

Registered number: 3237796

Charity number: 1057842

Arena Art and Design Association

INDEPENDENTLY EXAMINED ACCOUNTS

FOR THE YEAR ENDED 31/08/2020

Prepared By:

Harvey Guinan LLP
Chartered Certified Accountants
310/311 Vanilla Factory
39 Fleet Street
Liverpool
Merseyside
L1 4AR

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31/08/2020**

TRUSTEES

Poppy Hughes (appointed 12/11/2020)
Claire Hart (resigned 14/05/2020)
Maurice Challenor (appointed 10/03/2020, resigned 30/11/2020)
Kate Lloyd (resigned 02/09/2020)
Ruth Piper
Christine Bithell
Christine Toh

SECRETARY

Christine Bithell

REGISTERED OFFICE

27 Parliament Street
Baltic Triangle
Liverpool
Merseyside
L8 5RN

COMPANY NUMBER

3237796

CHARITY NUMBER

1057842

BANKERS

Co-operative Bank

SOLICITORS

Percy Hughes and Roberts, 19 Hamilton Square, Birkenhead, CH41 6AY

INDEPENDENT EXAMINER: Julie Guinan FCCA

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31/08/2020**

Harvey Guinan LLP
Chartered Certified Accountants
310/311 Vanilla Factory
39 Fleet Street
Liverpool
Merseyside
L1 4AR

Arena Art and Design Association

**ACCOUNTS
FOR THE YEAR ENDED 31/08/2020**

CONTENTS

| | Page |
|--|----------|
| Report of the Trustees | 4 |
| Independent Examiner's Statement | 8 |
| Statement of Financial Activities | 10 |
| Balance Sheet | 11 |
| Notes to the Accounts | 12 to 18 |
| Detailed Statement of Financial Activities | 19 |

FOR THE YEAR ENDED 31/08/2020

TRUSTEES' REPORT

The trustees present their report and accounts for the year ended 31/08/2020

COMPANY INFORMATION

Reference and administrative details are provided on page 1.

PRINCIPAL ACTIVITIES

The principal activity of the charity in the year under review was to support practising artists, designers and crafts people by providing affordable studio space and other facilities .

ORGANISATION OF THE CHARITY

The charity has a board of trustees. who are also the management committee, who plan to meet quarterly to administer the charity. There is a gallery sub-committee that organises, produces and curates fundraising exhibitions. In setting policies the trustees have complied with their duty in section 4 of the Charities Act 2006 to have due regard to public benefit guidance published by the Charity Commission.

The trustees were all licensees in the property managed by the charity at the year end.

The trustees are appointed annually at the annual general meeting. The trustees have access to induction and training to enable them to effectively carry out their duties.

The trustees have an active equal opportunities policy and a health and safety policy. The charity also has produced a complaints and eviction procedure and policy.

TRUSTEES

The names of the present trustees and of all who held office during the year are shown on page 1. In accordance with the Articles of Association one third of the Board retire by rotation each year and at the forthcoming annual general meeting Ruth Piper and Christine Toh retire by rotation and, being eligible, offer themselves for re-election.

TRUSTEES RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and Applicable Law). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the net incoming or outgoing resources of the charity for that period. In preparing the financial statements the trustees are required to:

FOR THE YEAR ENDED 31/08/2020

TRUSTEES' REPORT

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles of the charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

RISK MANAGEMENT

The charity has occupied the current premises since the year ended 31 August 2009. The accommodation is on a ten year lease with a new lease period commencing on 1 October 2017 with the option to give three months' notice to leave and an optional break date after 5 years. The maximum number of full time members provided with studio space at any one time within the space is 25, and there is a communal area which allows for flexible use including exhibition space. Strict policies are applied to ensure prompt payment by artists.

The trustees confirm that the day to day controls are in place to minimise other financial and operational risk faced by the charity.

OBJECTIVES AND ACTIVITIES

The objectives for which the charity is established are:

To advance public education through the promotion of and appreciation of excellence in the arts with particular reference to the areas of fine art, design and craft.

In furtherance of its objects the charity will provide studio space to practising artists who will in turn further the aims and objectives of the charity.

What we do:

Arena supports practising artists, designers and crafts people by providing affordable studio space and other essential facilities which help them to produce and exhibit work of the highest quality. We also serve the general public by organising exhibitions of art, educational workshops and school and college visits, with a programme of gallery events which includes singular events in collaboration with other Liverpool creative enterprises and exhibitions aimed at showcasing emerging artists and offering a platform for developing new work and reaching new audiences.

FOR THE YEAR ENDED 31/08/2020

TRUSTEES' REPORT

STRUCTURE GOVERNANCE AND MANAGEMENT

Legal Status

Arena Art and Design Association is a company limited by guarantee with charitable status. It does not have a share capital. It was incorporated as a company in England and Wales on 14 August 1996 and registered as a Charity in England and Wales on 30 August 1996.

Volunteers

Arena's members give their time as volunteers to support the maintenance of the studios and Arena's programme of events. The Arena Directors, who also serve as trustees also give their time and support on a voluntary basis.

Achievements and Performance

A strange year to be writing a report on Arena's achievements. Being here and stable is achievement enough. Since March the directors have been meeting on Zoom. Early on we discovered Arena would be able to claim a grant from Liverpool City Council, and later Maurice worked hard to gain a grant from Arts Council England which means that Arena remains in a stable position.

As members are aware, Arena has been using these funds to top up rent payments when members have not been able to pay in full. As well as this we have funded a laptop for the studio coordinator so it is easier to work from home when necessary.

This year our usual events have not taken place, although we hope to resume these when it is safe to do so. Arena continues to offer affordable space for artists and creatives, promoting artistic excellence with a social driven perspective. The last year has really shown why spaces like ours are important. We hope we can continue to work together supporting each other and developing new projects.

FINANCIAL REVIEW

The Statement of Financial Activities details Income and Expenditure.

Total incoming resources were £45,586 (2019 £27,448). Total resources expended were £30,276 (2019 £27,327). The net incoming resources for the year were £15,310 being net incoming resources on the unrestricted funds of £15,313 and net outgoing resources on the restricted funds of £3.

FOR THE YEAR ENDED 31/08/2020

TRUSTEES' REPORT

The balance on unrestricted general funds at 31 August 2020 was £26,325 (2019 £11,012). The balance on restricted funds at 31 August 2020 was £8 (2019 £11) being invested in fixed assets. Total funds on the balance sheet at 31 August 2020 were £26,333 (2019 £11,023).

RESERVES POLICY

It has been the policy of the trustees to keep some of the income in a reserve for a contingency. The required level of reserves will continually be kept under review by the trustees. The unrestricted funds were in surplus by £26,325 at 31 August 2020. Free reserves, that is those funds not tied up in designated funds or fixed assets, were £26,293 at 31 August 2020. The trustees are working to develop activities to generate sufficient free reserves to cover 3 to 6 months' costs.

PLAN FOR THE FUTURE

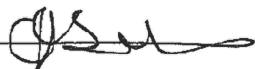
Arena looks to continue the support of practising artists within its studios and the development of its exhibition and community engagement initiatives within the flourishing Baltic Area. As Arena moves into the coming financial year post COVID where the Gallery had to close temporarily and when restrictions ease it will evaluate the current organisation management structure and delivery plans and consider all possible options, within budgetary constraints, to maximise the organisation's potential.

INDEPENDENT EXAMINERS

The Independent Examiner Julie Guinan has indicated her willingness to remain in office and a resolution will be proposed for her re-appointment at the forthcoming Annual General Meeting.

The report was prepared in accordance with the special provisions within Part 15 of the Companies Act 2006.

This report was approved by the Board of Trustees on 30/04/2021



Christine Bithell
Trustee

INDEPENDENT EXAMINER'S STATEMENT

FOR THE YEAR ENDED 31/08/2020

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF ARENA ART AND DESIGN ASSOCIATION

I report on the accounts of the company for the year ended 31/08/2020 .

RESPONSIBILITIES AND BASIS OF REPORT

As the charity's trustees of the Company (who are also the directors of the company 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).

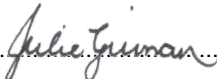
Having satisfied myself that the accounts of the Company are not required to be audited for this year under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 (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).

BASIS OF INDEPENDENT EXAMINERS STATEMENT

I have completed my examination. I confirm that no material matters have come to my attention which gives me cause to believe that:

- accounting records were not kept in accordance with section 386 of the Companies Act 2006; or
- the accounts do not accord with such records; or
- the accounts do not comply with relevant accounting requirements under section 396 of the Companies Act 2006 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
- the accounts have not been prepared in accordance with the Charities SORP (FRS102).

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.

.....Independent Examiner Julie Guinan FCCA

**INDEPENDENT EXAMINER'S STATEMENT
FOR THE YEAR ENDED 31/08/2020**

Date: 30/04/2021

Harvey Guinan LLP
Chartered Certified Accountants
310/311 Vanilla Factory
39 Fleet Street
Liverpool
Merseyside
L1 4AR
01517097797

Arena Art and Design Association

**Statement of Financial Activities
for the year ended 31/08/2020**

| | Unrestricted funds | Restricted funds | 2020 Total | 2019 Total |
|--|-------------------------------|-----------------------------|-----------------------|-----------------------|
| | £ | £ | £ | £ |
| Income | | | | |
| Income from generated funds | | | | |
| Donations and legacies | 13,625 | 8,550 | 22,175 | 2,994 |
| Income from Investments | 25 | - | 25 | 11 |
| Income from charitable activities | 23,386 | - | 23,386 | 24,443 |
| Total Income and endowments | 37,036 | 8,550 | 45,586 | 27,448 |
| Expenses | | | | |
| Costs of generating funds | | | | |
| Expenditure on Charitable activities | 21,723 | 8,553 | 30,276 | 27,327 |
| Total Expenses | 21,723 | 8,553 | 30,276 | 27,327 |
| Net gains on investments | | | | |
| Net Income | 15,313 | (3) | 15,310 | 121 |
| Gains/(losses) on revaluation of fixed assets | | | | |
| Net movement in funds: | | | | |
| Net income for the year | 15,313 | (3) | 15,310 | 121 |
| Total funds brought forward | 11,012 | 11 | 11,023 | 10,902 |
| Net funds carried forward | 26,325 | 8 | 26,333 | 11,023 |

This statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities

Arena Art and Design Association

BALANCE SHEET AT 31/08/2020

| | Notes | 2020 | 2019 |
|---|--------------|---------------|---------------|
| | | £ | £ |
| FIXED ASSETS | | | |
| Tangible assets | 3 | 40 | 52 |
| CURRENT ASSETS | | | |
| Debtors (amounts falling due within one year) | 10 | 1,839 | 128 |
| Cash at bank and in hand | | <u>28,124</u> | <u>14,372</u> |
| | | 29,963 | 14,500 |
| CREDITORS: Amounts falling due within one year | 4 | <u>3,670</u> | <u>3,529</u> |
| NET CURRENT ASSETS | | <u>26,293</u> | <u>10,971</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>26,333</u> | <u>11,023</u> |
| RESERVES | | | |
| Unrestricted funds | 6 | | |
| General fund | | 26,325 | 11,012 |
| Restricted funds | 7 | <u>8</u> | <u>11</u> |
| | | <u>26,333</u> | <u>11,023</u> |

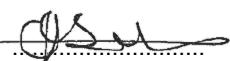
For the year ending 31/08/2020 the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

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

Approved by the board of trustees on 30/04/2021 and signed on their behalf by



Christine Bithell
Trustee

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31/08/2020**

1. ACCOUNTING POLICIES

1a. Basis Of Accounting

The accounts have been prepared under the historical cost convention.

The accounts have been prepared in accordance with FRS102 - The Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities.

1b. Incoming Resources

All Incoming Resources are included in the Statement of Financial Activities when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

1c. Resources Expended

Expenditure is accounted for on an accruals basis and has been classified under the headings that aggregate all cost related to the category. When costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

1d. Allocation And Apportionment Of Costs

All costs relate to the single activity of the charitable company and are recognised accordingly.

1e. Fund Accounting

Unrestricted Funds can be used in accordance with the charitable objectives at the discretion of the Trustees. Restricted Funds can only be used for particular restricted purposes within the objects of the Charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes. Designated Funds are funds set aside by the Trustees out of unrestricted general funds for specific future purposes or projects.

1f. Depreciation

Depreciation has been provided at the following rates in order to write off the assets over their estimated useful lives.

Equipment reducing balance 25%

1g. Turnover

Turnover represents the invoiced value of goods and services supplied by the company, donations, grants received and receivable; all from the delivery of charitable activity in furtherance of the objects providing studio space to practising artists who in turn further the aims and objects of the charity. The charity is not registered for vat.

1h. Policy For Debtors

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

1i. Creditors

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in a transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement value amount after allowing for any discount due.

1j. Cash At Bank

Cash at bank and in hand includes cash and short term liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1k. Financial Instruments

The charity 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.

Incentives received to enter into a lease agreement are recognised in the profit and loss accounts over the shorter of the lease term and the period to the next lease review

1l. Recognition Of Revenue

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Revenue from the sale of goods is recognised when goods are delivered and legal title has passed.

Arena Art and Design Association

1m. Policy For Going Concern

At the time of preparing accounts the trustees have reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The trustees therefore continue to operate the going concern basis of accounting in the preparation of accounts. In considering the going concern the trustees have considered a period of at least 12 months from the date of signing the accounts.

The charity has definitely been affected by the Covid 19 pandemic. The gallery was not able to operate and had to close. The studios were still accessible to its members as the building itself was kept open. Safe procedure and practices were put in place following government regulations. Despite the studios being accessible, the level of activity in the studios has been considerably reduced especially during the lockdowns periods where it was almost non existent The Trustees have considered the impact of covid - 19 on the Charity and the going concern and continue to operate the going concern basis of accounting in the preparation of accounts.

2. DIRECTORS AND EMPLOYEES

Particulars of employees (including directors) are shown below:

Employee costs during the year amounted to:

| 2020 | 2019 |
|-------------|-------------|
| £ | £ |

The trustees did not receive remuneration for their services as trustees.

There were no employees during the year.

3. TANGIBLE FIXED ASSETS

| | Land And Buildings | Equipment | Total |
|-------------------------|-----------------------------------|------------------|--------------|
| | £ | £ | £ |
| Cost | | | |
| At 01/09/2019 | 4,635 | 1,268 | 5,903 |
| At 31/08/2020 | 4,635 | 1,268 | 5,903 |
| Depreciation | | | |
| At 01/09/2019 | 4,631 | 1,220 | 5,851 |
| For the year | - | 12 | 12 |
| At 31/08/2020 | 4,631 | 1,232 | 5,863 |
| Net Book Amounts | | | |
| At 31/08/2020 | 4 | 36 | 40 |
| At 31/08/2019 | 4 | 48 | 52 |

Arena Art and Design Association

4. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2020 | 2019 |
|-----------------|---------------------|---------------------|
| | £ | £ |
| Other creditors | <u>3,670</u> | <u>3,529</u> |
| | <u><u>3,670</u></u> | <u><u>3,529</u></u> |

5. LIMITED BY GUARANTEE

The company is limited by guarantee and does not have a share capital. Each member gives a guarantee to contribute a sum not exceeding £1, to the company should it be wound up. At 31/08/2020 there were 5 members.

6. UNRESTRICTED FUNDS

| | Brought forward | Incoming resources | Outgoing resources | Transfers | Carried forward |
|--------------|------------------------|---------------------------|---------------------------|------------------|------------------------|
| | £ | £ | £ | £ | £ |
| General fund | <u>11,012</u> | <u>37,036</u> | <u>(21,723)</u> | <u>-</u> | <u>26,325</u> |
| | <u><u>11,012</u></u> | <u><u>37,036</u></u> | <u><u>(21,723)</u></u> | <u><u>-</u></u> | <u><u>26,325</u></u> |

Arena Art and Design Association

7. RESTRICTED FUNDS

| | Brought forward | Incoming resources | Outgoing resources | Transfers | Carried forward |
|----------------------------------|-----------------|--------------------|--------------------|-----------|-----------------|
| | £ | £ | £ | £ | £ |
| Culture Company Restricted Funds | 11 | - | (3) | - | 8 |
| Arts Council England | - | 8,550 | (8,550) | - | - |
| | <u>11</u> | <u>8,550</u> | <u>(8,553)</u> | <u>-</u> | <u>8</u> |

Culture Company Restricted Funds

Funds for Computers and IT Equipment

Arts Council England

Emergency covid -19 funding for rent and overhead.

8. RELATED PARTY TRANSACTIONS

The trustees of the charity were also licensees in the premises and they pay a licence fee at arm's length in accordance with similar terms offered to all licensees.

Kate Lloyd a Trustee until 2 September 2020 was paid £1,800 for professional services as Artist Gallery Coordinator.

9. GENERAL INFORMATION

Arena Art and Design Association is a company limited by guarantee with charitable status. The registered office address is 27 Parliament Street, Baltic Triangle, Liverpool L8 5RN.

The financial statements are presented in sterling the functional currency of the company.

Arena Art and Design Association

10. DEBTORS

| | 2020 | 2019 |
|--------------------------------------|--------------|-------------|
| | £ | £ |
| Amounts falling due within one year: | | |
| Trade debtors | - | 128 |
| Other debtors | 1,839 | - |
| | <u>1,839</u> | <u>128</u> |

11. TAX EXEMPTION

The Charity claims benefits from various exemptions from taxation afforded by tax legislation and is not liable to corporation tax on income or gains falling within those exemptions. The Charity is not registered for vat.

12. NET ASSETS BY FUND

| | Unrestricted | Restricted | |
|-----------------------|--------------|------------|--------|
| | Fund | Fund | Total |
| Tangible Fixed Assets | 32 | 8 | 40 |
| Net Current Assets | 26,293 | - | 26,293 |
| | ----- | ----- | ----- |
| | 26,325 | 8 | 26,333 |
| | ----- | ----- | ----- |

13. OPERATING LEASE COMMITMENTS

During 2009 the charity moved into new premises which are subject to a 10 year lease. A second 10 year term has been agreed to run from October 2017 for £1,500 rent per month plus service charges payable with 3 months' notice required. The rent is reviewed every 3 years and there is a break date in September 2022.

Arena Art and Design Association

14. INCOMING RESOURCES

| | 2020 | 2019 |
|--|--------|--------|
| Associate Membership | 3,525 | 2,994 |
| Liverpool City Council Covid support grant | 10,000 | - |
| Arts Council England Covid support grant | 8,550 | - |
| Small donation | 100 | - |
| | ----- | ----- |
| Voluntary Income: Donations | 22,175 | 2,994 |
| | ----- | ----- |
| Interest Receivable | 25 | 11 |
| Charitable Activity Income | | |
| Studio Rental Income | 22,943 | 24,313 |
| Parking Permits | 400 | - |
| Miscellaneous Income | 43 | 130 |
| | ----- | ----- |
| Charitable Activities | 23,386 | 24,443 |
| | ----- | ----- |

15. RESOURCES EXPENDED

| | 2020 | 2019 |
|-------------------------------|--------|--------|
| Direct Costs | | |
| Auction and Gallery Costs | 116 | 327 |
| Direct Project Artistic Costs | 2,800 | 2,150 |
| Overheads | | |
| Administrative Expenses | 2,014 | 1,157 |
| Finance Costs | - | - |
| Property Costs | 24,541 | 22,888 |
| Governance | 805 | 805 |
| | ----- | ----- |
| Total Resources Expended | 30,276 | 27,327 |
| | ----- | ----- |