

NATIONAL CENTRE FOR CREATIVE HEALTH

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD FROM 22 JULY 2020 TO 31 JULY 2021

Edwards & Keeping

Chartered Accountants

NATIONAL CENTRE FOR CREATIVE HEALTH

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NATIONAL CENTRE FOR CREATIVE HEALTH

REFERENCE AND ADMINISTRATIVE DETAILS

Chairman	Lord Alan Thomas Howarth of Newport CBE
Trustees	Mr William Andrew Boa Ms Helen Jane Chatterjee MBE Prof Martin Green OBE (appointed 19 June 2021) Ms Debbie Teale (appointed 24 March 2021) Dr Guddi Viyaya Rani Singh (appointed 24 March 2021) Mr David Charles Clayton-Smith (appointed 24 March 2021)
Principal Office	PO Box 948 Oxford OX1 9TY
Charity Registration Number	1190515
Independent Examiner	H E Jones BA (Hons) FCCA Edwards & Keeping Chartered Accountants Unity Chambers 34 High East Street Dorchester Dorset DT1 1HA

NATIONAL CENTRE FOR CREATIVE HEALTH

TRUSTEES' REPORT

The trustees present the annual report together with the financial statements of the charity for the period ended 31 July 2021.

Objectives and activities

Objects and aims

The object of the CIO is to advance health and wellbeing by supporting the provision of art, culture and creativity.

Public benefit

The trustees have considered the Charity Commission's guidance on public benefit, which is achieved through the following charity's activities:-

- advocating the role of creativity within the health sector;
- promoting good practice amongst those who work in the health sector;
- promoting partnership working amongst those who work in the health sector;
- promoting training amongst each of those groups so as to better enable them to deliver arts, culture and social care within the health sector for the public benefit.

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Achievements and performance

The National Centre for Creative Health (NCCH) was registered as a charity in July 2020. Although the charity is new, it builds on developments since the establishment of the All-Party Parliamentary Group on Arts, Health and Wellbeing (APPG AHW) in 2014. The NCCH was formed in response to recommendation 1 in the APPG AHW's inquiry report, Creative Health: The Arts for Health and Wellbeing, which was published in 2017. The website www.ncch.org.uk was developed and went live in February 2021 and the NCCH launched officially on March 9th 2021. The online launch was attended by 500 people.

Until April 2021, the NCCH was hosted by Arts & Health South West (AHSW) who managed the finances and oversaw the transition. We are grateful to AHSW for providing us with this governance support and for receiving the funds from Paul Hamlyn Foundation and Wellcome to enable the NCCH to be established. I am also very grateful to our other two founding trustees, Professor Helen Chatterjee and Bill Boa, for working with me during those first months to ensure the NCCH was in a strong position to become fully independent in May 2021. These financial accounts therefore cover the period May-July 2021. In May we carried forward £34,000 from AHSW. Paul Hamlyn Foundation agreed to a grant of £40,000 per annum over two years and Wellcome gave us an additional £20,000 for 2021-22.

The NCCH uses the ten recommendations in the Creative Health report as a framework for further developments. We support the Creative Health Champions Network, established in response to Recommendation 3. Recommendation 4 led to our Creative Health Hubs programme, which is being delivered in partnership with NHS England and Integrated Care Systems (ICSs). In March 2021 we began work with four ICSs: Gloucestershire; West Yorkshire; Suffolk & North-East Essex; and Shropshire, Telford & Wrekin. Contracts with Gloucestershire (£30,000) and West Yorkshire (£30,000) were agreed to deliver in-depth work on planning for further strategic development in those two ICSs. A further contract with Arts Council England (£9,999) enabled us to gather data on creative health work in another four ICS areas: North-East and North Cumbria; Kent and Medway; South-East London; and Devon.

TRUSTEES' REPORT

In the same period we began discussions with Oak Foundation and The Baring Foundation to secure further funding to support the core activities of the NCCH and to enable us to deliver our Creative Health Huddles programme.

By July we had agreed a partnership with the Arts and Humanities Research Council, supported by the Natural Environment Research Council and the Medical Research Council, to host a Research Fellowship and work jointly with University College London on a research programme: Mobilising cultural and natural assets to mitigate health inequalities.

Three trustees, David Clayton-Smith, Debs Teale and Dr Guddi Singh were appointed to the board in April 2021 and Martin Green joined the board as a trustee in June 2021. An advisory group of people who had been involved in the two-year inquiry continued to support the process of establishing the NCCH. The Creative Health Champions network has grown to include people working at a strategic level in 25 of the 42 ICSs in England. These groups meet three times a year and provide the NCCH with a wide range of expertise to draw on, including lived experience. We have a Memorandum of Understanding with the Culture, Health and Wellbeing Alliance (CHWA) and the Lived Experience Network (LENs) and work closely with them in aligning our work and collaborating where possible. Along with CHWA, we provide the secretariat for the APPG AHW. I am most grateful to all of our trustees, colleagues, champions and advisers for their help.

We are extremely grateful to the Paul Hamlyn Foundation, Wellcome, Oak Foundation and The Baring Foundation who have very kindly funded us thus far. They make our work possible and we seek to justify the confidence they have shown in us.

I would like to express, on behalf of the trustees and the creative health sector, my particular gratitude to Alex Coulter, our Director, for her tireless and effective work, enabling the charity to make the remarkable progress that I believe it has in a short time. I also thank the other members of the NCCH staff team: Alexis Butt, our General Manager, Sarah Holmes, our Finance Manager, and the freelance staff who have been working with us on our Hubs and Huddles programmes.

Financial review

Total income for the period was £36,513, of which £11,133 was restricted. Expenditure for the period totalled £17,812, of which £5,100 was restricted. Net income for the year was £18,701. Total funds at 31 July 2021 amounted to £18,701, split £12,668 unrestricted and £6,033 restricted.

Policy on reserves

At 31 July 2021 free reserves were £12,668.

NCCH maintains free unrestricted reserves:

- to provide a level of working capital that protects the continuity of our core work – this will be equivalent to three months of committed operating expenditure.
- to provide a level of funding for unexpected opportunities – this will be determined annually as budgets are approved and will be expressed as a % of income or absolute sum.
- to provide cover for risks such as unforeseen expenditure or unanticipated loss of income – this will be determined annually as budgets are approved and will be expressed as a % of income or absolute sum.

The Board of Trustees will review the above criteria with reference to NCCH's strategy and Annual Plan and determine the target level of free reserves to meet these.

The Board of Trustees will at times designate funds from free reserves for significant project costs or replacement of major assets.

NATIONAL CENTRE FOR CREATIVE HEALTH

TRUSTEES' REPORT

Structure, governance and management

Nature of governing document

National Centre for Creative Health is a Charitable Incorporated Organisation governed by a Constitution adopted and registered with the Charity Commission on 21 July 2020.

Recruitment and appointment of trustees

The trustees manage the affairs of the CIO. There must be at least three charity trustees. If the number falls below this minimum, the remaining trustee or trustees may act only to call a meeting of the charity trustees or appoint a new charity trustee.

Apart from the first charity trustees, every trustee must be appointed for a term of three years by a resolution passed at a properly convened meeting of charity trustees.

In selecting individuals for appointment as charity trustees, the charity trustees must have regard to the skills, knowledge and experience needed for the effective administration of the CIO.

Induction and training of trustees

The charity trustees will make available to each new trustee a copy of the current version of the constitution, plus a copy of the CIO's latest trustees' annual report and statement of accounts.

The trustees review major risks regularly and systems have been established to manage those risks.

The annual report was approved by the trustees of the charity on 19 May 2022 and signed on its behalf by:

Lord Alan Thomas Howarth of Newport CBE
Chairman

NATIONAL CENTRE FOR CREATIVE HEALTH

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

The law applicable to charities requires the trustees to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity 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 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 charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the constitution. The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the trustees of the charity on 19 May 2022 and signed on its behalf by:

Lord Alan Thomas Howarth of Newport CBE
Chairman

NATIONAL CENTRE FOR CREATIVE HEALTH

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF NATIONAL CENTRE FOR CREATIVE HEALTH

I report to the charity trustees on my examination of the accounts of the charity for the period ended 31 July 2021 which are set out on pages 7 to 14.

Respective responsibilities of trustees and examiner

As the charity's trustees of National Centre for Creative Health you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the National Centre for Creative Health's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

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:

1. accounting records were not kept in respect of National Centre for Creative Health as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 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.

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.

H E Jones BA (Hons) FCCA
Chartered Accountants

Unity Chambers
34 High East Street
Dorchester
Dorset
DT1 1HA

23 May 2022

NATIONAL CENTRE FOR CREATIVE HEALTH

STATEMENT OF FINANCIAL ACTIVITIES FOR THE PERIOD FROM 22 JULY 2020 TO 31 JULY 2021

	Note	Unrestricted funds £	Restricted funds £	Total 31 July 2021 £
Income and Endowments from:				
Donations and legacies	2	<u>25,380</u>	<u>11,133</u>	<u>36,513</u>
Expenditure on:				
Total Expenditure	3	<u>(12,712)</u>	<u>(5,100)</u>	<u>(17,812)</u>
Net movement in funds		<u>12,668</u>	<u>6,033</u>	<u>18,701</u>
Reconciliation of funds				
Total funds carried forward	9	<u>12,668</u>	<u>6,033</u>	<u>18,701</u>

All of the charity's activities derive from continuing operations during the above period.

NATIONAL CENTRE FOR CREATIVE HEALTH

(REGISTRATION NUMBER: 1190515)
BALANCE SHEET AS AT 31 JULY 2021

	Note	31 July 2021 £
Current assets		
Debtors	7	30,000
Cash at bank and in hand		<u>58,331</u>
		88,331
Creditors: Amounts falling due within one year	8	<u>(69,630)</u>
Net assets		<u>18,701</u>
Funds of the charity:		
Restricted funds		6,033
Unrestricted income funds		
Unrestricted funds		<u>12,668</u>
Total funds	9	<u>18,701</u>

The financial statements on pages 7 to 14 were approved by the trustees, and authorised for issue on 19 May 2022 and signed on their behalf by:

Lord Alan Thomas Howarth of Newport CBE
Chairman

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 22 JULY 2020 TO 31 JULY 2021**

1 Accounting policies

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

Basis of preparation

National Centre for Creative Health meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Exemption from preparing a cash flow statement

The charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Income and endowments

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Deferred income

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Investment income

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

NATIONAL CENTRE FOR CREATIVE HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 22 JULY 2020 TO 31 JULY 2021

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees meetings and reimbursed expenses.

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

NATIONAL CENTRE FOR CREATIVE HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 22 JULY 2020 TO 31 JULY 2021

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees's discretion in furtherance of the objectives of the charity.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

2 Income from donations and legacies

	Unrestricted funds	Restricted funds	Total 31 July 2021
	General £	£	£
Grants, including capital grants;			
Grants from other charities	25,380	11,133	36,513
	<u>25,380</u>	<u>11,133</u>	<u>36,513</u>

NATIONAL CENTRE FOR CREATIVE HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 22 JULY 2020 TO 31 JULY 2021

3 Expenditure

		Unrestricted funds	Restricted funds	Total 31 July 2021
	Note	General £	£	£
Staff costs	5	7,215	-	7,215
Freelance costs		2,095	5,100	7,195
Computer and website costs		50	-	50
Bookkeeping		1,440	-	1,440
Bank charges		16	-	16
Independent Examiner's remuneration		1,896	-	1,896
		<u>12,712</u>	<u>5,100</u>	<u>17,812</u>

NATIONAL CENTRE FOR CREATIVE HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 22 JULY 2020 TO 31 JULY 2021

4 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

5 Staff costs

The aggregate payroll costs were as follows:

	2021 £
Staff costs during the period were:	
Wages and salaries	7,036
Pension costs	179
	<u>7,215</u>

The monthly average number of persons employed by the charity during the period was as follows:

	31 July 2021 No
Employees	<u>1</u>

No employee received emoluments of more than £60,000 during the period

6 Independent examiner's remuneration

	22 July 2020 to 31 July 2021 £
Examination of the financial statements	<u>600</u>
Other fees to examiners	
All other services	<u>1,296</u>

7 Debtors

	31 July 2021 £
Other debtors	<u>30,000</u>

NATIONAL CENTRE FOR CREATIVE HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 22 JULY 2020 TO 31 JULY 2021

8 Creditors: amounts falling due within one year

	31 July 2021 £
Trade creditors	4,335
Other taxation and social security	1,025
Other creditors	2,374
Accruals	1,896
Deferred income	60,000
	<u>69,630</u>

9 Funds

	Balance at 22 July 2020 £	Incoming resources £	Resources expended £	Balance at 31 July 2021 £
Unrestricted funds				
General				
General fund	-	25,380	(12,712)	12,668
Restricted funds				
ACE	-	9,999	(5,100)	4,899
APPG	-	1,134	-	1,134
	<u>-</u>	<u>11,133</u>	<u>(5,100)</u>	<u>6,033</u>
Total funds	<u>-</u>	<u>36,513</u>	<u>(17,812)</u>	<u>18,701</u>

Restricted funds arise when specified by the funder or when funds are raised for particular restricted projects or activities. Expenditure which meets the restricted criteria is charged to that fund, together with a fair allocation of support and administrative costs. Insofar as expenditure charged to restricted funds exceeds monies received, transfers may be made from unrestricted funds to cover any deficit that would otherwise arise.

10 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total funds
	General £	£	£
Current assets	19,898	68,433	88,331
Current liabilities	<u>(7,230)</u>	<u>(62,400)</u>	<u>(69,630)</u>
Total net assets	<u>12,668</u>	<u>6,033</u>	<u>18,701</u>