

Registered number: 3237796

Charity number: 1057842

Arena Art and Design Association

INDEPENDENTLY EXAMINED ACCOUNTS

FOR THE YEAR ENDED 31/08/2021

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 31/08/2021**

TRUSTEES

Poppy Hughes (appointed 12/11/2020 resigned 15/12/2021)
Sarah McCauley (appointed 15/12/2021)
Maurice Challenor (appointed 10/03/2020, resigned 30/11/2020)
Kate Lloyd (resigned 02/09/2020)
Ruth Piper (resigned 15/12/2021)
Christine Bithell (resigned 15/12/2021)
Christine Toh (resigned 15/12/2021)
Gerard McGregor (appointed 15/12/2021)
Patricia Montague (appointed 15/12/2021)
Andrew Parkinson (appointed 15/12/2021)

SECRETARY

Christine Bithell (resigned 15/12/2021)

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

Arena Art and Design Association

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31/08/2021**

INDEPENDENT EXAMINER Julie Guinan FCCA

Harvey Guinan LLP
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Arena Art and Design Association

**ACCOUNTS
FOR THE YEAR ENDED 31/08/2021**

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Arena Art and Design Association

FOR THE YEAR ENDED 31/08/2021

TRUSTEES' REPORT

The trustees present their report and accounts for the year ended 31/08/2021

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 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:

Arena Art and Design Association

FOR THE YEAR ENDED 31/08/2021

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.

Arena Art and Design Association

FOR THE YEAR ENDED 31/08/2021

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

Arena has supported artists and members via Arts Council Grants who would otherwise not be able to continue to practice and worked alongside the wider Liverpool Art Community by engaging in local events and network meetings. We have also ensured that people remain connected during lockdowns by hosting Zoom socials and opportunities to talk about their work.

Arena continues to offer affordable space for artists and creatives, in a safe environment, promoting artistic excellence with social driven perspective. Arena Grounded Gallery had been closed due to lock downs for a large part of this year however, we have begun to hold shows since the national lockdown lifted. We had artist, Ali Barker, complete workshops in Grounded Gallery which was a huge success. 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 £34,731 (2020 £45,586). Total resources expended were £28,757 (2020 £30,276). The net incoming resources for the year were £5,974 (2020 £15,310) being net incoming resources on the unrestricted funds of £5,976, and net outgoing resources on the restricted funds of £2.

The balance on unrestricted general funds at 31 August 2021 was £32,301 (2020 £26,325). The balance on restricted funds at 31 August 2021 was £6 (2020 £8) being invested in fixed assets. Total funds on the balance sheet at 31 August 2021 were £32,307 (2020 £26,333).

RESERVES POLICY

Arena Art and Design Association

FOR THE YEAR ENDED 31/08/2021

TRUSTEES' REPORT

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 £32,301 at 31 August 2021. Free reserves, that is those funds not tied up in designated funds or fixed assets, were £32,276 at 31 August 2021. 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 25/05/2022



Sarah McCauley (appointed 15/12/2021)

Trustee

INDEPENDENT EXAMINER'S STATEMENT

FOR THE YEAR ENDED 31/08/2021

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 31/08/2021 .

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).

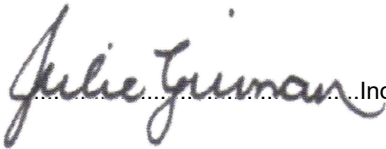
Having satisfied myself that the accounts of the Company are not required to be audited for this year under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 (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 31/08/2021**

Date: 25/05/2022

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

Arena Art and Design Association

**Statement of Financial Activities
for the year ended 31/08/2021**

	Unrestricted funds	Restricted funds	2021	<i>2020</i>
	£	£	Total	<i>Total</i>
			£	£
Income				
Income from generated funds				
Donations and legacies	12,577	950	13,527	22,175
Income from Investments	6	-	6	25
Income from charitable activities	21,198	-	21,198	23,386
Total Income	33,781	950	34,731	45,586
Expenses				
Costs of generating funds				
Expenditure on Charitable activities	27,805	952	28,757	30,276
Total Expenses	27,805	952	28,757	30,276
Net Income	5,976	(2)	5,974	<i>15,310</i>
Net movement in funds:				
Net income for the year	5,976	(2)	5,974	<i>15,310</i>
Total funds brought forward	26,325	8	26,333	11,023
Net funds carried forward	32,301	6	32,307	26,333

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 31/08/2021

	Notes	2021	2020
		£	£
FIXED ASSETS			
Tangible assets	3	31	40
CURRENT ASSETS			
Debtors (amounts falling due within one year)	10	1,866	1,839
Cash at bank and in hand		<u>34,214</u>	<u>28,124</u>
		36,080	29,963
CREDITORS: Amounts falling due within one year	4	<u>3,804</u>	<u>3,670</u>
NET CURRENT ASSETS		<u>32,276</u>	<u>26,293</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>32,307</u>	<u>26,333</u>
RESERVES			
Unrestricted funds	6		
General fund		32,301	26,325
Restricted funds	7	<u>6</u>	<u>8</u>
		<u>32,307</u>	<u>26,333</u>

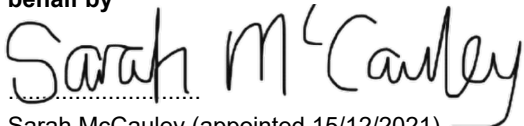
For the year ending 31/08/2021 the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

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 25/05/2022 and signed on their behalf by



Sarah McCauley (appointed 15/12/2021)

Trustee

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31/08/2021**

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:

2021	2020
£	£

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 01/09/2020	4,635	1,268	5,903
At 31/08/2021	4,635	1,268	5,903
Depreciation			
At 01/09/2020	4,631	1,232	5,863
For the year	-	9	9
At 31/08/2021	4,631	1,241	5,872
Net Book Amounts			
At 31/08/2021	4	27	31
At 31/08/2020	4	36	40

Arena Art and Design Association

4. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Other creditors	<u>3,804</u>	<u>3,670</u>
	<u><u>3,804</u></u>	<u><u>3,670</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 31/08/2021 there were 6 members.

6. UNRESTRICTED FUNDS

	Brought forward	Incoming resources	Outgoing resources	Transfers	Carried forward
	£	£	£	£	£
General fund	<u>26,325</u>	<u>33,781</u>	<u>(27,805)</u>	<u>-</u>	<u>32,301</u>
	<u><u>26,325</u></u>	<u><u>33,781</u></u>	<u><u>(27,805)</u></u>	<u><u>-</u></u>	<u><u>32,301</u></u>

Arena Art and Design Association

7. RESTRICTED FUNDS

	Brought forward	Incoming resources	Outgoing resources	Transfers	Carried forward
	£	£	£	£	£
Culture Company Restricted Funds	8	-	(2)	-	6
Arts Council England	-	950	(950)	-	-
	<u>8</u>	<u>950</u>	<u>(952)</u>	<u>-</u>	<u>6</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.

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

	2021	<i>2020</i>
	£	£
Amounts falling due within one year:		
Trade debtors	7	-
Other debtors	<u>1,859</u>	<u>1,839</u>
	<u><u>1,866</u></u>	<u><u>1,839</u></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	25	6	31
Net Current Assets	<u>32,276</u>	-	<u>32,276</u>
	<u>32,301</u>	6	<u>32,307</u>

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

	2021	2020
Associate Membership	3,146	3,525
Liverpool City Council Covid support grant	9,431	10,000
Arts Council England Covid support grant	950	8,550
Small donation		100
	-----	-----
Voluntary Income: Donations	13,527	22,175
	-----	-----
Interest Receivable	6	25
Charitable Activity Income		
Studio Rental Income	20,630	22,943
Parking Permits	500	400
Miscellaneous Income	68	43
	-----	-----
Charitable Activities	21,198	23,386
	-----	-----

15. RESOURCES EXPENDED

	2021	2020
Direct Costs		
Auction and Gallery Costs		116
Direct Project Artistic Costs	2,400	2,800
Overheads		
Administrative Expenses	1,248	2,014
Finance Costs	-	-
Property Costs	24,293	24,541
Governance	816	805
	-----	-----
Total Resources Expended	28,757	30,276
	-----	-----