £67,722 from Oaksure Property Protection Ltd, a related party (see note 12), of which £22,571 remained outstanding at year end. The loan is at 0% interest and there is no fixed repayment term,

nor an obligatory regular payment schedule or security against any of the charity's assets. There is also no term within the agreement that allows Oaksure Property Protection Ltd the ability to demand immediate repayment.

## **8. Analysis of charity funds**

	Funds brought forward 2020 £	Income in year 2020 £	Expenditure in year 2020 £	Net gains/ (losses) on revaluation 2020 £	<b>Funds carried forward 2020 £</b>
<i>Unrestricted funds</i>	-	64,112	(35,934)	-	28,178
	-	64,112	(35,934)	-	28,178

## **9. Analysis of net assets**

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	<b>Total Funds 2020 £</b>
Fixed assets	46,396	-	<b>46,396</b>
Current assets	12,255	-	<b>12,255</b>
Current liabilities	(7,902)	-	<b>(7,902)</b>
Non-current liabilities	(22,571)	-	<b>(22,571)</b>
	<b>28,178</b>	<b>-</b>	<b>28,178</b>

## **10. Other financial commitments**

At 30 April 2020, the Charity had no other financial commitments or contingent liabilities.

## **11. Trustee remuneration**

During the year, no Trustee received any remuneration. No members of the Board of Trustees received reimbursement of expenses related to attendance at trustee meetings.

## **12. Related party transactions**

During the current financial year, Proposition RTHAPOE Ltd received a loan totalling £67,722 from Oaksure Property Protection Ltd, a related party (see note 12), to support the fit-out of the first studios. £22,571 remained outstanding at year end. The loan is at 0% interest and there is no fixed repayment term, nor an obligatory regular payment schedule. There is also no term within the agreement that allows Oaksure Property Protection Ltd the ability to demand immediate repayment. Oaksure Property Protection Ltd is a private limited company with two directors, one of whom is Daniel Hudson who is Chair of the Board of Trustees of Proposition RTHAPOE Ltd.

In addition, Oaksure Property Protection Ltd provided use of three property spaces for artist studios free of charge (no rent and no contribution towards utilities). These properties were Malt Street, Parkhurst Road and Bedford House.









# PRO001 - Final Accounts - 30 April 2020

Final Audit Report

2021-04-30

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