

Registered number: 3237796

Charity number: 1057842

Arena Art and Design Association

INDEPENDENTLY EXAMINED ACCOUNTS

FOR THE YEAR ENDED 31/08/2023

Prepared By:

Harvey Guinan LLP

Chartered Certified Accountants

Unit 17 Mersey House

Matchworks Estate, 140 Speke Road

Liverpool

Merseyside

L19 2PH

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31/08/2023**

TRUSTEES

Christine Bithell (appointed 01/05/2023)
Kelly Irvine (appointed 08/04/2024)
Gerard McGregor
Patricia Montague
Sarah McCauley (resigned 04/04/2024)
Andrew Parkinson (resigned 01/09/2022)

SECRETARY

Vacant

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

Harvey Guinan LLP
Chartered Certified Accountants
Unit 17 Mersey House
Matchworks Estate, 140 Speke Road
Liverpool
Merseyside
L19 2PH

**ACCOUNTS
FOR THE YEAR ENDED 31/08/2023**

CONTENTS

	Page
Report of the Trustees	3
Independent Examiner's Statement	7
Statement of Financial Activities	8
Balance Sheet	9
Notes to the Accounts	10 to 14
Detailed Statement of Financial Activities	15

FOR THE YEAR ENDED 31/08/2023

TRUSTEES' REPORT

The trustees present their report and accounts for the year ended 31/08/2023

The accounts are prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

Company information set out on page 1 forms part of this report. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's trust deed, the Companies Act 2006, the Charities Act 2011 and the Statement of Recommended Practice: Accounting and Reporting by Charities applicable to charities preparing their accounts with the Financial Reporting Standard applicable in the UK and Republic of Ireland FRS 102 (effective 1 January 2019).

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 Trustees will retire by rotation and, being eligible, will 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:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles of the charities SORP;

FOR THE YEAR ENDED 31/08/2023

TRUSTEES' REPORT

- 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 renewed ten year lease with a new lease period commencing on 1 October 2017 to 30 September 2027 with the option to give three months' notice to leave and an optional break date on 1 October 2025. Strict policies are applied to ensure prompt payment by artists and the Charity manages its resources effectively to meet its charitable objectives. .

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.

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

FOR THE YEAR ENDED 31/08/2023

TRUSTEES' REPORT

At the AGM in 2022 all directors were re-elected and Christine Bithell was also elected as an additional Director of Arena Studios.

From October 1st 2022 Arena's rent payable to CERT (the landlord) increased significantly and work was carried out to enable Arena to increase its income in order to cover this cost. The decision was made to remeasure all studios, increase rents and split large studios into two in order to increase the number of members and therefore membership fees. Members were given the opportunity to move studios or keep the same one. Some chose to keep a large studio and incur the extra membership fee as an additional charge. Some extra studios were built and two desk spaces added so that no communal space remained in Arena other than the kitchen. Arena has now increased its membership and currently accommodates 31 members in total.

Directors reviewed rent in April 2023 after looking at actual income and expenditure for the previous 6 months and made the decision to increase all studio prices from May 2023. The directors looked at the different options of increasing membership fees (monthly standing charge) or increasing charge per square foot and came up with a balance of the two with the emphasis on membership fees, raising them by £5 per month for each member.

During the first half of the year, while studio spaces were being renovated and new members recruited and before studio rents were increased, Arena incurred an expected cost. The increase in rents from May 2023 was designed to cover average monthly costs from then onwards. By May 2024 we will be able to examine a full 12 months on this budget to see if predictions are correct. Arena's financial position is still very unpredictable due to the high impact of not collecting rent due to non payment by members or through empty studio spaces. However, demand for its studios at the new rent prices seems to be very good. The main costs that could affect this are a change in CERT's Service Charge fees or a large increase in utilities bills.

With the studios full and many new members having a more active presence in the studios, Arena has been able to increase its presence on social media and organise an Open Studios in July 2023. This event was very successful and the intention has been set for it to become a regular event. Arena members are still able to organise exhibitions in the Elevator Gallery on the ground floor and this space was used by Arena members to deliver a Christmas exhibition and social event in December 2022. Arena member Catherine Harrison also organised a group exhibition of work by Tate Liverpool Staff in the Elevator Gallery in August 2023.

By providing studios to visual artists, including fine artists, designers, applied artists and illustrators Arena has continued to support artists with exhibiting, selling work, producing events, commissions and workshops, teaching and undertaking other artistic work in the local community. Examples from this year include but are not limited to:

Charlotte Southall has taken part in FACT Together - an artist residency programme with FACT, culminating in an exhibition of digital artworks. Gay Caul exhibited at 'Inspirational Women Artists and Auction' at God's Tower House Arts Centre, Southampton. Gerard McGreggor and Felice Beilin exhibited in the Liverpool Art Fair held at the Royal Liver Building, Ruth Piper exhibited at The Williamson Art Gallery in its Open Exhibition. Patricia Montague, Ruth Piper, Sarah Jane Richards and Tony Smith took part in the 'From the Land' at Chapel Gallery in Ormskirk, a group exhibition organised and curated by Tony Smith and Sarah Jane Richards. A painting by Gerard McGreggor was selected for the Jackson's Art Prize 2023 Long List. He also exhibited at the Wirral Society of Arts Members Exhibition at the Williamson Art Gallery in Birkenhead in August 2023. In July 2023 Daniel Halsall exhibited in a solo exhibition at The Royal Standard as part of Independents Biennial festival on the fringe of Liverpool Biennial.

In the local community Josie Jenkins worked on a project called Shuffle, producing exhibitions and events at different locations across Liverpool, activating vacant spaces. Sarah Jane Richards co-curated The Drawing Paper Show at Bridewell Studios and Gallery, exhibiting work by artists from Liverpool and across the UK, and including a public programme of events. Patricia Montague worked to support young people for Dada – an organisation which works to inspire, develop and celebrate talent and excellence in disability, deaf and neurodiverse arts. Jen Allenson has run the Monday Life Drawing Class at Liver Sketching Club, the oldest continually running art club in England, throughout the year. Catherine Harrison's work on Evocation exhibition included organising talks open to the public.

FOR THE YEAR ENDED 31/08/2023

TRUSTEES' REPORT

FINANCIAL REVIEW

The Statement of Financial Activities details Income and Expenditure.

Total incoming resources were £50,359 (2022 £32,164). Total resources expended were £49,816 (2022 £35,551). The net incoming resources for the year were £543 (2022 net outgoing £3,387) being net incoming resources on the unrestricted funds of £544, and net outgoing resources on the restricted funds of £1.

The balance on unrestricted general funds at 31 August 2023 was £29,460 (2022 £28,916). The balance on restricted funds at 31 August 2023 was £3 (2022 £4) being invested in fixed assets. Total funds on the balance sheet at 31 August 2023 were £29,463 (2022 £28,920).

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 £29,460 at 31 August 2023. Free reserves, that is those funds not tied up in designated funds or fixed assets, were £29,443 at 31 August 2023. 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, 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 20/05/2024



Gerard McGregor
Trustee

INDEPENDENT EXAMINER'S STATEMENT

FOR THE YEAR ENDED 31/08/2023

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 31/08/2023 .

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

Date: 20/05/2024

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**Statement of Financial Activities
for the year ended 31/08/2023**

	Unrestricted funds	Restricted funds	2023 Total	2022 Total
	£	£	£	£
Income				
Income from generated funds				
Donations and legacies	(170)	-	(170)	7,420
Income from Investments	153	-	153	-
Income from charitable activities	50,376	-	50,376	24,744
Total Income	50,359	-	50,359	32,164
Expenses				
Costs of generating funds				
Expenditure on Charitable activities	49,815	1	49,816	35,551
Total Expenses	49,815	1	49,816	35,551
Net Income	544	(1)	543	(3,387)
Net movement in funds:				
Net income for the year	544	(1)	543	(3,387)
Total funds brought forward	28,916	4	28,920	32,307
Net funds carried forward	29,460	3	29,463	28,920

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 31/08/2023

	Notes	2023 £	2022 £
FIXED ASSETS			
Tangible assets	2	20	25
CURRENT ASSETS			
Debtors (amounts falling due within one year)	9	106	177
Cash at bank and in hand		<u>33,475</u>	<u>32,853</u>
		33,581	33,030
CREDITORS: Amounts falling due within one year	3	<u>4,138</u>	<u>4,135</u>
NET CURRENT ASSETS		<u>29,443</u>	<u>28,895</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>29,463</u>	<u>28,920</u>
RESERVES			
Unrestricted funds			
General fund	5	29,460	28,916
Restricted funds	6	<u>3</u>	<u>4</u>
		<u>29,463</u>	<u>28,920</u>

For the year ending 31/08/2023 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 20/05/2024 and signed on their behalf by



Gerard McGregor
Trustee

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31/08/2023**

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%
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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.

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.

2. TANGIBLE FIXED ASSETS

	Land And Buildings £	Equipment £	Total £
Cost			
At 01/09/2022	4,635	1,268	5,903
At 31/08/2023	<u>4,635</u>	<u>1,268</u>	<u>5,903</u>
Depreciation			
At 01/09/2022	4,631	1,247	5,878
For the year	<u>-</u>	<u>5</u>	<u>5</u>
At 31/08/2023	<u>4,631</u>	<u>1,252</u>	<u>5,883</u>
Net Book Amounts			
At 31/08/2023	<u>4</u>	<u>16</u>	<u>20</u>
At 31/08/2022	<u>4</u>	<u>21</u>	<u>25</u>

3. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Other creditors	4,138	4,135
	<u>4,138</u>	<u>4,135</u>

4. 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 31/08/2023 there were 4 members.

5. UNRESTRICTED FUNDS

	Brought forward	Incoming resources	Outgoing resources	Transfers	Carried forward
	£	£	£	£	£
General fund	28,916	50,359	(49,815)	-	29,460
	<u>28,916</u>	<u>50,359</u>	<u>(49,815)</u>	<u>-</u>	<u>29,460</u>

6. RESTRICTED FUNDS

	Brought forward	Incoming resources	Outgoing resources	Transfers	Carried forward
	£	£	£	£	£
Culture Company Restricted Funds	4	-	(1)	-	3
	<u>4</u>	<u>-</u>	<u>(1)</u>	<u>-</u>	<u>3</u>

Culture Company Restricted Funds

Funds for Computers and IT Equipment

7. 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.

8. 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

9. DEBTORS

	2023	2022
	£	£
Amounts falling due within one year:		
Trade debtors	106	177
	<u>106</u>	<u>177</u>

10. 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.

11. NET ASSETS BY FUND

	Unrestricted	Restricted	
	Fund	Fund	Total
Tangible Fixed Assets	17	3	20
Net Current Assets	29,443	-	29,443
	<u>29,460</u>	<u>3</u>	<u>29,463</u>

12. 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 to 30 September 2027 for £1,500 rent per month plus service charges payable with 3 months' notice required. The rent is reviewed every 3 years and the next break is 1 October 2025.

Arena Art and Design Association

13. INCOMING RESOURCES

	2022	2022
Associate Membership	(170)	6,209
Sundry Donations	-	1,211
	-----	-----
Voluntary Income: Donations	(170)	7,420
	-----	-----
Interest Receivable	153	-
Charitable Activity Income		
Studio Rental Income	49,190	24,073
Parking Permits	1,075	452
Miscellaneous Income	111	219
	-----	-----
Total Income	50,359	32,164
	-----	-----

14. RESOURCES EXPENDED

	2023	2022
Direct Costs		
Direct Project Artistic Costs	2,221	2,850
Overheads		
Administrative Expenses	1,286	1,342
Property Costs	45,420	30,525
Governance	889	834
	-----	-----
Total Resources Expended	49,816	35,551
	-----	-----