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**JUNCTION ARTS LIMITED**  
(a company limited by guarantee)

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**UNAUDITED**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2019**

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**JUNCTION ARTS LIMITED**  
**(a company limited by guarantee)**

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**JUNCTION ARTS LIMITED**  
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 MARCH 2019**

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<b>Trustees</b>	Paul Steele Tamar Millen (resigned 29 October 2018) Catherine Rogers, Chair Marion Thorpe Annie French Lucie Maycock Arlene Honeyman Adam Barnes (appointed 23 August 2018) Esther Wakeman (appointed 29 October 2018)
<b>Company registered number</b>	1802999
<b>Charity registered number</b>	515303
<b>Registered office</b>	First Floor Springwell House Newbold Road Chesterfield Derbyshire S41 7PB
<b>Principal operating office</b>	First Floor Springwell House Newbold Road Chesterfield Derbyshire
<b>Managing director</b>	Paul Steele
<b>Independent examiner</b>	Jonathan Wilson Chartered Accountant 68 West Gate Mansfield Nottinghamshire NG18 1RR
<b>Bankers</b>	NatWest Bank PLC Chesterfield Derbyshire S40 1TJ

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**JUNCTION ARTS LIMITED**  
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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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The trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the financial statements of Junction Arts Limited (the company) for the year ended 31 March 2019. The trustees confirm that the annual report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Since the company qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 is not required.

## **OBJECTIVES AND ACTIVITIES**

### **Main activities undertaken to further the charity's purposes for public benefit**

#### **Public Benefit**

In shaping our objectives for the year and planning our activities the directors have considered the Charity Commission's guidance on public benefit, including the guidance on public benefit and fee charging. The organisation relies on grants and income from fees and charges to cover its operating costs. In setting the level of fees and charges, the directors give careful consideration to the accessibility to participatory arts activity for those on a low income or in disadvantaged circumstances. The geographical area of benefit and aims of the organisation prioritises participatory activity with individuals and communities who are disadvantaged, unrepresented or living in isolated or deprived areas of the East Midlands.

#### **Vision:**

To create a better future for everyone through the arts.

#### **Mission Statement:**

Junction Arts helps communities facing social barriers such as poverty, poor health and low aspirations to create a better future through the arts. Our festivals, workshops and events give people the opportunity to be creative, learn new skills and build stronger communities. We are committed to working with communities to co-create magical and memorable arts experiences that empowers people, improves wellbeing and inspires change.

#### **Aims & Values:**

##### **Co-creation**

We ensure that work produced is a true collaboration between artists and communities.

##### **Relevance**

We deliver all of our work in communities and local spaces, becoming embedded in the communities we serve. We deliver projects that are relevant and distinctive to participants, situation and place.

##### **Responsive**

We are responsive and listen to the needs of the people and communities we serve.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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## **Innovation**

We deliver high quality experiences that engage, inspire and push the creative boundaries of participatory arts practice.

### **Social Change**

We aim for our programmes and projects to have a long lasting social and personal impact for people and communities.

### **Opportunity**

We will increase accessibility and the opportunity for people to experience the arts regardless of their locality or personal situation. We will ensure our work will reach as many people as possible

### **Supporting the arts**

We are passionate about creativity and the impact art can make to our well-being and our social, economic and physical environment. We will continue to work with and support artists of the highest quality in their participatory practice and encourage new audiences to engage with the arts.

## **Activities for achieving objectives**

### **Artistic Programme Overview**

In 2018/19 we delivered 22 projects, 3 one-off workshops, 4 events and 3 touring exhibitions. In total we delivered 252 sessions, worked with 3,564 participants and reached an audience of 13,594. We delivered all of our workshops, festivals and events as outreach, consciously removing traditional participation barriers such as transport and cost. We deliver work at local venues such as schools, community centres, libraries and out in the landscape ensuring any accessibility needs are catered for. Our extremely popular school holiday programmes of Children and Young People workshops were delivered in village halls and community centres.

The majority of our programme is targeted at communities living in the ex-industrial and rural areas of Bolsover District and wider North Derbyshire, which are similar in terms of levels of rural isolation and low arts infrastructure.

We have continued to work with a wide range of established artists and encouraged new artist development, working with 24 individual artists during 2018/19. We develop our projects through collaboration with artists and communities to ensure that the process is democratic and empowering. We held two open calls for artists this year, making connections with moving image, illustration and creative writing artists. We commissioned 3 public art projects, a publication and 2 new mosaic pieces that are on display in Chesterfield. Experienced local artists and communities worked together to create all pieces.

Junction Arts was one of 100 organisations approached to be part of a national project entitled 'PROCESSIONS' in 2018. To celebrate 100 years since the Representation of the People's Act which gave the first British women the right to vote, we commissioned a female artist and worked with women from Bolsover District to create a banner, which was processed through the streets of London on 10 June 2018. Our banner will be returning in 2019 to tour Derbyshire. In 2020 the banner will be part of a national tour.

Over the past year we have supported many ACE National Lottery Project Grant applications. For example, in October 2018 Menagerie Theatre Company brought their forum theatre piece 'The Great Austerity Debate' to Derbyshire and toured three venues engaging and provoking audiences. Also, musician Alex Blood's project 'Constellate' will visit three of our events in the coming year.

Opportunity to experience and participate

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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We operate from a base in Chesterfield and deliver all of our participatory activity in communities with local people. Our target communities are similar in terms of rural isolation and low arts infrastructure. Most of the areas we deliver in are areas of least engagement in the arts. The themes of landscape and heritage are important tools to engage people in these communities. Our approach is to build on the themes and stories of the area as this will engage people initially and then introduce new perspectives and artistic ambition.

Poverty, isolation and health problems are issues faced by the communities we engage. An analysis of our 2018/19 participant figures show that 22% of our participants had a disability or health problem and 24% were 65 or older. Our Health and Wellbeing strand particularly focuses on engaging older people in participatory arts projects and improving their wellbeing through the arts.

In 2018/19 we delivered 3 free outdoor art festivals which attracted large numbers of participants and attendees, our festivals have become traditions in the community where families can spend time together and enjoy the arts. We also brought touring theatre to local venues across Derbyshire. 'Here I Belong' and 'On Behalf of the People' (written by local artist Ray Castleton) were performed at Creswell Social Centre.

Our projects are shared digitally through our website and social media accounts. Projects such as This Girl Codes have spread through digital networks on social media and have reached new audiences through advertisements on Eventbrite, Facebook and Hoop.

Our main programme of activity is supplemented by an extensive touring exhibition programme (Pathways into Spaces), which exhibits work in varied venues such as local businesses, libraries and sports centres.

We have developed strong relationships with a range of local venues and open spaces over the years and are committed to ensuring that the widest possible number of people has the opportunity to experience and participate in our work.

#### International

We continue to explore and develop our international partnerships. In this financial year we partnered with Instituto Proconum (Brazil), Haarlem Artspace (Wirksworth) and Advantage Creative (Staffordshire) to develop a British Council funded international project to support the development of creative and social enterprises by marginalised groups in Brazil.

#### Partnerships

We hosted our annual networking event for volunteers, artists and partners on the 13<sup>th</sup> December in Chesterfield and have continued to collaborate in local, regional and national forums. We continue to chair the Bolsover Culture and Tourism Partnership and the Managing Director is an active participant on the Boosting Resilience Programme (a catalytic two year executive learning programme to develop new approaches to making the most of creative assets and intellectual property).

At a strategic level we continue to attend (quarterly) EMPAF and Arts Derbyshire meetings to share best practice with our peers. We have developed the Digital Expedition series of four events exploring digital arts participation in partnership with EMPAF.

In this financial year we have also delivered five health and wellbeing projects working with partners such as Age UK, Ashgate Hospicecare and Derbyshire Recovery Service. Through building good relationships with local partners, we are able to work with people with significant barriers to participating in arts and culture.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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## **Young People**

Although our programme is aimed at all members of the community, a significant number of the participants we engage with are children and young people. In 2018/19, we worked with 12 schools and 522 pupils. We worked with school children aged six to sixteen through our rural and digital strands as well as our festivals and events.

Through our Get Creative Kids programme we identified the need for free arts activities for children throughout the school holidays. One day a week we held half-day drop in arts activities with skilled artists in community hubs in South Normanton and Pinxton. These workshops are extremely popular and we recorded 540 attendances in 2018. These workshops provide opportunities for children to learn skills, have fun and be inspired.

This Girl Codes is an exciting and innovative digital project focussing on the under-representation of women in tech. The project takes a STEAM (science, technology, engineering, arts and maths) approach to digital participation using the heritage of Bolsover to frame the activities. This Girl Codes engaged 30 young women from Bolsover Secondary School who creatively learnt art, design, coding and science. The project won the award for Best Creative Project in a Secondary School at The Mighty Creatives 'Be Mighty, Be Creative' awards.

Children and young people have influenced public art pieces that will be installed throughout North East Derbyshire and Bolsover District.

A class of Year 4s at New Bolsover Primary School experienced the journey of creating a publication in our 'Whispers from the Model' project. Working with storyteller Andy Messer and illustrator Bob Moulder the children imagined and created comic strips about their village in the future. Children felt immense pride when holding the printed publication containing their drawings, having their talents recognised was incredibly important to them.

As a participatory arts organisation co-creation is at our core and we strive for a positive and inclusive experience for all of our young participants.

## **Equality & Diversity**

Within our artistic programme we have 5 strands of delivery: Rural, Health & Wellbeing, Digital, Festivals & Events and Pathways into Spaces. Through the diversity of the projects delivered we aim to engage varied audiences and participants. During this period we have worked with low-income families, children and young people, vulnerable adults and elderly and disability groups. For example, through our Health and Wellbeing programme we worked with vulnerable adults suffering from dementia and living in sheltered housing. Project examples include 'The Art of Letter Writing' at Fulleylove Court and Age UK.

We delivered 15 projects with people from low socio-economic groups in 2018/19.

Our Board actively review the diversity of our programming and at our 2018 staff and trustee away day we developed a Creative Case for Diversity Action Plan. Board members agreed to attend Junction Arts workshops and events throughout the year to review our Creative Case. Trustees feedback verbally at Board meetings.

Junction Arts reviews its Equality & Diversity Action plan and programme annually and our equal opportunities policy is promoted through all of our board, staff and artist recruitment.

## **Management & Governance**

Risks continued to be monitored and mitigated through quarterly Board meetings and Board and Staff Away Days. At our most recent Away Day we developed a new organisational SWOT analysis and subsequent plan to explore opportunities and mitigate threats.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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We have continued to develop our Board and now have a total of eight Board members. Following a Board skills audit and recruitment campaign we have developed a Board with a broad set of skills including our most recent recruit, the Director of Fundraising and Marketing at a local charity. This has led to a very proactive Board who regularly volunteer at our workshops and events and actively assess our work for the Creative Case. We have also developed two Board sub-groups; the Development sub-group looks at organisational development, income generation, resilience and premises; the First Art sub-group monitors the First Art programme.

All staff, volunteers and trustees actively implement environmental sustainability targets and initiatives. From our environmental reporting we can see that in the last year we have halved our energy use, significantly reduced our waste and reduced our business travel from 3 tonnes to 2 tonnes. We now source recycled copier paper and conduct more meetings via telephone and Skype.

#### Charity Resilience

We have continued to work through our Fundraising Plan, which was renewed prior to a successful Arts Council Catalyst: Evolve application. In 2018/19 we achieved a great deal of success in achieving our fundraising targets and diversifying our income.

We have achieved an income of £49,890 from philanthropic sources in the past 3 years, placing us comfortably ahead of our fundraising target for this stage in the project. In the latest set of accounts, we have significantly increased income from individual giving, business sponsorship and trusts and foundations from the previous year. We have made great progress in building fundraising skills into our existing core team with the help of our Fundraising Consultant, which will provide us with a significant platform to sustain stronger fundraising in the long term. Our Board continues to support our fundraising strategy and activities, and takes an active role in contributing to fundraising initiatives.

We evaluated learning from our first fundraising event in October 2017 and considered feedback from the Board to inform our forward plans in developing further fundraising events. We identified an audience for smaller arts and crafts events under the 'Craftea' brand, which includes a social 'tea and cake' element. We will focus on using our own space in Chesterfield and using the skills of the team to keep overheads to a minimum, at least in the early stages of this initiative. We have now delivered three successful 'Craftea' events including 'Decoupage Bottles', 'Mosaics' and 'Bookmaking'.

Paul Steele (MD) and Catherine Rogers (Chair) have continued their participation in the Boosting Resilience Programme (delivered by CASS Business School, The Culture Capital Exchange (TCCE) and Manchester Metropolitan University). They have attended further events and workshops over the last twelve months, focusing on organisational and personal resilience, and will continue to contribute and learn from this programme into 2019.

## ACHIEVEMENTS AND PERFORMANCE

### Review of activities

**(For a full list of progress against Business Plan targets, please see 2018 – 2022 Business Plan (revised Jan 2019))**

- **We will engage 600 attendees across our rural programme:** We engaged 1,859 attendees.
- **We will engage 40 participants over the age of 60:** We engaged 103 participants through our Health & Wellbeing programme.
- **We will engage 800 attendees across our events programme:** We engaged 6,597 attendees across our events programme.
- **We will engage 5000 attendees across our exhibition programme:** We engaged 7,875 attendees across our exhibition programme.



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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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**Young People:**

- **We will work with 4 schools in our rural programme per year:** We worked with 8 Schools.
- **We will engage 240 school attendees per year:** We worked with 272 school attendees during this period.
- **We will engage 100 CYP through Health & Wellbeing projects:** We worked with 487 CYP through our Health & Wellbeing programme.

**Digital:**

- **We will engage 50 participants through our digital programme:** We engaged with 74 participants.
- **We will engage 200 attendees through our digital programme:** We engaged 246 attendees during this period.

**FINANCIAL REVIEW**

**Financial position**

The charity had total incoming resources for the year of £241,736 (2018 - £236,769). Resources expended amounted to £246,592 (2018 - £261,062). There was a net decrease in funds of £4,856 for the year (2018 - net decrease in funds of £24,293).

**Reserves policy**

The board of directors have examined the charity's requirements for reserves in the light of the main risks to the organisation. The directors aim to maintain free reserves in unrestricted funds at a level, which equates to approximately six months of unrestricted charitable expenditure. The reserves are needed to meet the working capital requirements of the charity in the event of a significant drop in funding or when some of the income generating activities may be curtailed due to circumstances outside their control. Core current reserves at 31 March 2019 were £92,938 (2018 - £93,728).

Free reserves available for use by the charity are deemed to be those that are readily realisable, less funds whose uses are restricted or designated for particular purposes. The calculation thus excludes fixed assets that will continue to be used in the day-to-day running of the charity.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Constitution**

The company is registered as a charitable company limited by guarantee and was set up by a memorandum of association on 26 March 1984 as amended on 29 September 1994 and on 18 August 2011.

The company is constituted under a memorandum of association dated 26 March 1984 as amended on 29 September 1994 and on 18 August 2011 and is a registered charity number 515303.

**Method of appointment or election of trustees**

The management of the company is the responsibility of the trustees who are elected and co-opted under the terms of the Articles of Association.

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**JUNCTION ARTS LIMITED**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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**Policies adopted for the induction and training of trustees**

All new directors receive an induction pack containing all the relevant information regarding the structure, legalities and operational running of the charity and its work for effective and informed decision making. Directors' training sessions are held at least once per year for the whole board incorporating strategic reviews; other sessions are arranged as necessary for any other specific purposes.

**Organisational structure and decision making**

The directors are responsible for the overall governance of the charity. Directors are elected on the recommendation of fellow directors and through an open recruitment process and the minimum number of directors is 6 with a current maximum of 10. A director is appointed for a term of three years with a maximum period of office of two terms. Directors are not eligible for re-election for a period of eleven months from the date of termination. Directors retire after the end of each term of their appointment and are eligible for re-election for a second term.

An effective partnership working between the directors and staff is a key contributing factor in the ongoing development and success of the charity. In order to ensure that the directors' roles are carried out effectively, each has a folio of interests within the charity, which requires them to have an understanding and a responsibility for specific areas of activity with the work of the charity.

Directors are required to meet a minimum of 4 times per year including the annual general meeting at which the directors review overall strategy, set operating plans and budgets, and review the ongoing operational and investment performance of the charity.

The board delegates the exercise of certain powers and responsibilities relating to the management and administration of the charity as set out below. These powers are controlled by the need for regular reporting back to the main board in order that any decisions made under delegated powers can be ratified by the full board in due course.

**Managing Director**

The managing director is responsible for the day-to-day management of the charity's affairs and for implementing policies agreed by the board of directors.

**Risk management**

Risks are assessed as part of the business planning cycle. The board of directors has undertaken a risk assessment in the following areas:

Ensured all operational aspects of Junction Arts' work comply with charity and company law including:

- Internal financial controls regularly monitored and reviewed
- Annual and bi-annual policy review
- Annual programme review

Ensured appropriate compliance of all work undertaken with all legal requirements in accordance with Junction Arts' policy and procedures including:

- Health and safety
- Safeguarding, equal opportunities and equality

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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Ensured all appropriate licensing and insurance is held and activities undertaken including:

- Public liability insurance
- Contents insurance relating to the administrative offices

This report was approved by the trustees, on 28 October 2019 and signed on their behalf by:

**Catherine Rogers, Chair**

**Annie French**

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**JUNCTION ARTS LIMITED**  
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**INDEPENDENT EXAMINER'S REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF JUNCTION ARTS LIMITED (the 'company')**

I report to the charity trustees on my examination of the accounts of the company for the year ended 31 March 2019.

This report is made solely to the company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the company's trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the company and the company's trustees as a body, for my work or for this report.

**RESPONSIBILITIES AND BASIS OF REPORT**

As the trustees of the company (and its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the company's accounts carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

**INDEPENDENT EXAMINER'S STATEMENT**

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

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

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

Signed: Jonathan Wilson

Dated: 31 October 2019

Jonathan Wilson ICAEW

**JONATHAN WILSON**  
Chartered Accountant  
Mansfield

**JUNCTION ARTS LIMITED**  
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**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2019**

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>INCOME FROM:</b>					
Donations and legacies	2	259	27,602	27,861	7,437
Charitable activities	3	132,694	58,297	190,991	218,272
Other trading activities:					
Fundraising	4	-	22,720	22,720	10,402
Investments	5	164	-	164	37
Other income	6	-	-	-	621
<b>TOTAL INCOME</b>		<b>133,117</b>	<b>108,619</b>	<b>241,736</b>	<b>236,769</b>
<b>EXPENDITURE ON:</b>					
Raising funds	7	-	7,280	7,280	9,320
Other charitable activities	8,910	135,156	104,156	239,312	251,742
<b>TOTAL EXPENDITURE</b>		<b>135,156</b>	<b>111,436</b>	<b>246,592</b>	<b>261,062</b>
<b>NET EXPENDITURE BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>		<b>(2,039)</b>	<b>(2,817)</b>	<b>(4,856)</b>	<b>(24,293)</b>
<b>NET MOVEMENT IN FUNDS</b>		<b>(2,039)</b>	<b>(2,817)</b>	<b>(4,856)</b>	<b>(24,293)</b>
<b>RECONCILIATION OF FUNDS:</b>					
Total funds brought forward		96,548	18,396	114,944	139,237
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>94,509</b>	<b>15,579</b>	<b>110,088</b>	<b>114,944</b>

The notes on pages 13 to 25 form part of these financial statements.

**JUNCTION ARTS LIMITED**  
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**REGISTERED NUMBER: 1802999**

**BALANCE SHEET**  
**AS AT 31 MARCH 2019**

	Note	£	2019 £	£	2018 £
<b>FIXED ASSETS</b>					
Tangible assets	13		1,571		2,820
<b>CURRENT ASSETS</b>					
Debtors	14	12,188		3,963	
Cash at bank and in hand		104,817		121,573	
		<u>117,005</u>		<u>125,536</u>	
<b>CREDITORS:</b> amounts falling due within one year	15	(8,488)		(13,412)	
<b>NET CURRENT ASSETS</b>			<u>108,517</u>		112,124
<b>NET ASSETS</b>			<u><u>110,088</u></u>		<u><u>114,944</u></u>
<b>CHARITY FUNDS</b>					
Restricted funds	16		15,579		18,396
Unrestricted funds	16		94,509		96,548
<b>TOTAL FUNDS</b>			<u><u>110,088</u></u>		<u><u>114,944</u></u>

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The trustees consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act.

The trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements were approved and authorised for issue by the trustees on 28 October 2019 and signed on their behalf, by:

**Catherine Rogers, Chair**

**Annie French**

The notes on pages 13 to 25 form part of these financial statements.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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**1. ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Junction Arts Limited 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.

**1.2 Company status**

The company is a company limited by guarantee. The members of the company are the trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

**1.3 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 company and which have not been designated for other purposes.

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

Investment income, gains and losses are allocated to the appropriate fund.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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**1. ACCOUNTING POLICIES (continued)**

**1.4 Income**

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

Donated services or facilities are recognised when the company has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the company 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 company which is the amount the company 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.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.



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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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**1. ACCOUNTING POLICIES (continued)**

**1.5 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Support costs are those costs incurred directly in support of expenditure on the objects of the company and include project management, general office costs accounting, information technology and human resources. Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and governance costs are costs incurred on the company's operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

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.

**1.6 Tangible fixed assets and depreciation**

All assets costing more than £500 are capitalised.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the statement of financial activities incorporating income and expenditure account.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Fixtures and fittings	-	33.33% straight line or 15% reducing balance
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**1.7 Operating leases**

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**1. ACCOUNTING POLICIES (continued)**

**1.8 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the Bank.

**1.9 Debtors**

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

**1.10 Cash at bank and in hand**

Cash at bank and 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.

**1.11 Liabilities and provisions**

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

**1.12 Financial instruments**

The company only has 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**1.13 Pensions**

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

**2. INCOME FROM DONATIONS AND LEGACIES**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Donations - general	15	-	15	170
Donations - trusts and charities	-	13,281	13,281	-
Donations - business	-	10,197	10,197	-
Donations - individuals	-	2,105	2,105	4,743
Donations - public body	-	2,000	2,000	-
Gift Aid	244	19	263	-
Sponsorship	-	-	-	2,524
	<u>259</u>	<u>27,602</u>	<u>27,861</u>	<u>7,437</u>
Total donations and legacies				
	<u>259</u>	<u>27,602</u>	<u>27,861</u>	<u>7,437</u>
Total 2018	170	7,267	7,437	

**3. INCOME FROM CHARITABLE ACTIVITIES**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
General Funds	132,694	-	132,694	133,170
First Art	-	6,045	6,045	28,726
Other Projects	-	52,252	52,252	56,376
	<u>132,694</u>	<u>58,297</u>	<u>190,991</u>	<u>218,272</u>
Total 2018	133,170	85,102	218,272	

The above includes the following income:

Arts Council England - £100,580 - (2018 - £100,580)  
District of Bolsover - £16,000 - (2018 - £16,000)  
Derbyshire County Council - £15,200 - (2018 - £15,200)  
Heritage Lottery Funding - £9,500 - (2018 - £nil)

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

**4. FUNDRAISING INCOME**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Catalyst match funding	-	22,618	22,618	8,882
Fundraising event	-	102	102	1,021
Fundraising donations	-	-	-	499
	-	22,720	22,720	10,402
Total 2018	-	10,402	10,402	

**5. INVESTMENT INCOME**

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bank interest	164	164	37
Total 2018	37	37	

**6. OTHER INCOMING RESOURCES**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Other income	-	-	-	621
Total 2018	621	-	621	

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**NOTES TO THE FINANCIAL STATEMENTS  
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**7. COSTS OF RAISING FUNDS**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Fundraising costs	-	7,280	7,280	9,320
Total 2018	-	9,320	9,320	

**8. DIRECT COSTS**

	Core £	First Art £	Other Projects £	Total 2019 £	Total 2018 £
Artists' fees	1,968	-	50,966	52,934	37,473
Project publicity	-	-	1,900	1,900	1,813
Other project expenses	251	880	11,925	13,056	18,763
Staff training	-	-	264	264	4,327
Wages and salaries	75,087	-	-	75,087	89,399
National insurance	5,011	-	-	5,011	7,399
Pension cost	1,222	-	-	1,222	480
	83,539	880	65,055	149,474	159,654
Total 2018	65,597	22,633	71,424	159,654	

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**NOTES TO THE FINANCIAL STATEMENTS  
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**9. SUPPORT COSTS**

	<b>Core £</b>	<b>Combine HLF £</b>	<b>First Art £</b>	<b>Other Projects £</b>	<b>Total 2019 £</b>	<b>Total 2018 £</b>
Premises costs	14,658	-	-	-	14,658	17,722
Motor and travel expenses	997	-	-	-	997	605
Professional fees	7,210	-	-	-	7,210	8,640
Sundry office costs	6,674	-	-	-	6,674	6,283
Publicity and printing	2,525	-	-	-	2,525	1,812
Staff training	232	-	-	-	232	807
Core programme support	1,993	-	-	(1,993)	-	-
Management fees	(37,410)	220	5,165	32,025	-	-
Wages and salaries	47,806	-	-	2,606	50,412	50,508
National insurance	3,292	-	-	149	3,441	2,209
Pension cost	628	-	-	49	677	476
Depreciation	1,249	-	-	-	1,249	1,261
	<b>49,854</b>	<b>220</b>	<b>5,165</b>	<b>32,836</b>	<b>88,075</b>	<b>90,323</b>
Total 2018	87,052	100	6,093	(2,922)	90,323	

**10. GOVERNANCE COSTS**

	<b>Unrestricted funds 2019 £</b>	<b>Restricted funds 2019 £</b>	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
Independent examiner's fees	1,350	-	1,350	1,320
Trustees' meetings and expenses reimbursed	413	-	413	445
	<b>1,763</b>	<b>-</b>	<b>1,763</b>	<b>1,765</b>

In 2018, of the total governance costs, £1,765 was to unrestricted funds and £nil was to restricted funds.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

**11. NET (EXPENDITURE)**

This is stated after charging:

	<b>2019</b> <b>£</b>	2018 £
Depreciation of tangible fixed assets: - owned by the charity	<b>1,249</b>	1,261

One trustee received remuneration amounting to £40,000 in the current year (2018 - £39,500) in his capacity as managing director. The legal authority for this remuneration is given in part 2, point 19 of the articles of association as amended on 18 August 2011.

During the year, no trustees received any benefits in kind (2018 - £NIL).

During the year, no trustees received any reimbursement of expenses (2018 - £NIL).

**12. STAFF COSTS**

Staff costs were as follows:

	<b>2019</b> <b>£</b>	2018 £
Wages and salaries	<b>125,499</b>	139,907
Social security costs	<b>8,452</b>	9,608
Other pension costs	<b>1,899</b>	956
	<b>135,850</b>	150,471

The average number of persons employed by the company during the year was as follows:

	<b>2019</b> <b>No.</b>	2018 No.
Charitable activities	<b>5</b>	7

No employee received remuneration amounting to more than £60,000 in either year.

Details of remuneration for key management personnel are disclosed in note 11 to the financial statements. There were also additional costs of £5,043 (2018 - £4,659) for employer's national insurance and pension costs.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

**13. TANGIBLE FIXED ASSETS**

	Fixtures and fittings £
<b>Cost</b>	
At 1 April 2018 and 31 March 2019	27,835
<b>Depreciation</b>	
At 1 April 2018	25,015
Charge for the year	1,249
At 31 March 2019	26,264
<b>Net book value</b>	
At 31 March 2019	1,571
At 31 March 2018	2,820

**14. DEBTORS**

	2019 £	2018 £
Trade debtors	11,440	2,829
Prepayments and accrued income	748	1,134
	<u>12,188</u>	<u>3,963</u>

**15. CREDITORS: Amounts falling due within one year**

	2019 £	2018 £
Trade creditors	2,584	2,950
Other taxation and social security	2,889	2,869
Other creditors	397	154
Accruals and deferred income	2,618	7,439
	<u>8,488</u>	<u>13,412</u>
		£
<b>Deferred income</b>		
Deferred income at 1 April 2018		1,000
Resources deferred during the year		(1,000)
Amounts released from previous years		-
Deferred income at 31 March 2019		<u>-</u>



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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

**16. STATEMENT OF FUNDS**

**STATEMENT OF FUNDS - CURRENT YEAR**

	Brought forward £	Income £	Resources expended £	Balance at 31 March 2019 £
<b>Unrestricted funds</b>				
General Funds	96,548	133,117	(135,156)	94,509
<b>Restricted funds</b>				
Combine HLF	220	-	(220)	-
First Art	-	6,045	(6,045)	-
Other Projects	18,176	102,574	(105,171)	15,579
	18,396	108,619	(111,436)	15,579
Total of funds	114,944	241,736	(246,592)	110,088

General Funds:

These funds are available for use at the discretion of the directors in furtherance of the general objects of the charity.

Restricted Funds:

These funds enable the charity to provide its on-going role as the arts development and regeneration organisation for the district of Bolsover. This includes the provision of advice, support and partnerships in new initiatives and developments with partner agencies and groups in the statutory, voluntary and community sector.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

**16. STATEMENT OF FUNDS (continued)**

**STATEMENT OF FUNDS - PRIOR YEAR**

	Balance at 1 April 2017 £	Income £	Resources expended £	Balance at 31 March 2018 £
<b>General funds</b>				
General Funds	116,964	133,998	(154,414)	96,548
<b>Restricted funds</b>				
Combine HLF	320	-	(100)	220
First Art	-	28,726	(28,726)	-
Other Projects	21,953	74,045	(77,822)	18,176
	<u>22,273</u>	<u>102,771</u>	<u>(106,648)</u>	<u>18,396</u>
Total of funds	<u>139,237</u>	<u>236,769</u>	<u>(261,062)</u>	<u>114,944</u>

**17. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Tangible fixed assets	1,571	-	1,571
Current assets	101,426	15,579	117,005
Creditors due within one year	(8,488)	-	(8,488)
	<u>94,509</u>	<u>15,579</u>	<u>110,088</u>

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £
Tangible fixed assets	2,820	-	2,820
Current assets	107,140	18,396	125,536
Creditors due within one year	(13,412)	-	(13,412)
	<u>96,548</u>	<u>18,396</u>	<u>114,944</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**18. PENSION COMMITMENTS**

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £1,899 (2018 - £956). Contributions totalling £397 (2018 - £154) were payable to the fund at the balance sheet date and are included in creditors.

**19. OPERATING LEASE COMMITMENTS**

At 31 March 2019 the total of the charity's future minimum lease payments under non-cancellable operating leases was:

	2019 £	2018 £
<b>Amounts payable:</b>		
Within 1 year	-	778
	<u>          </u>	<u>          </u>

**20. RELATED PARTY TRANSACTIONS**

There are no further related party transactions which require disclosure.