

Company registration number: 07047385

Charity registration number: 1178031

# Purple Patch Arts

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2018

Brown Butler Limited  
Chartered Accountants and Statutory Auditor  
Leigh House  
28-32 St Paul's Street  
Leeds  
West Yorkshire  
LS1 2JT

## **Purple Patch Arts**

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## **Purple Patch Arts**

### **Reference and Administrative Details**

<b>Chairman</b>	David Leslie Allan
<b>Trustees</b>	David Leslie Allan Carley Ellen Stubbs (appointed 19 February 2018) Alison Mary Van Der Vert (appointed 3 October 2017) Andrew Leslie Clow (appointed 9 July 2018) Hayley Joanne Allan (appointed 1 October 2018)
<b>Principal Office</b>	Hillside Enterprise Centre Beeston Road Leeds LS11 8ND
<b>Registered Office</b>	Hillside Enterprise Centre Beeston Road Leeds LS11 8ND  The charity is incorporated in England and Wales.
<b>Company Registration Number</b>	07047385
<b>Charity Registration Number</b>	1178031
<b>Auditor</b>	Brown Butler Limited Chartered Accountants and Statutory Auditor Leigh House 28-32 St Paul's Street Leeds West Yorkshire LS1 2JT

## **Purple Patch Arts**

### **Trustees' Report**

The trustees present their annual report and financial statements for the year ended 31 August 2018. In preparing this report the trustees have complied with the Charities Act 2011, the Companies Act 2006 and applicable accounting standards.

#### **OBJECTIVES AND ACTIVITIES**

Purple Patch Arts aims to improve the lives and life chances of people with learning disabilities by providing innovative, inclusive, creative learning experiences for them and the professionals that support them. The trustees consider that through this work the charity is creating substantial public benefit through the opportunities it provides for people with learning disabilities.

The objectives of the charity are:

- To provide opportunities for people with learning disabilities to engage with learning and creativity
- To advocate for the value of inclusion and creativity
- To influence learning, research, monitoring and evaluation methods
- To offer opportunities for people with learning disabilities to have their voices heard

#### **Lifelong Learning:**

Our Lifelong Learning programmes take place once a week during term time in community venues across Yorkshire. We currently run 12 programmes per week, with up to 15 adults with learning disabilities attending each programme. All of our learning is delivered using 'The Purple Patch Approach' to inclusive education, which employs creative methods such as drama, dance, music and art to engage learners, increase take-up and support understanding of complex subjects, and is based on the following teaching methods:

##### *Group Activity*

All teaching is delivered using group activity. Learners are supported by staff and peers and do not work on their own. This builds social skills and provides mechanisms of support.

##### *Multi-Sensory Activity*

Teaching includes a mixture of sight, sound, taste, smell and touch to inspire learners and provide multiple points of access to learning material.

##### *Gamification*

Gamification means, quite literally, making a game of something. Facts or themes can be repeated to support memory and understanding, without the risk of boredom.

##### *Physical Experience*

An example is copying an action or tracing a drawing. It embeds key learning points cognitively through a focus on the physical experience.

##### *Imaginative Discovery*

Asking learners to make connections through a process of 'make-believe' or imagining.

## **Purple Patch Arts**

### **Trustees' Report**

Our Lifelong Learning Programmes follow a custom-written Scheme of Work, ensuring that the structure and content of the activity is of the highest possible standard and tailored to the specific needs of our learners.

#### **Beamsley Residential:**

Our residential programmes take place at The Beamsley Project in North Yorkshire; a fully inclusive and adapted centre. Up to 24 of our Lifelong Learning participants take part in creative activity and spend time with friends for a weekend in February and July.

#### **Projects:**

We regularly work with residential and day services, libraries, local authorities and other organisations to deliver creative, multi-sensory education workshops.

#### **Research:**

We offer creative, arts-based approaches to data gathering for research projects led by Universities and other organisations, including workshops, innovative research methods and the development of accessible interactive tools.

We have strong values that we are committed to, and which underpin all of our work. We work with:

- Humanity - we recognise and respect the intrinsic value of every individual,
- Passion - we share belief, excitement and determination, and
- Creativity - we embrace exploration, discovery and self-expression

The trustees consider that the charity is creating substantial public benefit through the educational activities it encourages amongst people with learning disabilities and their support networks. The Trustees have also had regard to charity commission's guidance on public benefits.

### **ACHIEVEMENTS AND PERFORMANCE**

2017/18 saw a number of changes for the company. The office was moved from Bradford to Leeds in December 2017, a new business plan was developed, and we fulfilled a long-held ambition and became a registered charity in April 2018. Throughout this time we continued to pursue our mission, offering high quality, inclusive learning opportunities to adults with learning disabilities through our 12 Lifelong Learning Programmes. During the year, which followed the theme of 'Around The World', we delivered 2,720 hours of activity to 150 participants, 22 of whom were new to us. Our retention rate for the year, based on people who themselves chose to stop attending, remained very high at 96%, which reflects the standard of our work, and the commitment with which we deliver it. Feedback from our yearly 'Have Your Say' forms was consistently positive, with 98.77% of people saying that they would recommend Purple Patch to someone else.

In addition to our core education programmes we successfully delivered a number of funded projects, meeting all of our outcomes. Our most significant projects were as follows:

#### ***ESF Community Grants***

We delivered immersive literature programmes for adults with learning disabilities in Selby, Skipton and York. Each of these programmes comprised of 6 sessions which focussed on a piece of well-known literature and immersed learners in the world of the novel using multi-sensory approaches. We engaged 30 learners in total.

## **Purple Patch Arts**

### **Trustees' Report**

We also delivered a new project to existing providers of community-based services for adults with learning disabilities using a specially designed workbook called 'My Purple Patch'. The 8-week long project focussed on different areas of life; Home, Learning & Growing, Passions & Interests, Places & Spaces, Relationships, Wellbeing and Goals & Action Plan, and aimed to identify and take steps towards removing barriers that learners face, thus improving the lives and wellbeing of those taking part. We engaged 27 learners in total.

#### ***Action Towards Inclusion***

The Action Towards Inclusion project, part of Building Better Opportunities, aims to provide support to the most disadvantaged groups in York, North Yorkshire and East Riding who are furthest from the labour market and who experience significant barriers to work. The project enabled us to work with five people who were unemployed or economically inactive to develop their confidence and move them closer to the job market.

#### ***Bradford Libraries***

Building on our previous work with Kirklees Libraries we delivered training sessions and mentoring to staff and volunteers at Bradford Libraries as part of an Arts Council England funded project to develop programmes which engaged learning disabled young people and adults in immersive approaches to literature, and embedded skills that can be used in any setting, with a wide range of diverse audiences. We co-delivered sensory story sessions to 35 participants from 6 organisations and created and distributed 12 sensory story packs to Bradford Libraries, along with general sensory kits so that staff and volunteers can continue to deliver the stories, and to develop their own.

#### ***Tees Esk and Wear Valley Innovation Fund***

Building on our previous work with Leeds South and East CCG and Calderdale CCG we delivered our 'Feel Good' model to two day services in York and Selby. 'Feel Good' uses innovative approaches to health education to support primary prevention and enhance self-care, providing adults with learning disabilities with knowledge and understanding of their role in their own mental and physical health. In addition, it allows staff at services to improve skills in supporting adults with learning disabilities to maintain good health and well-being through self-care and increase the number of accessible health interventions delivered as part of their service. The project, which was externally evaluated by Leeds Beckett University, saw us working with 24 participants, allowed us to develop strong relationships with both day services, and inspired one of the services to redesign their offer to adults with learning disabilities, delivering differentiated activities that better suit the needs of those who attend.

Smaller projects included:

- Running an arts retreat as part of a research project which seeks to forge new understandings of the lives, hopes, desires and contributions of children and young people with life-limiting or life-threatening impairments.
- Creating a photography exhibition as part of the Beyond Festival in July 2018, which celebrates learning disabilities and the arts in Leeds. The photos showcased the work done in our Lifelong Learning Programmes during our 'I Am What I Am' week and provided an opportunity to share our work with a wider audience.
- Running a workshop for young people with learning disabilities as part of Around the Toilet, a cross-disciplinary, arts-based research project which explores the toilet as a place of exclusion and belonging.
- Delivering a workshop to children aged 5 - 15 with visual impairments as part of a Children in Need funded project with Eureka! The National Children's Museum.



## **Purple Patch Arts**

### **Trustees' Report**

These projects have seen us working in partnership with a number of organisations including Universities, Libraries and charities, allowing us to share our approach, provide CPD opportunities and increase exposure to positive views of disabled people.

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### ***Governing document***

Purple Patch Arts is a charitable company limited by guarantee, incorporated on 17th October 2009 and registered as a charity on 20th April 2018.

The charity is governed by its Articles of Association, and constitutes a limited company, limited by guarantee, as defined by the Companies Act.

##### ***Board of Trustees***

The Board of Trustees, which is comprised of at least three members who are directors of the company and are also charity trustees for the purposes of charity law are set out on page 1. All directors are volunteers and are not remunerated for their services.

New trustees are appointed by the Board of Trustees and are inducted by the Chair of the Board and the Chief Executive Officer. They are given an overview of the work of the charity and their duties and responsibilities are clarified.

The Board meets a minimum of four times per year or more frequently if the need arises.

Detailed written Board reports and an agenda are prepared by the Chief Executive Officer and circulated in advance of meetings. Each meeting considers performance against the business plan, organisational development, finance, health and safety, safeguarding, HR and Equality and Diversity.

##### ***Membership***

The only members of the charity are the trustees, and all trustees are admitted as members.

Eligibility for membership of the charity is governed by the Articles of Association.

##### ***Organisational structure***

The charity operates a governance and management model with day to day decisions delegated to the Chief Executive Officer.

##### ***Risk Management***

The board has responsibility for measuring and monitoring the major risks to which the Charity is exposed, and systems have been developed to mitigate those risks. The board maintains a risk register and reviews it at least annually or when a major risk status changes. The Trustees are satisfied that appropriate financial systems and controls and employment policies and practices are in place, and these are annually reviewed to ensure that they still meet the needs of the Charity.

The board considers that the key organisational risk is financial, and we aim to reduce this risk by securing income from a range of sources including funding from participants and grants from charitable trusts and companies. Strong financial controls are in place to ensure we remain financially secure.

## **Purple Patch Arts**

### **Trustees' Report**

#### **FINANCIAL REVIEW**

##### ***Summary***

Our activity this year has resulted in a surplus of £8,528 leading to a balance on Unrestricted Funds at 31st August 2018 of £37,764.

##### ***Reserves Policy***

The trustees have reviewed the charity's needs for reserves in line with the guidance issued by the Charity Commission.

The trustees aim to hold sufficient unrestricted reserves to suspend or terminate the charity's activities over a period of three months, which equates to £70,000.

The charity's total unrestricted reserves at 31 August 2018 are £37,764. Total reserves however, include fixed assets which couldn't reasonably be called on. The charity's unrestricted cash reserves are therefore £30,316 and the trustees have set a target to reach the desired level of reserves within four years, through a process of income diversification and financial controls leading to cost efficiencies.

The trustees will review their reserves policy at the end of each financial year.

##### ***Principal Funding Sources***

The charity received £184,104 in trading income from participants and schools this year, accounting for 60% of its income.

£122,404 was secured in funding for projects from a wide range of sources including, significantly, £36,000 from Aspire CBS towards places on our Leeds based Lifelong Learning Programmes. Historically, this has been accounted for as trading income, but has been more accurately declared as grant income in these financial statements.

#### **FUTURE PLANS**

Our priority remains to deliver high quality services to people with learning disabilities and the professionals that support them, while ensuring financial sustainability through careful budget management and minimal reliance on grants. We believe whole heartedly in our approach, and, over the next year, will focus on raising awareness of our work in order to recruit new participants, and securing funding that will allow us to reach new audiences. We recognise the importance of effective monitoring and evaluation to measure the impact of our work and will continue to develop our methods, alongside considering the way in which we share this information with our wide range of stakeholders.



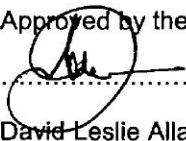
## Purple Patch Arts

### Trustees' Report

In 2018/19 our objectives are to:

- Maintain our current levels of service delivery on our Lifelong Learning Programmes
- Reduce our reliance on grants by increasing the number of participants accessing our Lifelong Learning Programmes
- Develop and secure funding for new learning and creative opportunities that respond to identified need
- Continue to develop our monitoring and evaluation methods
- Review and re-design our website and social media presence, with a focus on sharing the impact of our work more effectively and raising awareness of our mission, vision, values and aims.
- Achieve the operational financial target for 2018/19
- Increase the number and diversity of trustees on our board

Approved by the trustees of the charity on ...8 April 2019... and signed on its behalf by:



David Leslie Allan

Chairman and Trustee

## **Purple Patch Arts**

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

The trustees (who are also the directors of Purple Patch Arts for the purposes of company law) 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.

Company law requires the trustees to prepare financial statements for each financial year. 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 its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and 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 in business.

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 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.

## **Purple Patch Arts**

### **Independent Auditor's Report to the Members of Purple Patch Arts**

We have audited the financial statements of Purple Patch Arts for the year ended 31st August 2018 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 charitable company'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 company's members those matters we are required to state to them in an auditor's 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors/trustees and auditors**

As explained more fully in the Trustees' Responsibilities Statement set out in the Trustees' Report, the trustees (who are directors for the purpose 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 Ethical Standards for Auditors.

#### **Scope of the audit**

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 misstatement, 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' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on 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 August 2018 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 matters prescribed by the Companies Act 2006**

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

## Purple Patch Arts

### Independent Auditor's Report to the Members of Purple Patch Arts

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.

John Brear (Senior Statutory Auditor)  
For and on behalf of Brown Butler Limited  
Chartered Accountants and Statutory Auditor  
Leigh House  
28-32 St Paul's Street  
Leeds  
LS1 2JT



8<sup>th</sup> April 2019

## Purple Patch Arts

### Statement of Financial Activities for the Year Ended 31 August 2018 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Total 2018 £	Total 2017 £
<b>Income and Endowments from:</b>				
Donations and legacies	3	1,690	1,690	2,839
Charitable activities	4	306,508	306,508	406,911
Total income		<u>308,198</u>	<u>308,198</u>	<u>409,750</u>
<b>Expenditure on:</b>				
Charitable activities	5	(292,011)	(292,011)	(395,313)
Other expenditure	6	(7,659)	(7,659)	(7,349)
Total expenditure		<u>(299,670)</u>	<u>(299,670)</u>	<u>(402,662)</u>
Net income		<u>8,528</u>	<u>8,528</u>	<u>7,088</u>
Net movement in funds		8,528	8,528	7,088
<b>Reconciliation of funds</b>				
Total funds brought forward		<u>29,236</u>	<u>29,236</u>	<u>22,148</u>
Total funds carried forward	15	<u>37,764</u>	<u>37,764</u>	<u>29,236</u>

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

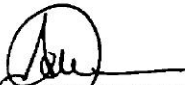


# Purple Patch Arts

(Registration number: 07047385)  
Balance Sheet as at 31 August 2018

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Tangible assets	11	7,448	14,887
<b>Current assets</b>			
Debtors	12	9,686	8,694
Cash at bank and in hand		40,174	34,537
		49,860	43,231
<b>Creditors: Amounts falling due within one year</b>	13	(19,544)	(28,882)
<b>Net current assets</b>		30,316	14,349
<b>Net assets</b>		37,764	29,236
<b>Funds of the charity:</b>			
<b>Unrestricted income funds</b>			
Unrestricted funds		37,764	29,236
<b>Total funds</b>	15	37,764	29,236

The financial statements on pages 11 to 21 were approved by the trustees, and authorised for issue on 8 April 2019 and signed on their behalf by:



David Leslie Allan  
Chairman and Trustee

## **Purple Patch Arts**

### **Notes to the Financial Statements for the Year Ended 31 August 2018**

#### **1 Charity status**

The charity is limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

The address of its registered office is:

Hillside Enterprise Centre  
Beeston Road  
Leeds  
LS11 8ND

These financial statements were authorised for issue by the trustees on 8 April 2019.

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **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). They also comply with the Companies Act 2006 and Charities Act 2011.

##### **Basis of preparation**

Purple Patch Arts 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.

##### **Going concern**

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

##### **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.

##### **Income and endowments**

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

## **Purple Patch Arts**

### **Notes to the Financial Statements for the Year Ended 31 August 2018**

#### ***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.

#### ***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.

#### ***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.

#### ***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's meetings and reimbursed expenses.

#### ***Grants received***

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.

## Purple Patch Arts

### Notes to the Financial Statements for the Year Ended 31 August 2018

#### 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.

#### Tangible fixed assets

Individual fixed assets are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

#### Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Furniture and fittings	25% Straight line
Office equipment	33.3% Straight line

#### 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.

#### 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 charity 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.

## Purple Patch Arts

### Notes to the Financial Statements for the Year Ended 31 August 2018

#### 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.

#### Hire purchase and finance leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Rentals payable under operating leases are charged in the Statement of Financial Activities on a straight line basis over the lease term.

#### Pensions and other post retirement obligations

The charity operates a defined contribution pension scheme which is a pension plan under which fixed contributions are paid into a pension fund and the charity has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised in the Statement of Financial Activities when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

### 3 Income from donations and legacies

	Unrestricted funds		
	General £	Total 2018 £	Total 2017 £
Donations and legacies;			
Donations to major appeals	1,690	1,690	2,839
	<u>1,690</u>	<u>1,690</u>	<u>2,839</u>

### 4 Income from charitable activities

	Unrestricted funds		
	General £	Total 2018 £	Total 2017 £
Programmes and schools/training income	184,104	184,104	239,701
Grant income	122,404	122,404	167,210
	<u>306,508</u>	<u>306,508</u>	<u>406,911</u>



## Purple Patch Arts

### Notes to the Financial Statements for the Year Ended 31 August 2018

#### 5 Expenditure on charitable activities

		Unrestricted funds		
	Note	General £	Total 2018 £	Total 2017 £
Staff costs		201,362	201,362	256,642
Hire costs		448	448	692
Rent and rates		12,873	12,873	9,335
Insurance		1,806	1,806	1,424
Repairs and maintenance		2,622	2,622	4,645
Telephone and fax		2,652	2,652	2,267
Printing, postage and stationery		553	553	2,816
Sundry expenses		2,398	2,398	2,026
Advertising		-	-	1,845
Bad debts written off		-	-	7,222
Bank charges		-	-	75
Accountancy fees		900	900	720
Auditor's remuneration		960	960	-
Consultancy fees		3,159	3,159	3,744
Legal and professional fees		413	413	3,718
Purchases		9,479	9,479	10,021
Freelance project staff		3,245	3,245	30,161
Venue hire		44,685	44,685	45,298
Travelling		4,456	4,456	12,662
		<u>292,011</u>	<u>292,011</u>	<u>395,313</u>

#### 6 Other expenditure

		Unrestricted funds		
	Note	General £	Total 2018 £	Total 2017 £
Depreciation, amortisation and other similar costs		7,659	7,659	7,349
		<u>7,659</u>	<u>7,659</u>	<u>7,349</u>

## Purple Patch Arts

### Notes to the Financial Statements for the Year Ended 31 August 2018

#### 7 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.

#### 8 Staff costs

The aggregate payroll costs were as follows:

	2018 £	2017 £
<b>Staff costs during the year were:</b>		
Wages and salaries	195,098	250,566
Pension costs	1,361	952
Other staff costs	4,903	5,124
	<u>201,362</u>	<u>256,642</u>

The monthly average number of persons (including senior management team) employed by the charity during the year expressed as full time equivalents was as follows:

	2018 No	2017 No
Employees	<u>18</u>	<u>19</u>

10 (2017 - 9) of the above employees participated in the Defined Contribution Pension Schemes.

Contributions to the employee pension schemes for the year totalled £1,361 (2017 - £952).

The charity has followed its obligations to provide a company pension scheme to employees, if they do so wish. The current pension provider is being notified periodically of contributions that are being made. The current provider and charity policy will be audited independently once in every three years.

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

#### 9 Auditors' remuneration

	2018 £	2017 £
Audit of the financial statements	<u>960</u>	<u>-</u>

## Purple Patch Arts

### Notes to the Financial Statements for the Year Ended 31 August 2018

#### 10 Taxation

The charity is a registered charity and is therefore exempt from taxation.

#### 11 Tangible fixed assets

	Furniture and fittings £	Computer equipment £	Total £
<b>Cost</b>			
At 1 September 2017	668	23,766	24,434
Additions	-	220	220
At 31 August 2018	668	23,986	24,654
<b>Depreciation</b>			
At 1 September 2017	293	9,254	9,547
Charge for the year	150	7,509	7,659
At 31 August 2018	443	16,763	17,206
<b>Net book value</b>			
At 31 August 2018	225	7,223	7,448
At 31 August 2017	375	14,512	14,887

#### 12 Debtors

	2018 £	2017 £
Trade debtors	5,640	1,932
Prepayments	4,046	1,762
Accrued income	-	5,000
	9,686	8,694

#### 13 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	498	1,062
Other taxation and social security	1,500	2,283
Accruals	2,220	3,449
Deferred income	15,326	22,088
	19,544	28,882

## Purple Patch Arts

### Notes to the Financial Statements for the Year Ended 31 August 2018

#### 14 Obligations under leases and hire purchase contracts

##### Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2018 £	2017 £
<b>Land and buildings</b>		
Within one year	13,680	-
Between one and five years	<u>3,420</u>	<u>-</u>
	<u>17,100</u>	<u>-</u>
<b>Other</b>		
Within one year	1,344	1,344
Between one and five years	<u>448</u>	<u>1,791</u>
	<u>1,792</u>	<u>3,135</u>

#### 15 Funds

	Balance at 1 September 2017 £	Incoming resources £	Resources expended £	Balance at 31 August 2018 £
<b>Unrestricted funds</b>				
General	<u>(29,236)</u>	<u>(308,198)</u>	<u>299,670</u>	<u>(37,764)</u>
	Balance at 1 September 2016 £	Incoming resources £	Resources expended £	Balance at 31 August 2017 £
<b>Unrestricted funds</b>				
General	<u>(22,148)</u>	<u>(409,750)</u>	<u>402,662</u>	<u>(29,236)</u>

## Purple Patch Arts

### Notes to the Financial Statements for the Year Ended 31 August 2018

#### 16 Analysis of net assets between funds

	Unrestricted funds General £	Total funds £
Tangible fixed assets	7,448	7,448
Current assets	49,860	49,860
Current liabilities	<u>(19,544)</u>	<u>(19,544)</u>
Total net assets	<u>37,764</u>	<u>37,764</u>

#### 17 Analysis of net funds

	At 1 September 2017 £	Cash flow £	At 31 August 2018 £
Cash at bank and in hand	34,537	5,637	40,174
Net debt	<u>34,537</u>	<u>5,637</u>	<u>40,174</u>

#### 18 Related party transactions

There were no related party transactions in the year.



## Purple Patch Arts

### Detailed Statement of Financial Activities for the Year Ended 31 August 2018

	2018 Unrestricted funds	2018 Total	Total 2017
	General £	£	£
<b>Income and Endowments from:</b>			
Donations and legacies (analysed below)	1,690	1,690	2,839
Charitable activities (analysed below)	306,508	306,508	406,911
Total income	308,198	308,198	409,750
<b>Expenditure on:</b>			
Charitable activities (analysed below)	(292,011)	(292,011)	(395,313)
Other expenditure (analysed below)	(7,659)	(7,659)	(7,349)
Total expenditure	(299,670)	(299,670)	(402,662)
Net income	8,528	8,528	7,088
Net movement in funds	8,528	8,528	7,088
<b>Reconciliation of funds</b>			
Total funds brought forward	29,236	29,236	22,148
Total funds carried forward	37,764	37,764	29,236

## Purple Patch Arts

### Detailed Statement of Financial Activities for the Year Ended 31 August 2018

	2018 Unrestricted funds	2018	Total 2017 £
	General £	Total £	
<b>Donations and legacies</b>			
Appeals and donations	1,690	1,690	2,839
	<u>1,690</u>	<u>1,690</u>	<u>2,839</u>

	2018 Unrestricted funds	2018	Total 2017 £
	General £	Total £	
<b>Charitable activities</b>			
Trading income	184,104	184,104	239,701
Grants - other agencies	122,404	122,404	167,210
	<u>306,508</u>	<u>306,508</u>	<u>406,911</u>

	2018 Unrestricted funds	2018	Total 2017 £
	General £	Total £	
<b>Charitable activities</b>			
Purchases	(9,479)	(9,479)	(10,021)
Freelance project staff	(3,245)	(3,245)	(30,161)
Venue hire	(44,685)	(44,685)	(45,298)
Wages and salaries	(195,098)	(195,098)	(250,566)
Staff pension - employers contributions	(1,361)	(1,361)	(952)
Staff training	(4,903)	(4,903)	(5,124)
Hire costs	(448)	(448)	(692)
Travelling	(4,456)	(4,456)	(12,662)
Rent and rates	(12,873)	(12,873)	(9,335)
Insurance	(1,806)	(1,806)	(1,424)
Repairs and maintenance	(2,622)	(2,622)	(4,645)
Telephone and fax	(2,652)	(2,652)	(2,267)
Printing, postage and stationery	(553)	(553)	(2,816)
Sundry expenses	(2,398)	(2,398)	(2,026)

## Purple Patch Arts

### Detailed Statement of Financial Activities for the Year Ended 31 August 2018

	<u>2018</u>	<u>2018</u>	
	Unrestricted funds		Total 2017
	General £	Total £	£
Advertising	-	-	(1,845)
Bad debts written off	-	-	(7,222)
Bank charges	-	-	(75)
	<u>(286,579)</u>	<u>(286,579)</u>	<u>(387,131)</u>

	<u>2018</u>	<u>2018</u>	
	Unrestricted funds		Total 2017
	General £	Total £	£
<b>Governance costs</b>			
Accountancy fees	(900)	(900)	(720)
Auditor's remuneration	(960)	(960)	-
Consultancy fees	(3,159)	(3,159)	(3,744)
Legal and professional fees	(413)	(413)	(3,718)
	<u>(5,432)</u>	<u>(5,432)</u>	<u>(8,182)</u>

	<u>2018</u>	<u>2018</u>	
	Unrestricted funds		Total 2017
	General £	Total £	£
<b>Other expenditure</b>			
Depreciation of furniture and fittings	(150)	(150)	(152)
Depreciation of office equipment	(7,509)	(7,509)	(7,197)
	<u>(7,659)</u>	<u>(7,659)</u>	<u>(7,349)</u>