

Company Registration No. 02328810

Charity Registration No. 801637

**JUNCTION CDC LTD
(t/a Cambridge Junction)**

Trustees' Report and Financial Statements

31 March 2019

JUNCTION CDC LIMITED (t/a Cambridge Junction)

REPORT AND FINANCIAL STATEMENTS 2019

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JUNCTION CDC LIMITED (t/a Cambridge Junction)

REPORT AND FINANCIAL STATEMENTS 2019

REFERENCE AND ADMINISTRATION DETAILS

TRUSTEES

Richard Arnold
Nicola Buckley, Chair
Christine Doddington
Jon Payne, Treasurer
Merav Rosenfeld
Godric Smith
Julius Stobbs
Michael Stone
Helen Taylor
Zoe Svendsen (appointed 22 July 2019)

COMPANY REGISTERED NUMBER

02328810

CHARITY REGISTERED NUMBER

801637

REGISTERED OFFICE

Clifton Way
Cambridge
CB1 7GX

BANKERS

HSBC Bank plc
Vitrium
St John's Innovation Park
Cambridge
CB4 0DS

SOLICITORS

Mills & Reeve
Botanic House
100 Hills Road
Cambridge
CB2 1PH

AUDITOR

Price Bailey
Chartered Accountants
Tennyson House
Cambridge Business Park
Cambridge
CB4 0WZ

JUNCTION CDC LIMITED (t/a Cambridge Junction)

TRUSTEES' REPORT

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2019

OUR PURPOSE AND ACTIVITIES

Cambridge Junction is the trading name of Junction CDC Ltd.

Cambridge Junction is all about great music, art and entertainment. We are welcoming to anyone and to all, providing opportunities to connect, learn and experience. We encourage audiences and artists to be confident and curious. We are the place where art and technology meets life.

Cambridge Junction will:

- Strive to be the UK's most inspiring centre for the performing arts
- Grow a risk-taking audience through an engaging programme representing inclusive practices
- Lead the way in supporting artists and their development
- Emphasise work for, by and with young people, co-created with acclaimed artists and companies
- Connect with our communities, communicate with passion and commit to embracing change

Cambridge Junction's priorities are:

- an inclusive programme
- artist development; and
- projects made for, by and with young people.

We celebrate and nurture the intersection of the three strands of our programme:

- Arts development and presentation, with a focus on contemporary theatre and dance;
- Popular culture with a focus on music, comedy and clubs; and
- Creative learning and skills development in the arts, using the organisation as a site for learning.

Cambridge Junction is twenty minutes' walk from the centre of the city and is located at the Cambridge Leisure Park. Each year we hold over 350 events in our three spaces:

- J1, a large versatile performance and social space with a standing capacity of 850;
- J2, a 220 seat theatre; and
- J3, a light-filled multipurpose space excellent for learning, rehearsal, residencies and talks.

The goals of Cambridge Junction are:

- To have more people experience and value arts, popular culture and creative learning. **GOAL 1**
- To support excellence in arts, popular culture and creative learning. **GOAL 2**
- To be a forward-thinking arts centre responsive to changes in the arts and community. **GOAL 3**
- To be rooted in Cambridge, contributing to the life of the city and its residents. **GOAL 4**
- To have a stable and adaptive business structure with diverse income streams. **GOAL 5**

Key performance indicators:

In order to monitor and assess Cambridge Junction's performance, against its goals, the Trustees utilise a number of financial and non-financial key performance indicators (KPIs), which are set out in the following table:

Description (metric)	March 2019	March 2018	% Change	Related to Goal
Attendance at events & activities	103,131	100,267	2.8%	1, 5
Investment in artist and performance fees	£727,600	£786,597	-7.5%	2
Children & young people participating in creative learning workshops and projects	7,038	6,537	8%	3
Weeks of residency for local and regional artists and companies	54	40	35%	4
Income from individual donations, trusts & foundations and corporate sponsorship	£138,619	£74,630	86%	5

JUNCTION CDC LIMITED (t/a Cambridge Junction)

TRUSTEES' REPORT

OUR PURPOSE AND ACTIVITIES (CONTINUED)

At Cambridge Junction we are:

- **Committed** to art, entertainment and learning, which are experience-led, including new forms of performance, contributing to the creation of art through participation, access to popular music, and learning through creativity.
- **Inclusive and welcoming:** of artistic ideas, forms and contexts, and the diversity and difference of our artists and audiences.
- **Collaborative:** with artists, arts organisations, communities, government authorities and other stakeholders in pursuit of mutual goals.
- **Strategic:** in business; balancing day-to-day management, entrepreneurial opportunities and long-term aspirations.

ACHIEVEMENTS AND PERFORMANCE

For the purpose of these financial statements, the activities of Cambridge Junction may be classified between the main programme and projects. Activities considered part of the main programme include the arts and popular culture presentation programmes, arts development initiatives, and the creative learning activities. Projects include a variety of one-off and/or time-limited events and activities, which are usually grant funded.

Arts centres play a vital role in England's cultural ecology, performing distinct functions connecting artists and audiences. The quality and interdisciplinarity of our programmes are essential in ensuring that excellence in the arts and creativity is valued in our communities.

Our programme is diverse and inclusive, though we continue to reflect on how we might be more representative of the communities in which we live and work. We are not shy of attracting audiences for culture that is popular and at the same time inspire and challenge people with art that explores our society's challenges. We can be provocative and entertaining at the same time and revel in this ability. In programming work across discipline from music to theatre, live art to dance to circus, not to mention the work of those artists defying categorisation, we can establish new connections, and communicate differently between sectors and communities. In all of this we strive for excellence; the most engaging, high quality artists, the best communications and marketing, the most inspiring, supportive creative learning and artist development programmes.

In 2018/19 we recorded 103,131 ticket sales, which represents an increase of more than 2.8% on last year's figure and against a business plan target of 100,000. [KPI1]

Highlights of the year included sell out gigs in J1 for Rejjie Snow, Beth Ditto, Don Broco, GoGo Penguin, Enter Shikari and Freya Ridings. Other artists and projects to make their mark and have an impact included Molotov Jukebox and the experimental music series Outlands. Our comedy programme continued to grow with sell-out shows from Mark Thomas, Shappi Khorshandi, Tim Key, Nish Kumar and Marcus Brigstocke. [KPI2]

Our arts programme is presented in two seasons: February to May and September to December annually. The programme continued to stand out for its commitment to artistic innovation and excellence, and is an important part of the national infrastructure supporting contemporary performance. Programme highlights included: Scottee & Friends Ltd's *Bravado* and *Fat Blokes*, New Art Club's *Cupid's Revenge*, Bert & Nasi's *Palmyra*, new commissions from Figs in Wig (*Little Wimmin*) and Made in China (*Super Duper Close Up*), Seke Chimutengwende & Alexandrina Hemsley (*Black Holes*), Rachel Young's *Nightclubbing*, Louis Vanhaverbeke's *Multiverse*, Thisegg & Stefanie Mueller's *Unconditional*, New International Encounter's *Snow White*, Robin Deacon's *Vinyl Equations*, and Forced Entertainment's *To Move in Time*. [KPI2]

Cambridge Junction continues to be an important venue for international acts, especially within the popular culture programme. Our programme of North American artists was outstanding including Flaming Lips, They Might Be Giants and Midland. The fourth iteration of the Ahbab Festival allowed us to continue to build relationships and develop audiences for musics from the Middle East and North Africa.

JUNCTION CDC LIMITED (t/a Cambridge Junction)

TRUSTEES' REPORT

ACHIEVEMENTS AND PERFORMANCE (continued)

Participation in the Making Tracks touring network made an important contribution to our programme including a stand out performance by Toko Telo.

In the artistic programme international highlights include Louis Vanhaverbeke (Belgium), Why Not Theatre (Canada) and Theatre Replacement (Canada), as well as the work of many international artists based in the UK including Lola Maury, Bert & Nasi, 2 Destination Language and Xavier de Sousa. [KPI2]

We continue the internationalisation of our artistic programme and to further develop our networks, which already include IETM and the Future Arts Centre's Euro Vision project, which saw connections being developed with venues in Ireland and Belgium in particular.

In 2018/19, we continued to develop connections with the technology and innovation sector in Cambridge. With our resident company Collusion we are fostering art/tech collaborations, public engagement projects, workshops and seminars. We are actively working to make this area of work integral to our programme in the future. We also continue to work closely with Raspberry Pi on their public engagement activity in Cambridge and are discussing future plans particularly with regards our capital development and a site for excellence at the intersection of creativity, innovation and technology. [KPI4]

We champion and seek to show leadership through our approach to diversity and inclusivity. We consider all protected characteristics but focus on presenting work led by artists of colour, the representation of disability and a vital LGBTQIA+ strand of programming.

Companies/artists such as StopGap Dance, Seke Chimutengwende & Alexandrina Hemsley, Rachel Young, Travis Alabanza, Xavier de Sousa and Scottee & Friends have been integral to our arts programme. Our family programme includes sensory works for young disabled people with companies such as Oily Cart and Frozen Light being presented regularly. The popular culture programme also plays an important role in the representation of diverse and different voices in our society especially through comedians such as Ayesha Hazariika, Shazia Mirza and Anuvab Pal. [KPI2]

In 2018/19 we worked in partnership again to present the PINK Festival and Ahbab Festival of music from North Africa and the Middle East. We look forward to continuing to strengthen these relationships that bring greater inclusivity to our programmes.

We continue to host and lead on the Live Art UK / Diverse Actions project which is proving successful in supporting new live art projects, leadership, critical practice and communications by emerging artists and writers of colour.

In 2018/19 we continued to grow our offer to local and regional artists through our Troop membership programme. We now have 87 artist members, who benefit from advice, residencies, masterclasses and workshops, and performance opportunities at our biannual platform. This programme has resulted in 18 successful Grants for the Arts applications, 20 members showing work at scratch events, and many benefiting from residencies. Projects by Troop artists have toured and developed profile nationally including work by This Egg, Juliette Burton, Adie Bueller & Trui Maltens, Hack Theatre and the Cutlery Crew. [KPI4]

We remain committed to the development of new work and contemporary performance. We provided 34 weeks of residency time in J3, plus 20 weeks of time in other spaces around the building; a total of 54 weeks of space and time supporting artist development at Cambridge Junction. [KPI4]

Our programme is distinctive in its diversity and its commitment to artistic innovation and excellence. We perform a vital function for contemporary performance and live art in England. We directly invested over £123,00 in artist and commissioning fees (in addition to the space, technical, producing and dramaturgical support and advice provided by our team) specifically on our artistic programme. In 2018/19 we invested over £727,600 in performance fees across our entire programme. [KPI5]

JUNCTION CDC LIMITED (t/a Cambridge Junction)

TRUSTEES' REPORT

ACHIEVEMENTS AND PERFORMANCE (continued)

Our creative learning programme is built around an understanding of our venue as a site for learning and participation. Our vision is for our venue to be a place where young people are 'at home' and where they can experience artistic excellence, participation in the arts and consider the arts as a potential career route. We seek to introduce young people to artistic excellence through our presentation programme, by working with professional artists, and by facilitating first steps to a career as an artist. [KPI3]

Cambridge Junction is committed to being a forward thinking arts centre responsive to changes in the arts and community. An integral part of this is our vision to create a space where young people can develop their workplace skills and/or gain an understanding of the arts and cultural sector. In addition, despite the richness of Cambridge's cultural scene, many people in our local area have limited access to cultural activities. One of our main focuses is on young people who are at risk of being left behind. Cambridge is a city characterised by financial, social and cultural diversity. We extend the reach and influence of Cambridge Junction through a series of targeted projects (some ongoing and some time-limited) which address the needs and interests of young people and/or socially excluded groups. Our targeted participation aims to level the playing field for young people who may not have the same opportunities as their peers. We review our portfolio of targeted participation projects annually.

Our Creative Learning department ensures that young people are able to be part of Cambridge Junction and be involved in hands-on learning. We are committed to the up-and-coming and young people are our focus for participation. In 2018/2019 we presented three youth-led events: Junk Yard music festival; Act Up; and Rapademic. [KPI3]

We run two youth artistic development initiatives: Junction Young Company (JYC), an advanced training programme for committed performers aged 14 to 21; and Total Arts for disabled young people aged 13 – 25, with a focus on filmmaking developing creative skills in front of the camera and behind the scenes.

Fiver and New Routes, offer significant opportunities for engagement through music. We presented ten Fiver/New Routes events and many of the young performers played their music on a professional stage for the first time.

Over 2018/2019 we managed four apprenticeships, three in venue operations and one in technical theatre. We participated in the Weston Jerwood Creative Bursary initiative providing a talented recent graduate (from a low-income background) on-the-job training for a year. These initiatives provided invaluable alternative routes into employment in the arts. [KPI3]

Our current priorities are to focus our audience development action plan on local, repeat and cross-over attendance. We encourage those living closer to the venue to attend more often, those coming once a year to come again and existing and loyal audiences to explore new areas of our programme.

We believe audience development should be inspired by and connected to programme development and our creative learning programmes are a vital stage in the process of encouraging engagement with our artistic programme and attendance. For instance, we are increasingly seeing members of Junction Young Company attending contemporary performances and this is something we want to encourage and nudge further towards in the future. [KPI1 & KPI5]

We continue to be active in our development of local audiences and our audience development strategies range from Facebook advertising with geographic filters, through promotion at community events, to ambassador promoters.

We continue to be a socially responsible organisation with a broad range of commitments from the diversity and difference of our artists, audiences and workforce; through work (and in particular pay) conditions for our employees; to consideration of our environment. Our Environmental Policy continues to identify our primary challenges and actions around environmental sustainability. We are willing participants in Arts Council England's partnership with Julie's Bicycle and we monitor and record our energy (electricity, gas and water) and waste usage and thereby calculate our carbon footprint.

JUNCTION CDC LIMITED (t/a Cambridge Junction)

TRUSTEES' REPORT

ACHIEVEMENTS AND PERFORMANCE (continued)

Ensuring Cambridge Junction's resilience now and in the future remains a priority. We remain a social enterprise earning 60% of our £2.8m income, with profits reinvested into our charitable activity. [KPI5]

We have maintained and consolidated tickets sales in a complex and dynamic sector dependent largely on the rhythm of tours and agents. Income from tickets sales increased by almost 1% in 2018/19 and income from bars increased by 14%. [KPI5]

This year we have seen an increase in the number of gigs, clubs and comedy events presented at Cambridge Junction. It is unclear whether this trend will continue and our future budgeting will continue to be conservative with regards to income from these activities.

In 2018/19 we have again seen a significant impact on income from individual and corporate giving, trusts, foundations and statutory sources, with actual income of £138,619 against a target of £51,000. We have increased our membership to 348 in 2018/19, an increase of 30% on the last year. [KPI5]

FINANCIAL REVIEW

Overall the group had net expenditure for the year of £103,824 (2018: £162,459), including net expenditure of £22,462 (2018: £7,939 surplus) on unrestricted funds.

The net expenditure on restricted funds in the year was £81,362 (2018: £170,398).

Included within the group's results are those of the charity's wholly owned trading subsidiary, The Junction Promotions Limited, which earned £166,491 (2018: £148,009) profit in the year of which £164,223 was gift-aided to the charity under a deed of covenant. [KPI5]

We continue to maintain excellent relationships with our principle funding bodies, Arts Council England and Cambridge City Council. Arts Council England supports our core activity with annual funding of £637,518 (2018: £587,418) through its National Portfolio funding programme. However, funding from Cambridge City Council has been reducing and in 2017/18 Cambridge Junction was moved from triennial core funding to year-on-year project funding of £55,000 (2018: £54,000) to support our community engagement programme. [KPI5]

The Charity understands its duty to protect the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches, and undue pressure to donate but does not currently fundraise from the public or use any internal fundraisers or external fundraising agencies for either telephone or face to face campaigns and received no fundraising complaints during the year.

JUNCTION CDC LIMITED (t/a Cambridge Junction)

TRUSTEES' REPORT

RESERVES POLICY

Cambridge Junction carries out a diverse range of activities, including short term externally funded projects and long term business development. The trustees have examined the requirement for free reserves, i.e. those unrestricted funds not invested in tangible fixed assets, designated for specific purposes or otherwise committed. The trustees consider that given the scale of the organisation and the nature of its work, the level of free reserves should be approximately £200,000 at any one time.

The trustees are of the opinion that this provides:

- Sufficient flexibility to cover temporary shortfalls in income due to timing differences in income flows;
- Adequate working capital to cover core costs; and
- An allowance to enable the organisation to cope and respond to unforeseen emergencies whilst specific action plans are implemented.

In determining the reserves policy, the trustees have considered the fixed costs required to maintain the Company for three months stands at approximately £172,000. The trustees have also considered the impact of any funding loss and the timescale in which this might occur.

The balance sheet shows total funds of £3,050,151 at 31 March 2019.

These funds included restricted funds of £2,627,489. This comprises grants and other income and assets subject to donor imposed conditions. The restricted funds include a Tickets in Advance Reserve of £120,000, which is a reserve equivalent to a prudent value of tickets sold in advance of events. Full details of restricted funds can be found in note 17 to the financial statements together with an analysis of movements in the year. The trustees note that the Tickets in Advance Reserve provides risk mitigation around ticket sales.

Unrestricted funds of the organisation at 31 March 2019 were £422,662 (2018: £445,124). These funds include £61,975 (2018: £54,475) relating to designated funds for a repair and renewal contingency, £16,398 (2018: £25,748) relating to designated funds for remuneration contingency, £12,000 (2018: £20,000) relating to designated funds for website optimisation, £43,855 (2018: £27,750) relating to designated funds for philanthropy and development. The 'free reserves of the group are £119,894 (2018: £138,575) after taking out fixed assets of £168,540 (2018: £173,576).

At 31 March 2019, the free reserves fell short of the desired level as set out in the reserves policy, above.

PLANS FOR FUTURE PERIODS

Cambridge Junction has consolidated its artistic reputation and stabilised its financial position. Now, operating smoothly, with a committed team and strong support from stakeholders, the next three years are looking positive. Audiences and earned income from ticket and bar sales continue to grow steadily and we expect this trend to continue.

The primary financial risk for the organisation is less and less about ticket sales and earned income and increasingly about the financial vulnerability of core stakeholders. **[GOAL 5]**

While our business model is strong, maintenance of our buildings and equipment is our primary concern for ensuring a resilient future. Without investment it is likely that a major building or equipment failure could place us in financial difficulty. Our approach has been to propose a major new capital redevelopment of our site, to include the rebuilding of J1 to increase its flexibility of use, rebuilding J3 and the addition of two new studio spaces for creation, creative learning, community and performance use, an enhanced, expanded and unifying foyer and social space; and 5,000+ square meters of creative, innovation and technology workspace. The workspace has the potential to provide long-term income and thereby ensure the resilience of the organisation. We were are working in partnership with Cambridge City Council on the development of this project and towards an application to Arts Council England's Large Capital Fund in 2020.

JUNCTION CDC LIMITED (t/a Cambridge Junction)

TRUSTEES' REPORT

PLANS FOR FUTURE PERIODS (CONTINUED)

An important part of our capital development strategy is to increase our engagement with the innovation and technology sectors in Cambridge. We see this dynamic sector as providing important potential partners for project delivery and see our resilient future better aligned to thriving businesses in Cambridge and the region.

Our programme, audience and financial projections for the project suggest that we have the potential to increase revenue (through the rental of workspace) [GOAL 5], increase audiences by 20+% [GOAL 1], increase activity to allow us to meet the demands of a growing population in the city, county and region [GOAL 3 & 4], and to realise our ambitious vision with regards to the support of commissioning, artist development and creative learning over the coming years [GOAL 1,2 & 3].

The ongoing success of Cambridge Junction is not possible without the professionalism and commitment of the staff. Their contribution across the programme, communications, technical, operations and administration continues to play a significant role in shaping a positive future for Cambridge Junction.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The trustees constitute directors of the charitable company for the purpose of the Companies Act 2006.

The trustees serving during the year and since the year end, are shown on page 1.

Governing document

Cambridge Junction is incorporated as a company limited by guarantee with no share capital, registered in England and Wales (Company registration no. 02328810), and is set up as a registered Charity (Charity registration no. 801637).

Cambridge Junction's Memorandum and Articles of Association were incorporated on 15 December 1988 and amended by special resolution on 23 May 1989; 31 March 1998; 6 March 2000; 10 May 2000 and 22 February 2006.

Appointment of Trustees

There can be up to 17 trustees, elected to the Board. Each trustee is elected for a term of three years and can be re-elected for consecutive periods not exceeding nine years. After serving for nine years, a board member is not eligible for re-election until one year after retirement. New trustees are identified through personal recommendation, local networks and recruitment advertising. The trustees undertake a regular skills audit to ensure a suitable balance of skills and experience is achieved.

Trustee induction and training

On appointment, new trustees meet with the chair of the board and with senior management. These meetings include in-depth discussions regarding the structure, management and aims of the organisation and the responsibilities of the board as a whole and of individual trustees. New trustees are provided with a pack of relevant policies and other background information (including copies of budgets and financial statements) and are informed about the general information available on the Charity Commission website.

Group structure

The charity's wholly owned trading subsidiary, The Junction Promotions Limited, which is incorporated in England and Wales, pays all its profits to the charity by gift aid, under a deed of covenant. The Junction Promotions Limited operates the bars, refreshments and all commercial trading operations carried out at Cambridge Junction. The charity owns the entire issued share capital of 2 ordinary shares of £1 each.

The Board of trustees has overall control of the charity and is responsible for ensuring it fulfils its charitable aims and objectives. The Board appoints the CEO who in turn appoints the staff team responsible for the day to day running of the charity and trading subsidiary.

Related parties and co-operation with other organisations

Cambridge Junction had no formal partnership agreements in place during 2018/19.

Key management personnel

Matt Burman is the Artistic Director and Chief Executive Officer. Helen Chamberlain is the General Manager.

JUNCTION CDC LIMITED (t/a Cambridge Junction)

TRUSTEES' REPORT

STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

Pay policy for senior staff

Pay levels are agreed annually by the Board. All pay levels, including those of senior staff, are based on an understanding of fair and equitable pay within the arts sector and in particular within peer National Portfolio Organisations.

Cambridge Junction is committed to pay all permanent staff the Living Wage (as set by the Living Wage Foundation) or better. All casual staff are paid the National Living Wage or better. The organisation aspires to pay all staff the Living Wage or better.

Cambridge Junction does not pay performance related bonuses.

Risk management

The trustees have assessed the major risks to which Cambridge Junction is exposed, in particular those related to the strategic, business, operations and finances of Cambridge Junction, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

Key risks and the trustees' approach to mitigating these risks are outlined in Cambridge Junction's business plan. However, the primary risks remain the failure to achieve audience levels/income (particularly in J1) and the reduction/cessation of ongoing financial support from Arts Council England and/or Cambridge City Council. The trustees' approach to mitigating these risks is to: reforecast budgets at quarterly intervals and to ensure the budget reflects actual trading and funding outcomes; revise budgets to reduce core costs; and, where necessary, to draw on the free reserves.

TRUSTEES' QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

The company has granted an indemnity to one or more of its trustees against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the Trustees' report.

TRUSTEES' RESPONSIBILITIES STATEMENT

The trustees (who are also directors of Junction CDC Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report 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 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 2015 (FRS 102);
- make judgements and accounting 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 operation.

The trustees are responsible for keeping adequate accounting records that 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.

JUNCTION CDC LIMITED (t/a Cambridge Junction)

TRUSTEES' REPORT

AUDITOR

Each of the persons who is a trustee at the date of approval of this annual report confirms that:

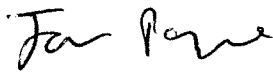
- so far as the trustee is aware, there is no relevant audit information of which Cambridge Junction's auditor is unaware; and
- the trustee has taken all the steps that he/she ought to have taken as a trustee to make himself/herself aware of any relevant audit information and to establish that Cambridge Junction's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Price Bailey has expressed its willingness to continue in office as auditor and reappointment as auditor will be considered at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

Approved by the Board of Directors
and signed on behalf of the Board



J Payne

Trustee

Date: 23/09/2019

JUNCTION CDC LIMITED (t/a Cambridge Junction)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JUNCTION CDC LIMITED

Opinion

We have audited the financial statements of Junction CDC Limited (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2019 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the charity balance sheet, the statement of consolidated cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2019, and of the group's 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and of the parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

JUNCTION CDC LIMITED (t/a Cambridge Junction)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JUNCTION CDC LIMITED

Other information (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

JUNCTION CDC LIMITED (t/a Cambridge Junction)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JUNCTION CDC LIMITED

Auditor's responsibilities for the audit of the financial statements

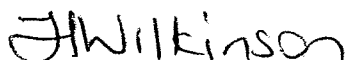
We have been appointed auditor under the Companies Act 2006 and report in accordance with this Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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 charitable 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Helena Wilkinson BSc FCA DChA (Senior Statutory Auditor)

For and on behalf of Price Bailey LLP

Chartered Accountants

Statutory Auditors

Tennyson House

Cambridge

CB4 0WZ

United Kingdom

Date: 3 October 2019

JUNCTION CDC LIMITED (t/a Cambridge Junction)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (including consolidated income and expenditure account) Year ended 31 March 2019

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
INCOME:					
<i>Donations and legacies</i>	3	785,597	338,747	1,124,344	1,031,946
<i>Income from charitable activities:</i>					
Main projects and participation programme	4	1,186,675	-	1,186,675	1,250,344
Projects including arts development		-	74,533	74,533	-
<i>Income from other trading activities:</i>					
Commercial trading operations	5	451,997	-	451,997	395,835
Investments – bank interest	6	1,672	-	1,672	767
Total income		2,425,941	413,280	2,839,221	2,678,892
EXPENDITURE:					
<i>Costs of raising funds:</i>					
Commercial trading operations	5	285,506	-	285,506	247,826
<i>Expenditure on charitable activities:</i>					
Main projects and participation programme	7	2,161,847	65,000	2,226,847	2,191,353
Projects, including arts development	7	1,050	429,642	430,692	402,172
Total expenditure		2,448,403	494,642	2,943,045	2,841,351
Net expenditure and net movement in funds in the year, being net movement in funds		(22,462)	(81,362)	(103,824)	(162,459)
RECONCILIATION OF FUNDS:					
Total funds brought forward	17	445,124	2,708,851	3,153,975	3,316,434
TOTAL FUNDS CARRIED FORWARD	17	422,662	2,627,489	3,050,151	3,153,975

There were no other items of comprehensive income other than those listed above and the net income for the year. All income and expenditure derive from continuing activities.

The deficit of the parent charity for the year for Companies Act purposes is £106,092 (2018: £162,459). As permitted by Section 408 of the Companies Act 2006, no separate Statement of financial activities is presented in respect of the parent charity.

See note 17 for comparative Consolidated Statement of Financial Activities analysed by funds.

The notes on pages 18 to 35 form part of these financial statements.

JUNCTION CDC LIMITED (t/a Cambridge Junction)

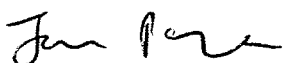
CONSOLIDATED BALANCE SHEET 31 March 2019

	Note	2019 £	2018 £
FIXED ASSETS			
Tangible assets	11	2,430,921	2,667,112
CURRENT ASSETS			
Stocks	13	14,160	10,427
Debtors	14	185,522	108,238
Cash at bank and in hand		960,835	751,757
		1,160,517	870,422
CREDITORS: amounts falling due within one year	15	(541,287)	(383,559)
NET CURRENT ASSETS		619,230	486,863
TOTAL ASSETS LESS CURRENT LIABILITIES		3,050,151	3,153,975
NET ASSETS		3,050,151	3,153,975
CHARITY FUNDS			
Restricted funds	17	2,627,489	2,708,851
Unrestricted funds	17	422,662	445,124
TOTAL FUNDS		3,050,151	3,153,975

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime. The notes on pages 18 to 35 form part of these financial statements.

The financial statements of Junction CDC Limited, registered number 02328810, were approved by the Board of Trustees and authorised for issue on 23/09/2019.

Signed on behalf of the Trustees



J Payne

Trustee

JUNCTION CDC LIMITED (t/a Cambridge Junction)

CHARITY BALANCE SHEET

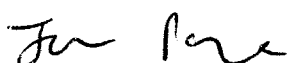
31 March 2019

	Note	2019 £	2018 £
FIXED ASSETS			
Tangible assets	11	2,430,921	2,667,112
Investments	12	2	2
		<u>2,430,923</u>	<u>2,667,114</u>
CURRENT ASSETS			
Debtors	14	654,790	474,247
Cash at bank and in hand		485,109	383,569
		<u>1,139,899</u>	<u>857,816</u>
CREDITORS: amounts falling due within one year	15	<u>(522,939)</u>	<u>(370,955)</u>
NET CURRENT ASSETS		<u>616,960</u>	<u>486,861</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,047,883</u>	<u>3,153,975</u>
NET ASSETS		<u><u>3,047,883</u></u>	<u><u>3,153,975</u></u>
CHARITY FUNDS			
Restricted funds	17	2,627,489	2,708,851
Unrestricted funds	17	420,394	445,124
TOTAL FUNDS		<u><u>3,047,883</u></u>	<u><u>3,153,975</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime. The notes on pages 18 to 35 form part of these financial statements.

The financial statements of Junction CDC Limited, registered number 02328810, were approved by the Board of Trustees and authorised for issue on 23/09/2019.

Signed on behalf of the Trustees



J Payne

Trustee

JUNCTION CDC LIMITED (t/a Cambridge Junction)

STATEMENT OF CONSOLIDATED CASH FLOWS 31 March 2019

	Note	2019 £	2018 £
Cash provided by operating activities	22	216,368	60,010
Cash flows from investing activities			
Interest income		1,672	767
Purchase of tangible fixed assets		(8,541)	(4,469)
Cash flows used in investing activities		(6,869)	(3,702)
Cash flows from financing activities			
Interest paid		(7)	(131)
Finance leases		(414)	(1,270)
Cash flows used in financing activities		(421)	(1,401)
Increase in cash and cash equivalents in the year		209,078	54,907
Cash and cash equivalents at beginning of the year		751,757	696,850
Total cash and cash equivalents at the end of the year		<u>960,835</u>	<u>751,757</u>

The notes on pages 18 to 35 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

1. ACCOUNTING POLICIES

Company and charitable status

Junction CDC Limited meets the definition of a public benefit entity under FRS102 and is incorporated in England and Wales, United Kingdom as a company limited by guarantee not having a share capital. There are currently nine (2018: nine) Trustees who are also the members of the company. Each member has undertaken to contribute to the assets in the event of winding up a sum not exceeding £1. The charity is a registered charity. The registered office is given on page 1.

General information and basis of accounting

The financial statements are prepared under the historical cost convention, in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities (SORP 2015)" 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; and the Companies Act 2006.

The financial statements are presented in Sterling and are rounded to the nearest £.

The principal accounting policies are set out below.

Preparation of financial statements - going concern basis

Cambridge Junction's activities, together with the factors likely to affect its future development, performance and position are set out in the Trustees' Report. The Trustees' Report also describes the financial position of Cambridge Junction; its risk management objectives and policies; and its free reserves policy.

The trustees have prepared forecasts which show that Cambridge Junction will be able to meet its liabilities as they fall due, for a period of at least 12 months from the date of approval of these financial statements.

The trustees have a reasonable expectation that Cambridge Junction has adequate resources to continue in operational existence for the foreseeable future and, therefore, continue to adopt the going concern basis in preparing these financial statements.

Basis of consolidation

Group financial statements have been prepared in respect of the Charity and its wholly owned subsidiary undertaking Junction Promotions Limited. These financial statements have been consolidated on a line by line basis and the results of the subsidiary undertaking are disclosed in note 5.

Income

Income is recognised when the Group and Charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably. Income relating to events including ticket sales, bar income and cloakroom income is recognised at the date of performance.

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

1. ACCOUNTING POLICIES (CONTINUED)

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

Expenditure on raising funds includes the costs incurred in commercial trading operations.

Expenditure on charitable activities includes the costs of performances and other educational activities undertaken to further the purposes of the charity and their associated support costs.

Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the Trust's artistic programmes and activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in note 8.

Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds subject to specific restrictions imposed by the funding authorities and donors. These funds are not available for the Trustees to apply at their discretion. The purpose and use of the restricted funds is set out in the notes to the financial statements.

Taxation

The parent company is a registered charity and has no liability to corporation tax on its charitable activities under the Corporation Tax Act 2010 (chapters 2 and 3 of part ii, section 466 onwards) or Section 256 of the Taxation for Chargeable Gains Act 1992, to the extent surpluses are applied to its charitable purposes.

Current tax for the subsidiary company, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. No corporation tax is payable (or receivable) for the current or previous financial year.

Tangible fixed assets

Fixtures and equipment are stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Long term leasehold property	Period of lease
Fixtures and fittings	20-33%

Residual value is calculated on prices prevailing at the date of acquisition or revaluation. Useful lives and residual values are reviewed at the end of every reporting period.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

1. ACCOUNTING POLICIES (CONTINUED)

Investments

In the parent charity balance sheet, investments in subsidiary undertakings are measured at cost less impairment.

Stock

Stocks are stated at the lower of cost and net realisable value. Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and costs to be incurred in marketing, selling and distribution. Cost is based on the cost of purchase on a first in, first out basis. Provision is made for obsolete, slow-moving or defective items where appropriate.

Leases

Assets held under finance leases, hire purchase contracts and other similar arrangements, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets at the fair value of the leased asset (or, if lower, the present value of the minimum lease payments as determined at the inception of the lease) and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs).

The charity and group only have financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. Fixed assets are recorded at depreciated historical cost and all other assets and liabilities are recorded at costs which is their fair value.

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Pensions

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 1, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The Trustees do not consider there are any critical accounting judgements or key sources of estimation uncertainty requiring disclosure.

3. ANALYSIS OF INCOME FROM DONATIONS AND GRANTS

	2019 £	2018 £
Donations:		
Rent and rates in kind	104,510	107,566
Individual Donations	45,069	29,609
Corporate Sponsorship	10,550	22,915
Trusts & Foundations	83,000	22,089
	<u>243,129</u>	<u>182,179</u>
Grants:		
Cambridge City Council ¹	55,000	54,000
Cambridge City Council ²	10,000	15,000
Cambridge City Council – Act Up ³	17,883	1,987
Arts Council England ⁴	637,518	587,418
Arts Council England ⁵	11,000	-
Cambridgeshire County Council ⁶	1,050	2,450
Arts Council England – Ambition For Excellence ⁷	147,000	156,000
Arts Council England – Catalyst Evolve ⁸	-	28,248
Regional Theatre Young Directors Scheme ⁹	-	4,664
Flemish Government ¹⁰	1,764	-
	<u>881,215</u>	<u>849,767</u>
	<u>1,124,344</u>	<u>1,031,946</u>

- Community grant which supports the performance and creative learning programmes. The grant is awarded annually.
- Section 106 money awarded by Cambridge City Council to support *News News News*, a joint commission with Norwich and Norfolk Festival
- Grant to support a multimedia project with young people deemed to be at risk of involvement with the criminal justice system
- National Portfolio Organisation triannual funding awarded up to 2022.
- Project grant to support a regional music mapping project
- Grant to support youth music initiatives
- Strategic fund to support Diverse Actions, a three-year initiative championing BAME artists and arts workers.
- Strategic fund to support philanthropy and development.
- Fund to support resident Director placement, as part of an initiative to develop directing talent.
- Grant towards commissioning costs
2019 figures include restricted funds of £338,747 (2018: £305,438)
There are no unfulfilled conditions or other contingencies relating to the above grants.

JUNCTION CDC LIMITED (t/a Cambridge Junction)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

4. ANALYSIS OF INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
<i>Earned income from performance, classes and public events:</i>			
Ticket sales	750,078	-	750,078
Event hire fees	228,461	-	228,461
Cloakroom sales	16,724	-	16,724
Creative learning sales	11,390	-	11,390
Other sales	180,022	-	180,022
Total	1,186,675	-	1,186,675

2018 – Comparative

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total 2018 £
<i>Earned income from performance, classes and public events:</i>			
Ticket sales	877,495	-	877,495
Event hire fees	176,530	-	176,530
Cloakroom sales	15,302	-	15,302
Creative learning sales	12,120	-	12,120
Other sales	168,897	-	168,897
Total	1,250,344	-	1,250,344

JUNCTION CDC LIMITED (t/a Cambridge Junction)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

5. ANALYSIS OF INCOME AND EXPENDITURE ON RAISING FUNDS

The wholly owned trading subsidiary, The Junction Promotions Limited, is incorporated in the United Kingdom (company number 03437774) and pays all of its profits to the charity under a deed of covenant. The Junction Promotions Limited operates the bars at the Cambridge Junction premises. A summary of the trading results is shown below:

	2019	2018
	£	£
Turnover	451,997	395,835
Cost of sales	(218,865)	(184,793)
Administration costs	(23,122)	(22,466)
Support costs (note 8)	(42,987)	(40,567)
Corporation tax	(532)	-
Net Profit	166,491	148,009
Deed of covenant/gift aid	(164,223)	(148,009)
Retained in subsidiary	2,268	-
SUMMARY BALANCE SHEET	2019	2018
	£	£
CURRENT ASSETS		
Stocks	14,160	10,427
Debtors	1,063	1,063
Cash at bank and in hand	475,727	368,188
	490,950	379,678
CREDITORS: amounts falling due within one year	(488,680)	(379,676)
NET CURRENT ASSETS	2,270	2
NET ASSETS	2,270	2
CAPITAL		
Share capital	2	2
Retained earnings	2,268	-
SHAREHOLDERS' FUNDS	2,270	2

2018 figures include restricted funds of £nil

JUNCTION CDC LIMITED (t/a Cambridge Junction)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

6. ANALYSIS OF INCOME FROM INVESTMENTS

	2019 £	2018 £
Bank interest	1,672	767

2018 figures include restricted funds of £nil

7. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
Cost of main performance and participation programme	2,161,847	65,000	2,226,847
Costs of projects, including arts development	1,050	429,642	430,692
Total	2,162,897	494,642	2,657,539
Cost of main performance and participation programme			
Artists' fees and commissions	673,612	53,988	727,600
Licences	28,454	24	28,478
Security costs	73,619	148	73,767
Technical costs	70,960	-	70,960
Box office costs	38,013	-	38,013
Marketing costs	57,774	95	57,869
Property costs	292,463	-	292,463
Salaries	414,797	9,880	424,677
National insurance	32,314	865	33,179
Depreciation	13,577	-	13,577
Support costs (note 8)	466,264	-	466,264
	2,161,847	65,000	2,226,847
Costs of projects, including arts development			
Act Up	-	10,223	10,223
Arts Council International Development Fund	-	1,100	1,100
Youth Music Initiatives	1,050	-	1,050
Dept of Culture, Youth & Media, Flanders	-	1,764	1,764
Pru Project/Total Arts Film Festival	-	19,548	19,548
Arts Council England Catalyst Evolve	-	35,665	35,665
Arts Council England Diverse Actions	-	120,022	120,022
Weston Jerwood Creative Bursaries	-	10,166	10,166
Other:			
Building redevelopment (depreciation)	-	230,827	230,827
Transition equipment (depreciation)	-	327	327
	1,050	429,642	430,692

JUNCTION CDC LIMITED (t/a Cambridge Junction)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

7. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES (continued)

2018 – Comparative

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total 2018 £
Cost of main performance and participation programme	2,117,689	73,664	2,191,353
Costs of projects, including arts development	-	402,172	402,172
Total	2,117,689	475,836	2,593,525
Cost of main performance and participation programme			
Artists' fees and commissions	729,052	57,545	786,597
Licences	20,890	-	20,890
Security costs	66,365	891	67,256
Technical costs	68,055	-	68,055
Box office costs	34,421	-	34,421
Marketing costs	64,686	1,604	66,290
Property costs	281,473	-	281,473
Salaries	395,004	10,695	405,699
National insurance	31,844	1,058	32,902
Depreciation	12,997	-	12,997
Support costs (note 8)	412,902	1,871	414,773
	2,117,689	73,664	2,191,353
Costs of projects, including arts development			
Culture Chain	-	989	989
Pru Project/Total Arts Film Festival	-	1,750	1,750
Arts Council England Catalyst Evolve	-	26,860	26,860
Arts Council England Ambition for Excellence	-	134,863	134,863
Weston Jerwood Creative Bursaries	-	2,905	2,905
Other:			
Building redevelopment (depreciation)	-	230,827	230,827
Transition equipment (depreciation)	-	3,978	3,978
	-	402,172	402,172

JUNCTION CDC LIMITED (t/a Cambridge Junction)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

8. ANALYSIS OF SUPPORT COSTS

	Main performance and participation programme 2019 £	Commercial trading operations 2019 £	Total 2019 £
Support costs:			
Recruitment	3,342	-	3,342
Staff training	4,683	175	4,858
Staff welfare	9,525	354	9,879
Travel and subsistence	22,994	-	22,994
General administration	87,826	8,331	96,157
Legal fees	4,126	563	4,689
Consultancy Fees	4,202	573	4,775
Bank and credit card charges	24,123	5,108	29,231
Irrecoverable VAT	112,035	-	112,035
Bad and doubtful debts	(3,068)	-	(3,068)
Exchange Rate Variance	(36)	-	(36)
Wages and salaries	147,681	21,825	169,506
National insurance	14,687	1,801	16,488
Pension	26,331	1,107	27,438
Governance costs:			
Auditor's remuneration	7,800	3,150	10,950
Other governance costs	13	-	13
	<u>466,264</u>	<u>42,987</u>	<u>509,251</u>

Governance and support costs are allocated to the different activities on the basis of a department allocation and the functions for which the resources are used.

JUNCTION CDC LIMITED (t/a Cambridge Junction)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

8. ANALYSIS OF SUPPORT COSTS (continued)

2018 – Comparative

	Main performance and participation programme 2018 £	Commercial trading operations 2018 £	Total 2018 £
Support costs:			
Recruitment	6,462	-	6,462
Staff training	7,620	-	7,620
Staff welfare	9,355	742	10,097
Travel and subsistence	16,726	-	16,726
General administration	75,261	8,220	83,481
Legal fees	3,491	476	3,967
Bank and credit card charges	21,138	3,183	24,321
Irrecoverable VAT	115,122	-	115,122
Bad and doubtful debts	1,493	-	1,493
Wages and salaries	126,035	22,468	148,503
National insurance	12,691	1,953	14,644
Pension	11,866	450	12,316
Governance costs:			
Auditor's remuneration	7,500	3,075	10,575
Other governance costs	13	-	13
	<u>414,773</u>	<u>40,567</u>	<u>455,340</u>

Governance and support costs are allocated to the different activities on the basis of a department allocation and the resources used.

9. NET EXPENDITURE FOR THE YEAR

	2019 £	2018 £
This is stated after charging:		
Depreciation of tangible fixed assets:		
Owned	244,298	246,761
Plant and machinery	434	1,041
Auditor's remuneration:		
Fees payable to the charity's auditor for audit	7,800	7,500
Fees payable to the charity's auditor for other services to the group:		
The audit of the charity's subsidiary	<u>3,150</u>	<u>3,075</u>

JUNCTION CDC LIMITED (t/a Cambridge Junction)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

10. STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES AND THE COST OF KEY MANAGEMENT PERSONNEL

The average monthly number of employees was:

	2019 No	2018 No
Commercial trading	12	9
Main performance and participation programme	55	51
Projects including arts development	3	3
Support	2	2
	<u>72</u>	<u>65</u>
	£	£

The aggregate staff costs were as follows:

Wages and salaries	870,484	794,430
Social security costs	55,451	50,493
Pension costs	30,639	13,063
	<u>956,574</u>	<u>857,986</u>

No Group employees had emoluments, excluding pension contributions but including benefits in kind, that were in excess of £60,000 in either the current year or preceding year.

The key management personnel of the parent Charity and its wholly owned subsidiary, The Junction Promotions Ltd are listed on page 8. The total remuneration (including pension contributions and employer's NI) of the key management personnel for the year totalled £112,897 (2018: £94,856).

Trustees' Remuneration

No trustees received remuneration or travel and subsistence expenses during the current or prior year. The Group holds Charity 'Directors & Officers' Liability Insurance at a cost of £1,100 plus 12% Insurance Premium Tax making £ 1,232 in total.

JUNCTION CDC LIMITED (t/a Cambridge Junction)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

11. TANGIBLE FIXED ASSETS

Group and charity

	Long term leasehold property £	Fixtures and fittings £	Total £
Cost			
At 1 April 2018	5,738,137	565,857	6,303,994
Additions	-	8,541	8,541
At 31 March 2019	5,738,137	574,398	6,312,535
Depreciation			
At 1 April 2018	3,090,020	546,862	3,636,882
Charge for the year	230,827	13,905	244,732
At 31 March 2019	3,320,847	560,767	3,881,614
Net book value			
At 31 March 2019	<u>2,417,290</u>	<u>13,631</u>	<u>2,430,921</u>
At 31 March 2018	<u>2,648,117</u>	<u>18,995</u>	<u>2,667,112</u>

Included within fixtures and fittings are amounts held under finance leases with a net book value of £- (2018 - £434). The depreciation expense in the year in relation to these assets amounted to £434 (2018 - £1,041).

12. FIXED ASSET INVESTMENTS

Charity	£
<i>Shares in subsidiary undertakings</i>	
At 1 April 2018 and 31 March 2019	<u>2</u>

The fixed asset investment comprises 100% of the issued ordinary share capital of The Junction Promotions Limited, a company incorporated in the United Kingdom and registered in England and Wales. The Junction Promotions Limited (Company Registration No. 03437774) is the main trading arm, in support of the Charity. See balance sheet at note 5.

13. STOCKS

Group	2019 £	2018 £
Bar and catering stock	<u>14,160</u>	<u>10,427</u>

There is no material difference between the balance sheet value of stocks and their replacement cost.

JUNCTION CDC LIMITED (t/a Cambridge Junction)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

14. DEBTORS

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Debtors falling due within one year:				
Trade debtors	38,205	26,721	38,205	26,722
Amounts due from subsidiary undertakings	-	-	470,331	367,071
Other debtors	914	1,667	914	1,667
Prepayments and accrued income	146,403	79,850	145,340	78,787
	<u>185,522</u>	<u>108,238</u>	<u>654,790</u>	<u>474,247</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Obligations under finance leases and hire purchase contracts	-	414	-	414
Trade creditors	117,990	75,171	104,039	66,346
Corporation tax	532	-	-	-
Other taxation and social security	46,713	37,271	46,713	37,271
Deferred ticket income	257,832	177,453	257,832	177,453
Other creditors	14,784	9,270	14,784	9,270
Accruals and deferred income	103,436	83,980	99,571	80,201
	<u>541,287</u>	<u>383,559</u>	<u>522,939</u>	<u>370,955</u>

16. DEFERRED TICKET INCOME RECONCILIATION

	2019	2018
	£	£
Balance at 1 April 2018	177,453	227,688
Amount deferred in the year	1,438,436	1,310,568
Amount released in the year	<u>(1,358,057)</u>	<u>(1,360,803)</u>
Balance as at 31 March 2019	<u>257,832</u>	<u>177,453</u>

JUNCTION CDC LIMITED (t/a Cambridge Junction)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

17. MOVEMENTS OF FUNDS

	At 1 April 2018 £	Income £	Expenditure £	Transfers £	At 31 March 2019 £
Unrestricted funds:					
General reserves	312,151	2,408,786	(2,433,003)	500	288,434
Unrestricted funds total	312,151	2,408,786	(2,433,003)	500	288,434
Designated funds:					
Repair and renewal fund	54,475	-	-	7,500	61,975
Remuneration contingency	25,748	-	(9,350)	-	16,398
Capital development contingency	5,000	-	(5,000)	-	-
Website Optimisation Fund	20,000	-	-	(8,000)	12,000
Philanthropy Fund	27,750	16,105	-	-	43,855
Youth Music Initiatives	-	1,050	(1,050)	-	-
Designated funds total	132,973	17,155	(15,400)	(500)	134,228
Restricted funds:					
Building redevelopment	2,493,209	-	(230,828)	-	2,262,381
Tickets in advance reserve	120,000	-	-	-	120,000
Cambridge City Council	-	65,000	(65,000)	-	-
Cambridge City Council – Act Up	1,987	17,883	(10,223)	-	9,647
ACE International Development Fund	-	1,100	(1,100)	-	-
Transition Equipment	327	-	(327)	-	-
Dept of Culture, Youth & Media, Flanders	-	1,764	(1,764)	-	-
New Ideas Fund	-	12,500	-	-	12,500
Mapping Touring Networks Project	-	10,000	-	-	10,000
ACE Catalyst Evolve	31,307	72,552	(35,665)	-	68,194
Weston Jerwood Creative Bursaries	8,184	1,981	(10,165)	-	-
Total Arts	32,700	83,500	(19,548)	-	96,652
ACE Diverse Actions	21,137	147,000	(120,022)	-	48,115
Restricted funds total	2,708,851	413,280	(494,642)	-	2,627,489
TOTAL FUNDS	3,153,975	2,839,221	(2,943,045)	-	3,050,151

Transfers between funds represent reallocation of income or expenditure to funds, while remaining consistent with any restriction in relation to these funds.

General funds represent the funds generated from voluntary, charitable and trading operations of the charity to support the charity on a day-to-day basis and to fulfil the objectives of the charity. Included within general funds carried forward is £2,268(2018:£nil) which relates to The Junction Promotions Ltd, a subsidiary of the charity

Designated funds:

Repair and renewal fund represents the amount allocated for equipment and small capital repair, replacement and renewal.

Remuneration contingency represents an amount allocated for salary and wage increases.

Capital development contingency represents an amount allocated for pre planning design and feasibility of capital development at Cambridge Junction site.

Website Optimisation Fund represents an amount allocated to redesign the website to ensure the site is smartphone and tablet compliant.

Philanthropy Fund represents an amount allocated for the Development Manager's salary to the end of Catalyst Evolve.

JUNCTION CDC LIMITED (t/a Cambridge Junction)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

17. MOVEMENTS OF FUNDS (continued)

Designated funds (continued):

Youth Music Initiatives represents an amount allocated to support projects encouraging young people to engage with live music.

Restricted funds:

Building Redevelopment represents grants and costs related to the redevelopment of the Cambridge Junction site.

Tickets in advance reserve represents a grant from Arts Council England to reimburse ticket purchasers due to event cancellations, postponements or other unforeseen events.

Cambridge City Council represents funds received from Cambridge City Council to support the community engagement and artistic programmes

Cambridge City Council Act Up represents a grant from Cambridge City Council to support a multimedia project with young people deemed to be at risk of involvement with the criminal justice system

Transition Equipment represents a fund for depreciation relating to capital purchases

Arts Council International Development Fund represents a grant to support professional development for individual artists and/or creative practitioners

Dept of Culture, Youth & Media, Flanders represents a grant from the Flemish government towards the costs of presenting work by Belgium artists

New Ideas Fund represents a commissioning fund to support new work by both emerging and established artists

Mapping Touring Networks Project represents a fund to map live music provision through the East of England

Arts Council Catalyst Evolve represents a strategic fund supporting organisations to enable them to attract more private giving.

Weston Jerwood Creative Bursaries represents a grant for supporting a salary for twelve months of a talented graduate from a financially disadvantaged background.

Total Arts represents funds received to support a film festival featuring work for and by disabled young people.

Arts Council Diverse Actions represents a strategic fund supporting a three-year initiative championing BAME artists and arts workers.

Analysis of movements in free reserves

	At 1 April 2018 £	Income £	Expenditure £	Transfers £	At 31 March 2019 £
Unrestricted funds	445,124	2,425,941	(2,448,403)	-	422,662
Less - tangible fixed assets	(173,576)	-	5,036	-	(168,540)
Less - designated funds:					
Repair and renewal fund	(54,475)	-	-	(7,500)	(61,975)
Remuneration contingency	(25,748)	-	9,350	-	(16,398)
Youth Music Initiatives	-	(1,050)	1,050	-	-
Website Optimisation Redesign	(20,000)	-	-	8,000	(12,000)
Philanthropy Fund	(27,750)	(16,105)	-	-	(43,855)
Capital development contingency	(5,000)	-	5,000	-	-
Free reserves	138,575	2,408,786	(2,427,967)	500	119,894

JUNCTION CDC LIMITED (t/a Cambridge Junction)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

17. MOVEMENT OF FUNDS (continued)

2018 - Comparative

	At 1 April 2017 £	Income £	Expenditure £	Transfers £	At 31 March 2018 £
Unrestricted funds:					
General reserves	302,820	2,373,454	(2,356,165)	(7,958)	312,151
Unrestricted funds total	302,820	2,373,454	(2,356,165)	(7,958)	312,151
Designated funds:					
Repair and renewal fund	46,975	-	-	7,500	54,475
Remuneration contingency	35,098	-	(9,350)	-	25,748
Capital development contingency	5,000	-	-	-	5,000
Website Optimisation Fund	20,000	-	-	-	20,000
Philanthropy Fund	27,292	-	-	458	27,750
Designated funds total	134,365	-	(9,350)	7,958	132,973
Restricted funds:					
Building redevelopment	2,724,036	-	(230,827)	-	2,493,209
Tickets in advance reserve	120,000	-	-	-	120,000
Cambridge City Council	-	69,000	(69,000)	-	-
Cambridge City Council – Act Up	-	1,987	-	-	1,987
Transition Equipment	4,305	-	(3,978)	-	327
Culture Chain	989	-	(989)	-	-
ACE Catalyst Evolve	29,919	28,248	(26,860)	-	31,307
Weston Jerwood Creative Bursaries	-	11,089	(2,905)	-	8,184
Total Arts	-	34,450	(1,750)	-	32,700
Regional Theatre Young Directors Scheme	-	4,664	(4,664)	-	-
ACE Diverse Actions	-	156,000	(134,863)	-	21,137
Restricted funds total	2,879,249	305,438	(475,836)	-	2,708,851
TOTAL CHARITY FUNDS	3,316,434	2,678,892	(2,841,351)	-	3,153,975

Analysis of movements in free reserves

	At 1 April 2017 £	Income £	Expenditure £	Transfers £	At 31 March 2018 £
Unrestricted funds	437,185	2,373,454	(2,365,515)	-	445,124
Less - tangible fixed assets	(182,105)	-	8,529	-	(173,576)
Less - designated funds:					
Repair and renewal fund	(46,975)	-	-	(7,500)	(54,475)
Remuneration contingency	(35,098)	-	9,350	-	(25,748)
Website Optimisation Redesign	(20,000)	-	-	-	(20,000)
Philanthropy Fund	(27,292)	-	-	(458)	(27,750)
Capital development contingency	(5,000)	-	-	-	(5,000)
Free reserves	120,715	2,373,454	(2,347,636)	(7,958)	138,575

JUNCTION CDC LIMITED (t/a Cambridge Junction)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

18. ANALYSIS OF ASSETS AND LIABILITIES BETWEEN FUNDS

Group	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2019 £
Tangible fixed assets	168,540	-	2,262,381	2,430,921
Current assets	661,181	134,228	365,108	1,160,517
Current liabilities	(541,287)	-	-	(541,287)
At 31 March 2019	288,434	134,228	2,627,489	3,050,151

2018 – Comparative

Group	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2018 £
Tangible fixed assets	173,576	-	2,493,536	2,667,112
Current assets	522,134	132,973	215,315	870,422
Current liabilities	(383,559)	-	-	(383,559)
At 31 March 2018	312,151	132,973	2,708,851	3,153,975

19. EMPLOYEE RETIREMENT BENEFITS

The group operates a defined contribution retirement benefit scheme for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable to the scheme in the year and amounted to £30,639 (2018: £13,063). Contributions totalling £4,781 (2018: £994) were payable to the scheme at the balance sheet date and are included in creditors.

20. FINANCIAL COMMITMENTS

Operating lease commitments

The estimated annual value of rent and rates waived by Cambridge City Council in respect of the Cambridge Junction site is £104,510 (2018 - £107,566), which is included in donations income and property costs.

Capital commitments

The company had no capital commitments contracted for but not provided at the year-end (2018: none).

21. RELATED PARTY TRANSACTIONS

Other related party transactions

In the year end 31 March 2019, trustees and associated companies donated £19,055 (2018: £23,400) to Cambridge Junction.

The total remuneration for key management personnel for the period is set out in note 10. The company has taken advantage of the exemption in section 33 of FRS 102 'Reduced disclosure framework' not to disclose transactions and balances with its wholly owned subsidiary, The Junction Promotions Limited. There are no other related party transactions.

JUNCTION CDC LIMITED (t/a Cambridge Junction)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

22. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Group	
	2019	2018
	£	£
Net expenditure for the year	(103,824)	(162,459)
Adjustments for:		
Depreciation charge	244,732	247,802
Interest income	(1,672)	(767)
Interest payable	7	131
Corporation tax charge	532	-
Operating cash flow before movement in working capital	139,775	84,707
(Increase)/decrease in stock	(3,733)	2,116
(Increase)/decrease in debtors	(77,284)	63,120
Increase/(decrease) in creditors	157,610	(89,933)
Net cash provided by operating activities	216,368	60,010

23. OPERATING LEASE COMMITMENTS

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

Expiry date:	2019	2018
	£	£
Not later than 1 year	2,152	2,397
Later than 1 but not later than 5 years	4,514	5,196
	<u>6,666</u>	<u>7,593</u>

