

Registration number 02848451
Registered charity number: 1153366

Collage Arts.
Company limited by guarantee

Trustees' report and financial statements
for the year ended 31st December 2015

Collage Arts.
Company limited by guarantee

Company information

| | | |
|---------------------------|---|--|
| Trustees | P M P Sherman Ms V Hirani Ms E Byron A Richardson Y Khan Y Stajno | |
| Secretary | M Ambasna | |
| Company number | 02848451 | |
| Charity number | 1153366 | |
| Registered office | The Chocolate Factory Unit 104 Building B Clarendon Road London N22 6XJ | |
| Auditors | Brian Paul Limited Chase Green House 42 Chase Side Enfield Middlesex EN2 6NF | |
| Principal address | 4 Coburg Road Wood Green London N22 6UJ | |
| Bankers | The Co-operative Bank | |
| Local authority observers | Cllr Isidoros Diakides Cllr Charles Adje Cllr Stephen Mann | Resigned on 15 April 2015 Appointed on 9 Oct 2015 |

Collage Arts.
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| | |
|------------|--|
| Solicitors | Derrick Bridges and Co 12 Wood Street Barnet Hertfordshire EN5 4BQ |
|------------|--|

| | |
|-------------------|---------------|
| Executive officer | P M P Sherman |
|-------------------|---------------|

The day to day management has been delegated to Manoj Ambasna

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**Collage Arts.
Company limited by guarantee**

**Trustees' report
for the year ended 31st December 2015**

The Trustees, who are also the directors of the charity for the purpose of the Companies Act 2006 present their annual report and the financial statements for the year ended 31st December 2015. The Trustees confirm that the annual report and financial statements of the company comply with current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

Trustees

The Trustees who served during the year are as stated below:

P M P Sherman
Ms V Hirani
Ms E Byron
A Richardson
Y Khan
Y Stajno

Structure, Governance and Management

Governing Document

The organisation is a charitable company limited by guarantee, incorporated on 27th August 1993 and registered as a charity on 18th December 1999. The powers of the charitable company are governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

Recruitment and appointment of new trustees

The directors of the company are also charity trustees for the purposes of charity law and under the company's articles are known as members of the Management Committee. Under the requirements of the Memorandum and Articles of Association the members of the Management Committee are elected to serve for a period of six years after which they must be re-elected at the next Annual General Meeting.

In an effort to maintain a complementary skill mix, members of the Management Committee are required to provide a list of their skills (and update it each year) and in the event of the particular skill being lost due to retirement, individuals are approached to offer themselves for election for the Management Committee.

Trustee induction and training

Trustees are invited and encouraged to attend short training sessions on a range of governance issues. Trustees are already familiar with the work of the charity through attending regular events and meetings throughout the year.

Organisational structure

Collage Arts has a Management Committee of up to 8 members who meet every 8 weeks and are responsible for the strategic direction and policy of the charity. At present the Committee has six members from a variety of professional backgrounds relevant to the work of the charity. There are up to 2 council representatives but with no voting rights.

**Collage Arts.
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**Trustees' report
for the year ended 31st December 2015**

A scheme of delegation is in place and day to day responsibility for the provision of the services rest with the Executive Director. The Executive Director is responsible for ensuring that the charity delivers the services specified and that key performance indicators are met. Also, he has responsibility for the day to day operational management of the Centre, individual supervision of the staff team and also ensuring that the team continue to develop their skills and working practices in line with good practice.

Related parties

In so far as it is complimentary to the charity's objects, the charity is guided by both local and national policy. The charity works in partnerships with the local authority and regional development agency, it has also developed partnerships with organisations in the locality and London-wide to deliver the service it offers.

Risk management

The Management Committee has conducted a review of the major risks to which the charity is exposed. A risk register has been established and is updated at least annually. Where appropriate, systems or procedures have been established and are updated at least annually. Where appropriate, systems or procedures have been established to mitigate the risks the charity faces. Significant external risks to funding have led to the development of a strategic plan which will allow for the diversification of funding and activities. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. Procedures are in place to ensure compliance with health and safety of staff, volunteers, clients and visitors to the centre. The continuing implementation of quality systems like Matrix, Customer First, OCR, EdExcel and OCN awarding body systems, ensure a consistent quality of delivery for all operational aspects of the charity. These procedures are periodically reviewed to ensure that they continue to meet the needs of the charity.

Auditors

Brian Paul Limited were appointed auditors to the company and are deemed to be reappointed in accordance with Section 487(2) of the Companies Act 2006.

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

This report was approved by the board on 26/7/2016 and signed on its behalf by:

**P M P Sherman
Director**



**Collage Arts.
Company limited by guarantee**

**Statement of Trustees' responsibilities
for the year ended 31st December 2015**

The Trustees (who are also the directors of Collage Arts, which is limited by guarantee for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- 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.

This report was approved by the Board on ^{26/7/2016} and signed on its behalf by

**P M P Sherman
Director**



Independent auditor's report to the members of Collage Arts.

We have audited the financial statements of Collage Arts. for the year ended 31st December 2015 which comprise the Statement of financial activities, the Balance Sheet and the related notes. 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).

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

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities statement set out on page 3, 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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material mis-statement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements.

In addition we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material mis-statements or inconsistencies, we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st December 2015 and of its incoming resources and application of resources including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006.

In our opinion the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Independent auditor's report to the members of
Collage Arts.**

.....continued

Matters on which we are required to report by exception

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

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

.....
Brian O'Leary (senior statutory auditor)
For and on behalf of Brian Paul Limited
Chartered Accountants and
Registered Auditors
Chase Green House
42 Chase Side
Enfield
Middlesex
EN2 6NF

Date:

**Collage Arts.
Company limited by guarantee**

**Statement of Financial Activities
for the year ended 31st December 2015**

| | | Relates to 2015 figures | | | |
|---|-------|-------------------------|-----------------|------------------|------------------|
| | Notes | Unrestricted £ | Restricted £ | 2015 £ | 2014 £ |
| <u>Incoming resources:</u> | | | | | |
| Incoming resources from charitable activities | 3 | | | | |
| Training income | | 902,553 | - | 902,553 | 1,475,334 |
| Other income | | 1,099,076 | - | 1,099,076 | 967,095 |
| Other incoming resources | | 25,357 | - | 25,357 | 28,961 |
| Total incoming resources | | <u>2,026,986</u> | <u>-</u> | <u>2,026,986</u> | <u>2,471,390</u> |
| <u>Resources expended:</u> | | | | | |
| Cost of charitable activities | | | | | |
| Training and other costs | 5 | 2,012,028 | | 2,012,028 | 2,436,910 |
| Governance costs | 6 | 5,000 | - | 5,000 | 6,000 |
| Total resources expended | | <u>2,017,028</u> | <u>-</u> | <u>2,017,028</u> | <u>2,442,910</u> |
| <u>Net incoming resources</u> | | 9,958 | - | 9,958 | 28,480 |
| <u>Reconciliation of funds</u> | | | | | |
| <u>Fund balance brought forward</u> | | 531,515 | - | 531,515 | 498,607 |
| <u>Fund balance carried forward</u> | | <u>541,473</u> | <u>-</u> | <u>541,473</u> | <u>527,087</u> |

Continuing operations

All incoming resources and resources expended arise from continuing activities and there are no gains and losses other than those shown above.

The notes on pages 8 to 13 form an integral part of these financial statements.

**Collage Arts.
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**Balance sheet
as at 31st December 2015**

| | | 2015 | | 2014 | |
|--|-------|------------------|-----------------|------------------|------------------|
| | Notes | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Tangible assets | 9 | | 646,524 | | 694,161 |
| Current assets | | | | | |
| Debtors | 10 | 623,927 | | 574,782 | |
| Cash at bank and in hand | | 296 | | 6,899 | |
| | | <u>624,223</u> | | <u>581,681</u> | |
| Creditors: amounts falling due within one year | 11 | <u>(642,867)</u> | | <u>(628,329)</u> | |
| Net current liabilities | | | <u>(18,644)</u> | | <u>(46,648)</u> |
| Total assets less current liabilities | | | 627,880 | | 647,513 |
| Creditors: amounts falling due after more than one year | 12 | | <u>(86,407)</u> | | <u>(115,998)</u> |
| Net assets | | | <u>541,473</u> | | <u>531,515</u> |
| Funds | | | | | |
| Unrestricted funds | | | 541,473 | | 531,515 |
| Restricted funds | | | - | | - |
| Total funds | 15 | | <u>541,473</u> | | <u>531,515</u> |

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

These accounts were approved by the directors on 26/7/2016, and are signed on their behalf by:

P M P Sherman
Director

Registration number 02848451



The notes on pages 8 to 13 form an integral part of these financial statements.

**Collage Arts.
Company limited by guarantee**

**Notes to the financial statements
for the year ended 31st December 2015**

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with: The Charities Act 2011; the Statement of Recommended Practice: Accounting and Reporting by Charities issued in March 2005 and applicable accounting standards.

The company has taken advantage of the exemption in FRS1 from the requirement to produce a cashflow statement because it is a small company.

1.2. Incoming resources

Income is recognised in the period in which the charity is entitled to receipt and the amount can be measured with reasonable certainty. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor has specified that the income is to be used in a future period.

1.3. Fund accounting

Funds held by the charity are:

- (i) Unrestricted general funds - these are funds which can be used in accordance with the charitable objectives at the discretion of the trustees.
- (ii) Restricted funds - these are funds which can be only used for particular purposes within the objectives of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

1.4. Resources expended

Resources expended are accounted for on an accruals basis and have 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.

1.5. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

| | | |
|----------------------------------|---|--|
| Leasehold properties | - | Straight line over the life of the lease |
| Fixtures, fittings and equipment | - | 25% on straight line |

**Collage Arts.
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**Notes to the financial statements
for the year ended 31st December 2015**

..... continued

1.6. Leasing

Rentals payable under operating leases are charged to the Statement of Financial Activities over the period in which the cost is incurred. Assets purchased under finance leases are capitalised as fixed assets. Obligations under such agreements are included in creditors. The difference between capitalised cost and the total obligation under the lease represents the finance charges. Finance charges are written off to the Statement of Financial Activities over the period of the lease so as to produce a constant periodic rate of charge.

1.7. Taxation

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

1.8. Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the Statement of Financial Activities.

1.9. Others

Deferred income

Deferred income results when cash is received in advance of revenue being earned. Deferred income is recorded as a liability until it is earned. Once earned, the liability is reduced and revenue is recorded in the general ledger.

Rental income

Rental income is recognised on the accruals basis with reference to the period to which the income relates.

2. Auditors' remuneration

| | 2015 | 2014 |
|--|-------------|-------------|
| | £ | £ |
| Auditors' remuneration - audit of the financial statements | 5,000 | 6,000 |

During the year auditors did not provide any other non-audit services.

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**Notes to the financial statements
for the year ended 31st December 2015**

..... continued

| | | | |
|-----------|--|------------------|------------------|
| 3. | Incoming resources from charitable activities | 2015 | 2014 |
| | | £ | £ |
| | Activity | | |
| | Grants | 902,553 | 1,475,334 |
| | Rental income | 1,099,076 | 967,095 |
| | | <u>2,001,629</u> | <u>2,442,429</u> |
| 4. | Interest received | 2015 | 2014 |
| | | £ | £ |
| | Bank deposit interest | - | 47 |
| 5. | Training and other costs | 2015 | 2014 |
| | | £ | £ |
| | Training fees | 606,410 | 1,080,966 |
| | Rental costs | 930,015 | 911,244 |
| | Office costs | 42,468 | 49,246 |
| | Legal and professional | 3,797 | 1,198 |
| | Events costs | 46,551 | 31,993 |
| | Bank and loan interest charges | 6,943 | 24,595 |
| | Staff cost | 274,874 | 260,989 |
| | Premises and computer costs | 2,670 | 4,295 |
| | Employer NI | 25,226 | 23,893 |
| | Exceptional items - Redundancy pay | 19,553 | - |
| | Depreciation | 53,521 | 48,491 |
| | | <u>2,012,028</u> | <u>2,436,910</u> |
| 6. | Governance costs | 2015 | 2014 |
| | | £ | £ |
| | Auditors' remuneration | 5,000 | 6,000 |
| | | <u>5,000</u> | <u>6,000</u> |

**Collage Arts.
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**Notes to the financial statements
for the year ended 31st December 2015**

..... continued

- 7. Directors' remuneration** **2015** **2014**
There were no trustees remuneration or other benefits for the year ended 31st December 2015 nor for the year ended 31st December 2014.

Trustees expenses

There were no trustees expenses paid for the year ended 31st December 2015 nor for the year ended 31st December 2014.

- 8. Employees**

| Number of employees | 2015 | 2014 |
|--|-------------|-------------|
| The average monthly numbers of employees during the year were: | | |
| Training | 16 | 37 |
| Administration | 7 | 7 |
| | <u>23</u> | <u>44</u> |

There are no staff members receiving remuneration exceeding £60,000.

| 9. Tangible fixed assets | Leasehold property £ | Fixtures, fittings and equipment £ | Total £ |
|---------------------------------|---------------------------------|---|--------------------|
| Cost | | | |
| At 1st January 2015 | 1,211,820 | 500,006 | 1,711,826 |
| Additions | 5,884 | - | 5,884 |
| At 31st December 2015 | <u>1,217,704</u> | <u>500,006</u> | <u>1,717,710</u> |
| Depreciation | | | |
| At 1st January 2015 | 518,814 | 498,851 | 1,017,665 |
| Charge for the year | 52,596 | 925 | 53,521 |
| At 31st December 2015 | <u>571,410</u> | <u>499,776</u> | <u>1,071,186</u> |
| Net book values | | | |
| At 31st December 2015 | <u>646,294</u> | <u>230</u> | <u>646,524</u> |
| At 31st December 2014 | <u>693,006</u> | <u>1,155</u> | <u>694,161</u> |

Collage Arts.
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Notes to the financial statements
for the year ended 31st December 2015

..... continued

| 10. Debtors | 2015 | 2014 |
|--|----------------|----------------|
| | £ | £ |
| Trade debtors | 346,212 | 289,319 |
| Other debtors | 64,541 | 45,698 |
| Prepayments and accrued income | 213,174 | 239,765 |
| | <u>623,927</u> | <u>574,782</u> |
| | | |
| 11. Creditors: amounts falling due within one year | 2015 | 2014 |
| | £ | £ |
| Bank overdraft | 11,402 | - |
| Trade creditors | 288,893 | 351,327 |
| Other taxes and social security costs | 93,632 | 73,836 |
| Other creditors | 199,502 | 88,042 |
| Accruals and deferred income | 49,438 | 115,124 |
| | <u>642,867</u> | <u>628,329</u> |
| | | |
| 12. Creditors: amounts falling due after more than one year | 2015 | 2014 |
| | £ | £ |
| Other loans | <u>86,407</u> | <u>115,998</u> |

13. Loans

On 17th December 2013, Collage Arts. borrowed £100,000 from Big Issue Invest Limited for working capital purposes. The loan is secured by way of a debenture with a legal charge against the Company's leasehold property at Proton house, Coburg Road, London, N22 6JU. The balance outstanding as at 31 Dec 2015 is £21,412 (2014: £51,003).

Collage Arts.
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Notes to the financial statements
for the year ended 31st December 2015

..... continued

14. Leasing commitments

At 31st December 2015 the company had annual commitments under non-cancellable operating leases as follows:

| | Land and buildings | |
|---------------------|---------------------------|-------------|
| | 2015 | 2014 |
| | £ | £ |
| Expiry date: | | |
| In over five years | 381,063 | 650,137 |

15. Reconciliation of movements in Unrestricted funds

| | 2015 | 2014 |
|----------------------|-------------|-------------|
| | £ | £ |
| Surplus for the year | 9,958 | 32,908 |
| Opening total funds | 531,515 | 498,607 |
| Closing total funds | 541,473 | 531,515 |

16. Transactions with directors

During the year £1,440 (2014: £1,320) was paid to Booster Cushions Ltd, company in which Mr P Sherman is controlling party.

17. Liability of members

The liability of members is limited by guarantee to an amount not exceeding £1 per member. As at 31st December 2015 there were 5 members and 2 observers, where in the year ended 31st December 2014 there were also 5 members and 2 observers.

