

Charity registration number 1015546

Company registration number 02752793 (England and Wales)

DORCHESTER ARTS
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

DORCHESTER ARTS

LEGAL AND ADMINISTRATIVE INFORMATION

| | | |
|-----------------------------|---|--|
| Trustees | P Smith P Treadwell J Veale A Eigeland H Trevorrow L Sheaves A Constable M Willdridge | (Appointed 28 January 2023) (Appointed 28 January 2023) |
| Secretary | M Tattersall | |
| Charity number | 1015546 | |
| Company number | 02752793 | |
| Registered office | The Corn Exchange High East Street Dorchester Dorset DT1 1HF | |
| Independent examiner | CB Reid Limited Wadebridge House 16 Wadebridge Square Poundbury Dorchester Dorset DT1 3AQ | |

DORCHESTER ARTS

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DORCHESTER ARTS

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2023

The trustees present their annual report and financial statements for the year ended 31 March 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2016)

Objectives and activities

a. POLICIES AND OBJECTIVES

The principal objective of the company is to promote, maintain, improve and advance education particularly by the encouragement of the Arts. Dorchester Arts aims both to respond to the needs of the community and to promote events of the highest quality, and in doing so create well informed and enthusiastic audiences, to enable creativity, talent and skills of local people. We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

b. ACTIVITIES FOR ACHIEVING OBJECTIVES

Dorchester Arts meets its objectives by running a professional and community arts programme.

c. MAIN ACTIVITIES UNDERTAKEN TO FURTHER THE CHARITY'S PURPOSES FOR PUBLIC BENEFIT

Dorchester Arts contributes to the cultural and social life of Dorset's county town through programming arts events every week of the year. We seek to provide work suited to a very wide range of audiences, including specialist work for marginalised or little-served audiences such as those with Profound and Multiple Learning Difficulties.

In addition, we either directly organise or support a number of regular groups that allow local people to further their own creativity, including: Pop Club (11-18), Dorchester Youth Theatre (7-18), Connect drama (all ages) and Dorchester community orchestra (all ages). In addition, we organise arts activities for specific groups, such as our regular Parkinson's Dance classes, Elevate (dance for MS) and Rise (art therapy for post-natal depression and anxiety) as well as supporting annual events for young people and participatory activities linked to our performance programme. We have recently extended the delivery of this health and wellbeing through the arts programme to Sherborne. We organise major participatory projects every few years, involving participation activities for musicians, dancers, visual artists and those living with chronic health conditions and disabilities. The health and social cohesion benefits of providing a regular, integrated programme of arts performances and activities are well recognised and are reflected in our Funding Agreements with Dorchester Town Council and Dorset Council.

We maintain accessible pricing across our programme and offer discounts for those on low income and for young people. Essential carers can attend all performances free of charge.

We provide opportunities for audiences and artists to meet and discuss their work (e.g. through post-show Q&A sessions or artist talks at exhibitions) to further our educative aims and broaden public appreciation of the arts.

We support local creative talent through providing a platform for developing and performing new work (music, dance, drama and film) and through small- and large-scale projects drawing on local talent.

We work closely with our partner arts and culture organisations (including Activate Performing Arts, Dorset Museum, Shire Hall, New Hardy Players and a variety of local festivals etc) and non-arts organisations (including local Councils, healthcare providers, and venues suited to performances and participation activities) to ensure that a rich mix of interlinked arts activities is available to the local population throughout the year.

DORCHESTER ARTS

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Achievements and performance

a. REVIEW OF ACTIVITIES

Dorchester Arts aims to "bring the best of the arts to Dorset's county town, give our community creative opportunities and nurture local talent because we believe that where the arts thrive people and places do too". This is done through a programme of community arts activities and professional performances.

Dorchester Arts operates from the Corn Exchange/Municipal Buildings in the centre of town and enjoys excellent relations with the Dorchester Town Council, the owners of the premises. A wholly owned subsidiary, Dorchester Arts Trading Limited, operates the bar located at the Corn Exchange and provides bar services for events held at other venues.

Our mission is to place the arts at the heart of our community, so as to involve, inspire and entertain people all year round.

Our goals are:

- To inspire and entertain people through excellent, diverse and innovative work across all art forms.
- To involve the whole community, especially young people, in a wide range of participatory activities.
- To learn about and develop our relationship with our existing and potential audiences.
- To collaborate with arts and non-arts organisations in developing a vibrant arts infrastructure in the community.
- To actively support the development of new work.
- To be an ambitious but sustainable organisation.

This year has seen the full implementation of our new agreement with Dorchester Town Council, whereby we took over full management of the Corn Exchange building. The agreement is working well and both sides are happy that the arrangement is achieving its aim of making the building operate more efficiently and effectively for the benefit of the whole community. Example of this include *Help!*, an all-day event, jointly organized by Dorchester Arts and local groups that saw local self-help health organisations come together to share good practice and provide mutual support. The day culminated in a performance by a topical comedy performer. Regular meetings are held to monitor progress towards the outcomes laid out in the Partnership Agreement.

The benefits of the building works at the Corn Exchange have become very evident this year. Audiences and performers have reacted positively to the new auditorium, dressing rooms, technical facilities and seating arrangements in the venue. This formed a solid basis to put forward the plans for the redevelopment of the front part of the building and progress on the plans for this was made in the course of the year.

Summer 2022 saw the opening of the Hardye Theatre on the campus of The Thomas Hardye School. The first performance programmed there by Dorchester Arts was a sell-out concert by The Spooky Men's Chorale and this was the ideal platform to launch what became, through the course of the year, a popular new venue, contributing greatly to the town's cultural life. The regular use of the theatre has helped to forge new links with the school in a general sense and both sides are keen to grow this partnership, seeing it as working to our mutual benefit. In November, we held the first Creative Careers day for Thomas Hardye students, featuring a panel of industry experts and the opportunity for performing arts students to spend the day doing workshops and shadowing a theatre company as they prepared for that evening's performance at the Corn Exchange, which was attended by a larger group from the same school. The whole event was very successful and will be repeated annually.

We continued to present a varied programme of professional arts performances in a variety of venues, both indoors and outdoors, from new and local performers to well-known names such as Craig Ogden, Isata Kanneh-Mason, Rich Hall, Rachel Podger, Kiki Dee, Tenebrae, and Paul Jones and Dave Kelly.

The Exhibitions On Screen series was introduced into the programme, taking advantage of the high quality sound and projection system installed as part of the refurbishment of the Corn Exchange. This has proved very popular and made a valuable contribution to Box Office income.

Our community engagement programme has flourished since the appointment of a Community Engagement Manager (3 days per week). Our plan to continue the legacy of Sherborne Artslink (outline in last year's report) has been very successful and we have managed the funds in such a way that they will now last into early 2025, allowing more time to find a model for sustainable future funding of the programme.

DORCHESTER ARTS

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Financial review

The general unrestricted funds deficit of £14,642 as shown in the attached accounts for the year to 31 March 2023, whilst disappointing, was less than had been feared at times in the course of the year and was helped by a more encouraging fourth quarter. Despite the impact of this loss, our General Unrestricted Reserves at the year-end stood at £63,597, a figure significantly higher than the pre-pandemic levels. This reflects the fact that one of the aims of the emergency support received in 20/21 and 21/22 was to assist our survival in this post-Covid recovery period.

The figures include a full year's performance programme for the Corn Exchange compared with 21/22 when it only became available as a venue in December. They were however limited by the delays in commissioning our second venue, The Hardy Theatre, where the launch event took place at the start of August rather than the start of the year as originally planned. Box office income produced a modest surplus but continued to present challenges due to the unpredictability of ticket sales, even for events that had historically been popular. In addition, the trend towards late booking - a phenomenon we shared with many other performance venues across the country - had the effect of making decisions to cancel poor-selling events problematic, as there was uncertainty over the possibility of a late surge in sales. Despite the delayed start, the Hardy Theatre made a significant contribution and demonstrated its potential as a profitable venue for our larger events.

Grant income totaled £50K and reflected continuing support for DA from both Dorset Council and Dorchester Town Council, for which the organisation is immensely grateful. Income from the sale of memberships rose from £8K to £10K, in part stimulated by additional volunteer input in this area. The large fall in the figure for Donations and Gifts, from £113.7K to £41.7K does demonstrate an overall reduction in this income stream in the year, but in 21/22 we had received a substantial one-off donation from a supporter. A new element that is now included within Fundraising Income relates to income from room hire within the Corn Exchange. As part of the overall agreement for the management of the building DA is now responsible for the provision of this service and retains the income generated. In 22/23 this was approximately £33K. Whilst this activity does take up a significant amount of staff time we do believe that there is potential to grow this income stream, especially if and when improvements are made to the front of the building which will enhance the visitor experience. At £10K the Income from Subsidiaries, ie Dorchester Arts Trading, represents a useful contribution and was primarily generated by bar income at our various venues. Changes in audience drinking habits as well as rising input costs mean that it is difficult to maintain financial margins. However the plans being considered for the front of the building do include much improved bar and lounge facilities which, if realized, will certainly benefit the Company.

Administration and Fundraising costs associated with the unrestricted funds grew from £193.9K to £348.3K, a rise of £154.3K. The main drivers of this increase were the expansion of the performance programme and the adoption of the new management agreement with DTC. In the case of the former not only will the cost of Programmes and Performers have risen there will also have been associated increases in Venue Costs, Printing and Advertising, and Bank Charges (which includes Credit Card transactions).

Under the DA/DTC agreement which came into effect in the course of the year we are responsible for the running of the Corn Exchange and in particular for the costs associated with the provision of utilities. Given the volatility of both the electricity and gas markets this element has presented its own specific challenges. However, the Biomass system for heating and hot water commissioned by DTC became fully operational and has proved to be both economic and efficient. Thus our gas supply was terminated quite early in the year. Electricity costs remained high due, in part, to difficulties experienced with our supplier to implement a new contract reflecting our changed status and responsibilities. In addition they were very slow to organize and credit us with the electricity being generated and returned to the grid from the solar panels installed by the Council on the Corn Exchange roof. Both of these issues were satisfactorily resolved within the current financial year after the involvement of the ombudsman and we are now benefitting from a lower overall tariff and the correct solar panel credit. As part of our campaign to reduce usage of electricity we invested in improved stage lighting replacing units using tungsten-filament bulbs with more efficient LED lights, using a grant from Low Carbon Dorset. In addition, the Town Council replaced all other lighting fixtures in the building with LED equivalents, and installed energy-saving measures, such as movement detectors, throughout the building. This change has produced a noticeable benefit not only in financial savings but also benefits to performers and audiences by reducing the amount of heat generated by the bulbs themselves. Building consumables together with Repairs and Maintenance are now more of a feature within our costs although for 22/23 the latter will have included some one-off charges associated with our move back to the building from our temporary office in North Square.

DORCHESTER ARTS

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Staff costs at £131K represent 37.6% of our general costs and this figure is £28K higher than the corresponding figure for 21/22. This change reflects the impact of a number of factors. The figure for the previous year was reduced by the receipt of staffing-related Covid support payments and the Board's decision not to make up salaries to their full amount during the relevant furlough period. In addition, for 22/23, there was a general salary increase, the full year effect of an additional member of staff (Front of House Officer) and a contract upgrade for another staff member reflecting new responsibilities. We continue to benefit from an extremely loyal and committed team and this stability is reflected in the depth of knowledge and experience available to us, ensuring that we operate in a professional, responsive and efficient way.

The reduction of £17,822 in the balance on the Unrestricted Designated Fund represented transfers to the main account of sums related to developmental and infrastructure works. This was in line with the Board's decision regarding the use of residual funds received from the Maltings Project. As well as contributing towards the cost of management time relating to the upgrades in the Corn Exchange, the planning with architects and consultants of the next phase costs associated with the refurbishment of the bar, lobby and toilets at the front of the building were also covered.

As we continue to navigate through the changed post-pandemic landscape, the Board and senior management constantly review the model on which the business operates. Challenges are certainly presented by societal and economic changes and the temporary disruption to our operations created by the hoped for re-vamp of the front of the Corn Exchange. However the Board view the future positively as we believe that these effects can be mitigated by DA being flexible and adaptive and exploiting emerging opportunities. In this way we can fund further development of our community work whilst continuing to provide our members and audiences with first-class entertainment.

Structure, governance and management

a. GOING CONCERN

The trustees have considered the financial position of the charity, both during the period and as a result of the current economic climate and have assessed both financial and operational risk. They are of the opinion that the charity has sufficient financial resources to continue to operate as a going concern for the foreseeable future. Accordingly, the trustees continue to adopt the going concern basis in the preparation of the financial statements. For further information please refer to the financial review section of the trustee's report.

b. RESERVES POLICY

The Trustees' policy regarding reserves is to aim to maintain sufficient funds to ensure running of the organisation for at least 3 months. This policy is normally based on the total of last year's non programme expenditure.

Although the general free reserves have decreased in the year due to the exceptional factors indicated above, this target continues to be met. The trustees are aware that the reserves policy needs to be monitored closely moving forward.

c. CONSTITUTION

The company is registered as a charitable company limited by guarantee and was set up by Articles of Association.

The company is constituted under Articles of Association. The company registered number is 2752793 and the charity registered number is 1015546.

DORCHESTER ARTS

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

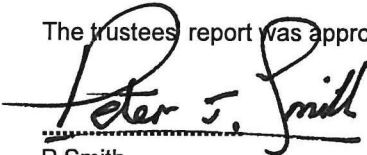
d. METHOD OF APPOINTMENT OR ELECTION OF TRUSTEES

Trustees are elected annually at the AGM but casual vacancies may be filled during the year subject to formal election at the AGM.

Trustees, who are also directors for the purpose of company law, and who served during the year and up to the date of the signature on the financial statements were:

| | |
|--------------|-----------------------------|
| T James | (Resigned 28 January 2023) |
| P Smith | |
| P Treadwell | |
| J Veale | |
| A Eigeland | |
| H Trevorrow | |
| L Sheaves | |
| A Johnson | (Resigned 31 March 2023) |
| A Constable | (Appointed 28 January 2023) |
| M Willdridge | (Appointed 28 January 2023) |

The trustees report was approved by the Board of Trustees.



P Smith
Trustee

Dated: 20-12-2023

DORCHESTER ARTS

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF DORCHESTER ARTS

I report to the trustees on my examination of the financial statements of Dorchester Arts (the charity) for the year ended 31 March 2023.

Responsibilities and basis of report

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

Having satisfied myself that the financial statements of the charity 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 charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

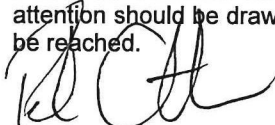
Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of The Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

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

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements 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 financial statements 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 financial statements to be reached.



Pete Cattermole FCA
CB Reid Limited

Wadebridge House
16 Wadebridge Square
Poundbury
Dorchester
Dorset
DT1 3AQ

Dated: 21/12/23

DORCHESTER ARTS

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

| | Notes | Unrestricted funds general | Unrestricted funds designated | Restricted funds | Total | Unrestricted funds general | Unrestricted funds designated | Restricted funds | Total |
|---|-------|----------------------------|-------------------------------|------------------|-----------------|----------------------------|-------------------------------|------------------|----------------|
| | | 2023 | 2023 | 2023 | 2023 | 2022 | 2022 | 2022 | 2022 |
| | | £ | £ | £ | £ | £ | £ | £ | £ |
| Income and endowments from: | | | | | | | | | |
| Grants, membership and donated income | 2 | 92,057 | - | - | 92,057 | 135,259 | - | 5,850 | 141,109 |
| Fundraising income | 3 | 232,591 | - | 76,591 | 309,182 | 92,897 | - | 104,853 | 197,750 |
| Investments | 4 | 766 | - | - | 766 | 18 | - | - | 18 |
| Income from subsidiaries | 5 | 10,069 | - | - | 10,069 | - | - | - | - |
| Total income | | 335,483 | - | 76,591 | 412,074 | 228,174 | - | 110,703 | 338,877 |
| Expenditure on: | | | | | | | | | |
| Raising funds | 6 | 1,799 | - | - | 1,799 | 4,289 | - | - | 4,289 |
| Administration and fundraising costs | 7 | 348,326 | 17,822 | 92,310 | 458,458 | 193,976 | 5,464 | 34,537 | 233,977 |
| Total expenditure | | 350,125 | 17,822 | 92,310 | 460,257 | 198,265 | 5,464 | 34,537 | 238,266 |
| Net (expenditure)/income for the year/ Net movement in funds | | (14,642) | (17,822) | (15,719) | (48,183) | 29,909 | (5,464) | 76,166 | 100,611 |

DORCHESTER ARTS

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

| | Notes | Unrestricted funds | | Restricted funds | | Total | |
|---|-------|--------------------|---------------|------------------|---------------|----------------|----------------|
| | | general | designated | general | designated | general | designated |
| | | 2023 | 2023 | 2022 | 2022 | 2023 | 2022 |
| | | £ | £ | £ | £ | £ | £ |
| Net (expenditure)/income for the year/ Net movement in funds | | (14,642) | (17,822) | 29,909 | (5,464) | (48,183) | 100,611 |
| Fund balances at 1 April 2022 | | 78,239 | 30,245 | 48,330 | 35,709 | 198,779 | 98,168 |
| Fund balances at 31 March 2023 | | <u>63,597</u> | <u>12,423</u> | <u>78,239</u> | <u>30,245</u> | <u>150,596</u> | <u>198,779</u> |

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

DORCHESTER ARTS

BALANCE SHEET

AS AT 31 MARCH 2023

| | Notes | 2023 | | 2022 | |
|---|-------|-----------------|----------------|-----------------|----------------|
| | | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Tangible assets | 12 | | 2,132 | | 2,188 |
| Investments | 13 | | 9,575 | | 4,008 |
| | | | <u>11,707</u> | | <u>6,196</u> |
| Current assets | | | | | |
| Debtors | 14 | 5,983 | | 3,423 | |
| Cash at bank and in hand | | 169,600 | | 208,366 | |
| | | <u>175,583</u> | | <u>211,789</u> | |
| Creditors: amounts falling due within one year | 15 | <u>(36,694)</u> | | <u>(19,206)</u> | |
| Net current assets | | | 138,889 | | 192,583 |
| Total assets less current liabilities | | | <u>150,596</u> | | <u>198,779</u> |
| Income funds | | | | | |
| Restricted funds | | | 74,576 | | 90,295 |
| Unrestricted funds - designated | | | 12,423 | | 30,245 |
| Unrestricted funds - general | | | 63,597 | | 78,239 |
| | | | <u>150,596</u> | | <u>198,779</u> |

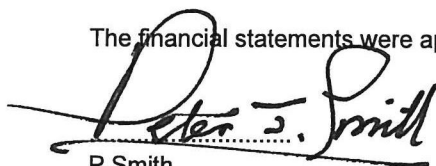
The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2023.

The directors 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 members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 20-12-2023


P Smith
Trustee

Company registration number 02752793

DORCHESTER ARTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Charity information

Dorchester Arts is a private company limited by guarantee incorporated in England and Wales. The registered office is The Corn Exchange, High East Street, Dorchester, Dorset, DT1 1HF.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

The trustees have considered the financial position of the charity, both during the period and as a result of the current economic climate and have assessed both financial and operational risk. They are of the opinion that the charity has sufficient financial resources to continue to operate as a going concern for the foreseeable future. Accordingly, the trustees continue to adopt the going concern basis in the preparation of the financial statements. For further information please refer to the financial review section of the trustee's report.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

DORCHESTER ARTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

Government grants are recognised based on the performance model. Grants that do not impose specified future performance-related conditions are recognised when the grant is received. Grants that impose specified future performance-related conditions are only recognised when these conditions are met.

1.5 Resources expended

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 are allocated on the portion of the asset's use.

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.

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 educational operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

| | |
|-----------------------|-------------------|
| Fixtures and fittings | 25% straight line |
|-----------------------|-------------------|

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

DORCHESTER ARTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

A subsidiary is an entity controlled by the charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

DORCHESTER ARTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies (Continued)

2 Grants, membership and donated income

| | Unrestricted funds general 2023 £ | Restricted funds 2023 £ | Total 2023 £ | Total 2022 £ |
|---|---|----------------------------------|--------------------|--------------------|
| Donations and gifts | 41,764 | - | 41,764 | 113,795 |
| Grants from public bodies | 50,293 | - | 50,293 | 27,314 |
| | <u>92,057</u> | <u>-</u> | <u>92,057</u> | <u>141,109</u> |
| For the year ended 31 March 2022 | <u>135,259</u> | <u>5,850</u> | | <u>141,109</u> |

Grant income represents local authority grants from Dorset Council (£30,000) and Dorchester Town Council (£20,293).

3 Fundraising income

| | Unrestricted funds general 2023 £ | Restricted funds 2023 £ | Total 2023 £ | Unrestricted funds general 2022 £ | Restricted funds 2022 £ | Total 2022 £ |
|------------------------------|---|----------------------------------|--------------------|---|----------------------------------|--------------------|
| Other fundraising activities | 34,873 | - | 34,873 | 16,942 | 750 | 17,692 |
| Box office admission charges | 182,546 | - | 182,546 | 75,227 | - | 75,227 |
| Project income | 15,172 | 76,591 | 91,763 | 728 | 104,103 | 104,831 |
| | <u>232,591</u> | <u>76,591</u> | <u>309,182</u> | <u>92,897</u> | <u>104,853</u> | <u>197,750</u> |

4 Investments

| | Unrestricted funds general 2023 £ | Unrestricted funds general 2022 £ |
|---------------------|---|---|
| Interest receivable | <u>766</u> | <u>18</u> |

DORCHESTER ARTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

5 Income from subsidiaries

| | Unrestricted funds general 2023 £ | Total 2022 £ |
|---------------------------------|--|-----------------------------|
| Distributions from subsidiaries | 10,069 | - |

6 Raising funds

| | Unrestricted funds general 2023 £ | Unrestricted funds general 2022 £ |
|----------------------------------|--|--|
| <u>Fundraising and publicity</u> | | |
| Other fundraising costs | 1,799 | 4,289 |
| | <u>1,799</u> | <u>4,289</u> |

DORCHESTER ARTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

7 Administration and fundraising costs

| | 2023 £ | 2022 £ |
|--|----------------|----------------|
| Staff costs | 131,017 | 102,680 |
| Depreciation and impairment | 954 | 829 |
| Programmes and performers | 155,183 | 64,750 |
| Printing and advertising | 14,111 | 6,908 |
| Legal and professional fees | - | 960 |
| Stationery | 696 | 773 |
| Postage | 7 | 2,372 |
| Property costs including repairs and maintenance | 46,402 | 5,738 |
| Travel and training | 1,551 | 533 |
| Insurance | 1,728 | 1,406 |
| Bank charges | 10,913 | 6,354 |
| Miscellaneous, materials and sundry | 3,457 | 2,664 |
| Telephone | 4,570 | 3,846 |
| Venue costs | 1,834 | - |
| Project expenditure | 84,535 | 32,664 |
| | <u>456,958</u> | <u>232,477</u> |
| Share of governance costs (see note 8) | 1,500 | 1,500 |
| | <u>458,458</u> | <u>233,977</u> |
| Analysis by fund | | |
| Unrestricted funds - general | 348,326 | 193,976 |
| Unrestricted funds - designated | 17,822 | 5,464 |
| Restricted funds | 92,310 | 34,537 |
| | <u>458,458</u> | <u>233,977</u> |

8 Support costs

| | Support costs £ | Governance costs £ | 2023 £ | 2022 £ |
|-----------------------------|-----------------------|--------------------------|--------------|--------------|
| Independent Examiner's fees | - | 1,500 | 1,500 | 1,500 |
| | <u>-</u> | <u>1,500</u> | <u>1,500</u> | <u>1,500</u> |
| Analysed between | | | | |
| Charitable activities | - | 1,500 | 1,500 | 1,500 |
| | <u>-</u> | <u>1,500</u> | <u>1,500</u> | <u>1,500</u> |

The Independent Examiner's remuneration amounts to an Independent Examination fee of £1,500 (2022 - £1,500) which includes £900 for preparation of the accounts.

DORCHESTER ARTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

9 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

10 Employees

The average monthly number of employees during the year was:

| | 2023 | 2022 |
|-------------------------|-----------------|-----------------|
| | Number | Number |
| | 6 | 5 |
| | <u> </u> | <u> </u> |
| Employment costs | 2023 | 2022 |
| | £ | £ |
| Wages and salaries | 131,017 | 102,680 |
| | <u> </u> | <u> </u> |

No employees received total employee benefits of more than £60,000 (2020 - NIL).

There were no employees whose annual remuneration was more than £60,000.

11 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

12 Tangible fixed assets

| | Fixtures and fittings |
|------------------------------------|------------------------------|
| | £ |
| Cost | |
| At 1 April 2022 | 24,069 |
| Additions | 898 |
| At 31 March 2023 | <u>24,967</u> |
| Depreciation and impairment | |
| At 1 April 2022 | 21,881 |
| Depreciation charged in the year | 954 |
| At 31 March 2023 | <u>22,835</u> |
| Carrying amount | |
| At 31 March 2023 | <u>2,132</u> |
| At 31 March 2022 | <u>2,188</u> |

DORCHESTER ARTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

13 Fixed asset investments

| | | Other investments |
|---------------------------------|--|------------------------------|
| Cost or valuation | | |
| At 1 April 2022 & 31 March 2023 | | 1 |
| | | <u> </u> |
| Carrying amount | | |
| At 31 March 2023 | | 1 |
| | | <u> </u> |
| At 31 March 2022 | | 1 |
| | | <u> </u> |

| Other investments comprise: | Notes | 2023 £ | 2022 £ |
|-----------------------------|-------|-------------------|-------------------|
| Investments in subsidiaries | 18 | 1 | 1 |
| Loans to subsidiaries | 18 | 9,574 | 4,007 |
| | | <u> </u> | <u> </u> |
| | | 9,575 | 4,008 |
| | | <u> </u> | <u> </u> |

14 Debtors

| | 2023 £ | 2022 £ |
|---|-------------------|-------------------|
| Amounts falling due within one year: | | |
| Trade debtors | 3,138 | 3,416 |
| Prepayments and accrued income | 2,845 | 7 |
| | <u> </u> | <u> </u> |
| | 5,983 | 3,423 |
| | <u> </u> | <u> </u> |

15 Creditors: amounts falling due within one year

| | 2023 £ | 2022 £ |
|-----------------|-------------------|-------------------|
| Deferred income | 28,687 | 14,782 |
| Trade creditors | 2,839 | 2,844 |
| Other creditors | 731 | 680 |
| Accruals | 4,437 | 900 |
| | <u> </u> | <u> </u> |
| | 36,694 | 19,206 |
| | <u> </u> | <u> </u> |

DORCHESTER ARTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

16 Analysis of net assets between funds

| | Restricted funds | Unrestricted designated funds | Unrestricted funds general | Total | Restricted funds | Unrestricted designated funds | Unrestricted funds general | Total |
|--|---------------------|-------------------------------------|----------------------------------|----------------|---------------------|-------------------------------------|-------------------------------|----------------|
| | 2023 | 2023 | 2023 | 2023 | 2022 | 2022 | 2022 | 2022 |
| | £ | £ | £ | £ | £ | £ | £ | £ |
| Fund balances at 31 March 2023 are represented by: | | | | | | | | |
| Tangible assets | - | - | 2,132 | 2,132 | - | - | 2,188 | 2,188 |
| Investments | (1,184) | - | 10,759 | 9,575 | - | - | 4,008 | 4,008 |
| Current assets/(liabilities) | 74,575 | 12,423 | 51,891 | 138,889 | 90,295 | 30,245 | 72,043 | 192,583 |
| | <u>73,391</u> | <u>12,423</u> | <u>64,782</u> | <u>150,596</u> | <u>90,295</u> | <u>30,245</u> | <u>78,239</u> | <u>198,779</u> |

DORCHESTER ARTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

17 Related party transactions

There were no disclosable related party transactions during the year.

18 Subsidiaries

These financial statements are separate charity financial statements for Dorchester Arts.

Details of the charity's subsidiaries at 31 March 2023 are as follows:

| Name of undertaking | Registered office | Nature of business | Class of shares held | % Held | |
|---|-------------------|--------------------------|----------------------|--------|----------|
| | | | | Direct | Indirect |
| Dorchester Arts Trading Limited (Co. Number 09620457) | England | Retail sale of beverages | Ordinary shares | 100.00 | |