

**THE CRAFT CENTRE & DESIGN GALLERY LIMITED**

**FINANCIAL ACCOUNTS**

**FOR THE YEAR ENDED 31 MARCH 2022**

**Victoria Bradshaw, FCCA  
Treasurer to the Board of Management**

**Company Registration Number: 1685289  
Charity Registration Number: 513457**

THE CRAFT CENTRE & DESIGN GALLERY LIMITED  
(Company Limited by Guarantee with Charitable Status)

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### **COMPANY INFORMATION**

The board of management is pleased to present their 38th Annual Report together with the Financial Statements for the year ended 31 March 2022.

The financial statements comply with current statutory requirements, the memorandum and articles of association and the Charities SORP (Statement of Recommended Practice) FRS 102 "Accounting and Reporting by Charities" effective January 2015.

#### **Reference and Administrative Information**

Charity name:	The Craft Centre and Design Gallery Limited
Charity registration number:	513457
Company registration number:	1685289
Registered office and Operational address:	The Craft Centre and Design Gallery City Art Gallery The Headrow Leeds LS1 3AB

#### **Board of Management**

The charitable company ("the charity") had a board of 4 management members as at 31 March 2022. There were 4 trustees serving during the year:

Honorary Alderman Bernard P Atha, CBE (Deputy Chair)	Councillor Judith Elliot
Lucinda Yeadon (Chairperson)	Councillor Kayleigh Brooks

#### **Ex-Officio Member of the Board of Management**

Vacant

#### **Secretary**

Corporate Governance Services, Leeds City Council

#### **Artistic Director**

Miss F Hoy, The Craft Centre & Design Gallery Limited.

#### **Independent Examiners**

Leeds City Council

#### **Bankers**

Virgin Money. 94-96 Briggate, Leeds, LS1 6NP

#### **Shares**

The charitable company has no share capital

## **BOARD OF MANAGEMENT REPORT**

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Governing Document**

The Craft Centre and Design Gallery is a company limited by guarantee and a registered charity governed by Charity Law and the Charity Commission and its Memorandum and Articles of association dated 15 October 1982. It was established by the Leeds Arts Collection Fund with the support of the Council, the Memorandum of Association being signed by Councillor E Nash and Robert Rowe, Director of Art Galleries. The object of the charity is “to support the public educational purposes of the Leeds City Council Art Galleries by the understanding, appreciation and commission of good design”. In the event of the winding up of the charity each member of the Board of Management has guaranteed to contribute £1.

#### **Appointment of the Board of Management**

The directors of the company are also charity trustees for the purposes of charity law and under the company’s Articles are known as members of the Board of Management. The Members appoint the Board of Management, the chair of the board and other officers.

None of the trustees receives remuneration or other benefit from their work with the charity.

#### **Trustee Induction and Training**

New trustees are sent information regarding the charity, including a copy of the statement of accounts and a copy of the Charity Commission’s guide on “How to be an effective Trustee”. They meet the chairperson who introduces them to the charity.

In addition, new trustees will be encouraged to visit the Craft Centre & Design Gallery to see how its charitable objectives are achieved.

#### **Risk Management**

The main risk the charity faces would be a sudden and sustained decline in income from agency commission sales. The reserves policy takes account of this risk.

#### **Organisational Structure & Day to Day Operations**

The Board of Management of the charity is responsible for the strategic direction and policy of the charity.

The manager has the responsibility for the day to day operational management of the charity, individual supervision of the staff and also ensuring that the staff continue to develop their skills and methods of working in line with good practice. These areas of operations are also covered by the assistant manager.

Other staff have the responsibility for maximising the number of visitors to the Craft Centre by ensuring that the Craft Centre’s website is up to date and also by promoting the exhibitions through social media and several websites.

## **BOARD OF MANAGEMENT REPORT**

### **OUR AIMS AND OBJECTIVES**

#### **Objects of the Charity**

The objects of the charity are to stimulate the appreciation of, demand for and production of well-designed objects by commissioning, exhibiting and making available for sale such art and craft objects.

These aims and objectives are achieved by:

- exhibiting a broad range of high quality art and craft objects for the enjoyment, education and inspiration of our city
- providing much needed facilities for craft artists and designers to display and develop their creative powers
- encouraging a diverse range of audience attendance at our exhibitions
- enabling the ownership of original and high quality art and craft objects

The vision that shapes our aims and objectives remains clear: to add to the quality of life of the citizens of our city by expanding their horizons through the provision of exciting, challenging and accessible art and craft works.

#### **Public Benefit**

The Craft Centre and Design Gallery provides a unique artistic resource within the Leeds metropolitan area and our critically acclaimed exhibitions have earned a national reputation for exhibiting some of the most interesting and diverse examples of contemporary craft art and design.

Over the years, the gallery has exhibited and promoted the works of hundreds of designers, from the well renowned, to graduates just starting out. Their work has ranged from the traditional in technique, to items that are extremely innovative and even daring.

Our well attended exhibitions and showcases are free to all, with works of art available for purchase in all price ranges. To further support exhibiting artists and to encourage wider ownership of quality art, we also offer interest free loans for purchases under the 'Own Art' scheme run by the Arts Council England.

We have knowledgeable and highly skilled staff who are always available to discuss the art works and their production techniques, and who also offer help and useful advice to craft and design artists.

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 of the charity.

**BOARD OF MANAGEMENT REPORT**

**ACHIEVEMENTS AND PERFORMANCE**

**Report of the Artistic Director of The Craft Centre and Design Gallery**

**Review of the Year April 2021 - March 2022 – TO BE ADDED ONCE RECEIVED**

**BOARD OF MANAGEMENT REPORT**

**FINANCIAL REVIEW**

**Results for the year**

The operation of the charity for the year ended 31 March 2022 has resulted in a deficit of £57,812 before the actuarial gain on defined benefit pension scheme of £14,200 which results in a deficit of £43,612 (2021: deficit of £3,422). The operating reserves, after adding the surplus for the year, are £23,264 (2021: £41,099). Adjusting the accounts for the pension fund liability of £308,000 results in a negative balance of £284,736 (2021: negative balance of £412,000, after a £370,901 pension fund adjustment).

**Pension Fund**

The International Accounting Standard (IAS) 19 deficit as at 31 March 2022 of £308,000 represents the difference between the value of the Company's pension fund assets at 31 March 2022 and the estimated present value of the future pension payments to which it was committed at 31 March 2022. These pension liabilities will be paid out over a period of many years during which time the assets will continue to generate returns towards funding them. Any significant changes in global equity markets after 1 April 2021 would also have an impact on the capital value of the pension fund assets.

**Going Concern**

The company has been significantly affected by the impact of the Coronavirus pandemic from March 2020 onwards, with the gallery being forced to close during national lockdowns and with reduced footfall during those times when opening was permitted. As a result, its income from sales during 2020/21 and 2021/22 has significantly reduced. However the company has been able to access government support, furloughing its staff and successfully bidding for a support grant from the Arts Council fund. In the new post-pandemic environment, the directors recognise that the company's financial position remains challenging, and that action is needed to modernise and adapt its operating model for the future. The company's level of operational reserves after discounting the impact of pension liabilities (please see the explanation below) stood at £23.3k. The directors considered the resulting financial position at the end of 2021/22, and are satisfied that, whilst action is needed to secure its long term future, the company had sufficient funds in the meantime to continue in operation, and that therefore a going concern assumption remains appropriate. The company is undertaking a review of its operating model during 2022/23, with support from Leeds City Council and external consultants.

The funds' deficit of £284,736 is after the deduction of a pension fund liability of £308,000 and with regard to this issue the directors have carefully considered the going concern assumption and believe it to be appropriate. Under the terms of the Guarantee Agreement between Leeds City Council and the administering authority of the West Yorkshire Pension Fund dated 22 March 2001, Leeds City Council acts as Guarantor to the company in respect of its pension liabilities. If the company ceased to operate, the pension liability of £308,000 would revert to Leeds City Council.

**Investment policy**

Under the memorandum and articles of association, the charity has the power to make any investment which the board of management sees fit.

## **BOARD OF MANAGEMENT REPORT**

### **Events since the end of the year**

With the sad passing of a trustee and the retirement of another trustee, the number of current trustees and members of the board has fallen below the minimum recommended levels. The remaining board, with the support of external consultants and the Council, are considering how to replenish the board and assessing how best to achieve the objectives of the charity and benefit the city of Leeds, carrying out a full review of its operating activities in 2022/23.

### **Reserves Policy**

The Board recognise that the company requires appropriate levels of cash reserves and it is the policy of the company to maintain sufficient, unrestricted funds which are the free reserves of the charity, to cover short term running costs and/or to respond to emergencies for a period of approximately 3 months.

The reserves deficit of the company of £284,736 is after the deduction of a pension fund liability of £308,000. However, as the pension fund deficit would revert to Leeds City Council if the company ceased to operate, this in effect means the company has a positive reserve of £23,264.

The Board considers that the reserve of £23,264 is insufficient to meet its policy objectives and is carrying out a business review in 2022/23 as noted above.

### **POLITICAL AND CHARITABLE DONATIONS**

No political or charitable donations were made during the year.

### **THANKS**

The Board wishes to thank the Artistic Director Florence, its staff, all the artists, crafters, designers and makers who had been showcased at the Gallery and note the artistic and charitable achievements over the years and long may this continue in the years to come.

**BOARD OF MANAGEMENT REPORT**

**INDEPENDENT EXAMINATION OF THE ACCOUNTS**

For the year ending 31 March 2022 the trustees are satisfied that the charitable company is entitled to exemption from the provisions of the Companies Act 2006 (the Act) relating to the audit of the financial statements for the year by virtue of section 477, and that no member or members have requested an audit pursuant to section 476 of the Act.

The trustees acknowledge their responsibilities for:

- ensuring that the charitable company keeps adequate accounting records which comply with section 386 of the Act; and
- preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of the financial year and of its surplus or deficit for the financial year in accordance with the requirements of sections 394 and 395, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the charitable company.

**Board of Management Responsibility in Relation to Financial Statements**

Company and charity law requires the board of management to prepare financial statements that give a true and fair view of the state of affairs of the charity at the end of the financial year and of its surplus or deficit for the financial year. In doing so the board of management are required to:

- select suitable accounting policies and apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- follow applicable accounting standards and
- prepare the financial statements on a going concern basis.

The board of management are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enables them to ensure that the financial statements comply with the Companies Act 2006. The board of management 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.

**By order of the board of management:**



**Lucinda Yeadon ( Chairperson )**

**20/12/2022**

**Date**

**Registered Office:**

The Craft Centre & Design Gallery Limited  
City Art Gallery  
The Headrow  
LEEDS LS1 3AB

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF  
THE CRAFT CENTRE & DESIGN GALLERY LIMITED**

**Report to the trustees/  
members of**

Craft Centre & Design Gallery Limited

**On accounts for the year ended**

31<sup>st</sup> March 2022

**Charity no**

513457

**Set out on pages**

11-22

**Respective responsibilities of  
trustees and examiner**

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act,
- to follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the 2011 Act, and
- to state whether particular matters have come to my attention.

**Basis of independent  
examiner's statement**

My examination was carried out in accordance with general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair' view and the report is limited to those matters set out in the statement below.

**Independent examiner's  
statement**

In connection with my examination, no matter has come to my attention

1. which gives me reasonable cause to believe that in, any material respect, the requirements:
  - to keep accounting records in accordance with section 386 of the Companies Act 2006; and
  - to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities; have not been met ; or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

**Signed:**



**Date:**

14/12/2022

**Name:**

Rosie Boyles - CPFA

**Relevant professional  
qualification(s) or body:**

CIPFA - Chartered Institute of Public Finance and Accountancy

**Address:**

Civic Hall, Leeds, LS1 1UR

**STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2022**

Description	Note	Unrestricted	Total	Total
		Funds	Funds	Funds
		2022	2022	2021
		£	£	£
<b>INCOME</b>				
<b>Income and Endowments from:</b>				
Investments	3	26	26	61
Income from charitable activities	4	138,968	138,968	52,253
Other	5	23,583	23,583	87,690
	<b>Total</b>	<b>162,577</b>	<b>162,577</b>	<b>140,003</b>
<b>EXPENDITURE</b>				
<b>Expenditure on:</b>				
Charitable activities	6	(218,312)	(218,312)	(141,403)
Other	7	(2,077)	(2,077)	(2,022)
	<b>Total</b>	<b>(220,389)</b>	<b>(220,389)</b>	<b>(143,425)</b>
<b>Net Income / (Expenditure)</b>	14	<b>(57,812)</b>	<b>(57,812)</b>	<b>(3,422)</b>
<b>OTHER RECOGNISED GAINS/(LOSSES)</b>				
Actuarial gains/(losses) on Defined Benefit Pension Scheme	17	14,200	14,200	(13,700)
	<b>Net movement in funds</b>	<b>(43,612)</b>	<b>(43,612)</b>	<b>(17,122)</b>
<b>RECONCILIATION OF FUNDS</b>				
Total funds brought forward		(247,601)	(247,601)	(230,479)
	<b>Total funds carried forward</b>	<b>(291,213)</b>	<b>(291,213)</b>	<b>(247,601)</b>

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

All income and expenditure relates to continuing activities.

THE CRAFT CENTRE & DESIGN GALLERY LIMITED  
(Company Limited by Guarantee with Charitable Status)

COMPANY REGISTRATION NUMBER 1685289

BALANCE SHEET AS AT 31 MARCH 2022

Description	Note	2022 £	2021 £
<b>FIXED ASSETS</b>			
Tangible Assets	9	2,173	24
<b>CURRENT ASSETS</b>			
Stocks - Goods for Resale	10	465	257
Debtors	11	0	5,000
Cash at Bank and in Hand	12	78,104	493,455
Total current assets		78,569	498,712
<b>LIABILITIES</b>			
Creditors: Amounts Falling Due Within One Year	13	(57,478)	(457,637)
Total net current assets or liabilities		21,091	41,075
<b>Net assets or liabilities excluding pension asset or liability</b>		23,264	41,099
Defined benefit scheme liability	17	(308,000)	(412,000)
<b>Net assets or liabilities including pension asset or liability</b>		<u>(284,736)</u>	<u>(370,901)</u>
<b>THE FUNDS OF THE CHARITY</b>			
Unrestricted funds		(284,736)	(370,901)
<b>Total charity funds</b>		<u>(284,736)</u>	<u>(370,901)</u>

For the year ending 31st March 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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

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.

SIGNED ON BEHALF OF THE BOARD OF MANAGEMENT



Lucinda Yeadon ( Chairperson )

20/12/2022

Date

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022**

**1. ACCOUNTING POLICIES**

**(a) Basis of Accounting**

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom and International accounting standards, the Charities SORP (Statement of Recommended Practice) FRS 102 "Accounting and Reporting by Charities" effective January 2015 and the Companies Act 2006. The principal accounting policies adopted in the preparation of the financial statements are as follows:

- (i) Income from charitable activities represents sales of goods, exclusive of value added tax. The Company's claim for exemption from taxes under Section 505 (1) Income and Corporation Taxes Act 1988 has been confirmed by the Inland Revenue.
- (ii) Depreciation is provided for in equal instalments calculated to write off the cost of fixed assets over their anticipated useful lives. Useful lives are:

Fixtures and Fittings	5 -10 years
Computer Equipment	5 years
- (iii) Stocks are stated at cost net of value added tax.
- (iv) Grant income is recognised in the accounts when the charity becomes unconditionally entitled to the grant, i.e. where entitlement is not conditional on the delivery of a specific performance by the charity.
- (v) The administrative and accounting policies and procedures of the charity are so closely linked to those of the City Council that it has been decided to make no charge for certain administrative expenses incurred by the Council during the year ended 31 March 2022. The decision follows upon that of the Council to maintain the amenity for the benefit of the city of Leeds.
- (vi) The charitable company contributes, in regard to a number of its employees, to the West Yorkshire Superannuation Fund, a funded defined benefit statutory scheme administered by the City of Bradford Metropolitan Council in accordance with the Local Government Superannuation Regulations 1988. The benefits provided to the employees concerned are based on final pensionable pay. Contributions are charged to the Statement of Financial Activities each year so as to spread the cost of pensions over employees' working lives with the charitable company.
- (vii) The company applies the provisions of FRS 102 in full to account for its financial instruments.
- (viii) The trustees have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the charitable company is small.

**(b) Fund accounting**

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity. All funds of the charity are considered to be unrestricted.

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022 continued**

**(c) Income**

All income received are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- (i) Voluntary income is received by way of grants, donations and gifts and is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.
- (ii) Investment income is included when receivable.
- (iii) Income from charitable trading activity are accounted for when earned.

**(d) Expenditure**

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates:

- (i) Costs of generating funds comprise the costs associated with trading for fundraising purposes.
- (ii) Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- (iii) Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.
- (iv) All costs are allocated to the Statement of Financial Activities on a basis designed to reflect the use of the resources. Costs relating to a particular activity are allocated directly, other support costs are apportioned to a particular activity as a percentage based on estimated staff time involved, as set out in note 6.

**2. BOARD OF MANAGEMENT**

No emoluments or reimbursement of expenses were paid by the charity to the board of management during the year.

**3. INVESTMENTS**

	Unrestricted Funds	<b>Total Funds</b>	Total Funds
	2022	<b>2022</b>	2021
	£	<b>£</b>	£
Special Interest Bearing Account (SIBA)-Interest in year	26	<b>26</b>	61
<b>Total</b>	<b>26</b>	<b>26</b>	<b>61</b>

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022 continued**

**4. INCOME FROM CHARITABLE ACTIVITIES**

	Unrestricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
Agency Sales - Craft items	138,968	<b>138,968</b>	52,253
<b>Total</b>	<b>138,968</b>	<b>138,968</b>	<b>52,253</b>

**5. OTHER**

	Unrestricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
Gift Vouchers expired	100	<b>100</b>	0
Arts Council grant and Furlough income	23,483	<b>23,483</b>	87,690
<b>Total</b>	<b>23,583</b>	<b>23,583</b>	<b>87,690</b>

**6. CHARITABLE ACTIVITIES**

	Direct Pay £	Payments to Craft Artists £	Direct Costs £	Support costs £	Total 2022 £	Total 2021 £
<b>Agency Commissions</b>						
Operational Costs	(56,408)	-	(15,469)	(5,548)	<b>(77,425)</b>	(82,904)
IAS 19 Pensions Costs	0	0	(38,000)	0	<b>(38,000)</b>	(25,000)
Payments to Artists	-	(65,435)	-	-	<b>(65,435)</b>	(25,301)
	<b>(56,408)</b>	<b>(65,435)</b>	<b>(53,469)</b>	<b>(5,548)</b>	<b>(180,860)</b>	<b>(108,205)</b>
<b>Exhibitions</b>						
Operational Costs	(24,311)	-	(285)	(2,312)	<b>(26,908)</b>	(25,996)
<b>Educational/Advisory Service</b>						
Operational Costs	(9,157)	-	-	(1,387)	<b>(10,544)</b>	(7,202)
<b>Total</b>	<b>(89,876)</b>	<b>(65,435)</b>	<b>(53,754)</b>	<b>(9,247)</b>	<b>(218,312)</b>	<b>(141,403)</b>

**7. OTHER**

	Unrestricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
Independent Examiner's and Audit fees	(1,667)	<b>(1,667)</b>	(1,667)
IAS 19 pension fund valuation fees	(410)	<b>(410)</b>	(355)
<b>Total</b>	<b>(2,077)</b>	<b>(2,077)</b>	<b>(2,022)</b>

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022 continued**

**8. STAFFING**

	2022	2022	2021
	£	£	£
<b>(i) Staff Costs:</b>			
Salaries and Wages	(78,772)	(78,772)	(73,281)
Social Security Costs	3	3	(647)
Pension Costs (see note 17)	(12,025)	(12,025)	(11,991)
<b>Total</b>	<b>(90,794)</b>	<b>(90,794)</b>	<b>(85,919)</b>

No employee earned more than £60,000 per annum.

**(ii)** The average number of people employed by the Charity during the year was:

	2022	2022	2021	2021
Manager	1	1	1	1.00 FTE
Assistants	6	6	6	2.88 FTE
<b>Total</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>3.88 FTE</b>

**9. FIXED ASSETS**

	Fixtures & Fittings	Computer	Total
<b>ASSET COST</b>	£	£	£
Balance brought forward	51,604	2,826	54,430
Additions	527	2,169	2,696
Disposals	0	0	0
Balance carried forward	52,131	4,995	57,126

**ACCUMULATED DEPRECIATION**

Balance brought forward	51,604	2,802	54,406
Charge for the year	105	442	547
Disposals during the year	0	0	0
Balance carried forward	51,709	3,244	54,953

**NET BOOK VALUE**

<b>At 31 March 2022</b>	<b>422</b>	<b>1,751</b>	<b>2,173</b>
<b>At 31 March 2021</b>	<b>0</b>	<b>24</b>	<b>24</b>

**10. STOCK**

	Damaged Items	Bags and Postcards	Total
	£	£	£
Balance brought forward	15	242	257
Additions	240	0	240
Stock sold/used /written off	(15)	(17)	(32)
<b>Balance carried forward</b>	<b>240</b>	<b>225</b>	<b>465</b>

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021 continued**

**11. DEBTORS**

	<b>2022</b>	2021
	£	£
Trade debtors	<b>0</b>	5,000
<b>Total</b>	<b>0</b>	5,000

**12. CASH AT BANK AND IN HAND**

	<b>2022</b>	2021
	£	£
Bank Account	<b>34,976</b>	450,353
Petty Cash Float	<b>150</b>	150
Special Interest Bearing Account (SIBA)	<b>42,978</b>	42,952
<b>Total</b>	<b>78,104</b>	493,455

**13. CREDITORS**

	<b>2022</b>	2021
	£	£
Trade creditors	<b>(21,716)</b>	(19,453)
Leeds City Council	<b>(33,673)</b>	(438,447)
VAT	<b>(2,089)</b>	263
<b>Total</b>	<b>(57,478)</b>	(457,637)

**14. OTHER NOTABLE ITEMS**

The net incoming resources before other recognised gains and losses is arrived at after charging:

	<b>2022</b>	2021
	£	£
Independent Examiner and Audit Fees	<b>(1,667)</b>	(1,667)
IAS19 pension fund valuation	<b>(410)</b>	(355)
Depreciation	<b>(547)</b>	(339)

**15. TRUSTEE REMUNERATION AND RELATED PARTY TRANSACTIONS**

No members of the management committee received any remuneration during the year. No trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity during the year (2022 – Nil).

Leeds City Council supports the board of management. The charity occupies premises within the City Art Gallery under licence from Leeds City Council, no charge for rent appears in these accounts. In addition the Council provides support services at no cost. At the year end the charity owed Leeds City Council £33,672 in respect of payments made on its behalf (2021 – £438,447). The charity deposits surplus cash balances with Leeds City Council at a commercial rate of interest (the average rate for the year was 0.06%). The balance of this deposit at 31 March 2022 was £42,979 (£42,952 at 31 March 2021).

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022 continued**

**16. CAPITAL COMMITMENTS**

The charity had no capital commitments in the years ending 31 March 2022 and 2021.

**17. PENSIONS**

**IAS 19 Accounting Results Schedule 31 March 2022**

Employer:	The Craft Centre and Design Gallery Ltd
Fund:	West Yorkshire Pension Fund
Fund Administering Authority:	City of Bradford Metropolitan District Council
Prepared by:	Aon
Prepared for:	City of Bradford Metropolitan District Council

**1 Results under IAS 19 (LGPS funded benefits)**

The figures below relate to the funded liabilities within the fund which is part of the Local Government Pension Scheme. There are additional disclosures under IAS 19 and these have been set out in Section 5 of the Covering Report.

Date of the last full actuarial valuation of the employer's LGPS funded benefits	31 March 2019
Expected employer contributions next year (£M)	0.013
Duration of liabilities	29.7 years

Key assumptions	31 March 2022 % p.a.	31 March 2021 % p.a.	31 March 2020 % p.a.
Discount rate	2.70%	2.10%	2.30%
CPI Inflation	2.80%	2.60%	1.80%
Pension increases	2.80%	2.60%	1.80%
Pension accounts revaluation rate	2.80%	2.60%	1.80%
Salary increases	4.05%	3.85%	3.05%

**Mortality assumption**

The mortality assumptions are based on the recent actual mortality experience of members within the Fund based on analysis carried out as part of the 2019 Actuarial Valuation and allow for expected future mortality improvements. Sample life expectancies at age 65 in normal health resulting from these mortality assumptions are shown below.

	31 March 2022	31 March 2021
<b>Males</b>		
Member aged 65 at accounting date	21.8	21.9
Member aged 45 at accounting date	22.5	22.6
<b>Females</b>		
Member aged 65 at accounting date	24.6	24.7
Member aged 45 at accounting date	25.7	25.8

Asset allocation	Value at 31 March 2022			Value at 31 March 2021
	Quoted	Unquoted	Total	
Equities	67.8%	12.0%	79.8%	79.7%
Property	1.6%	2.4%	4.0%	3.8%
Government bonds	7.4%	0.0%	7.4%	8.3%
Corporate bonds	4.8%	0.0%	4.8%	4.6%
Cash	0.0%	2.9%	2.9%	2.0%
Other	0.0%	1.1%	1.1%	1.6%
<b>Total</b>	<b>81.6%</b>	<b>18.4%</b>	<b>100.0%</b>	<b>100.0%</b>

THE CRAFT CENTRE & DESIGN GALLERY LIMITED  
(Company Limited by Guarantee with Charitable Status)

Reconciliation of funded status to balance sheet	Value at 31 March 2022 (£M)	Value at 31 March 2021 (£M)
Fair value of assets	0.477	0.413
Present value of funded defined benefit obligation	0.785	0.825
<b>Funded status</b>	<b>(0.308)</b>	<b>(0.412)</b>
Unrecognised asset	0.000	0.000
<b>Asset/(liability) recognised on the balance sheet</b>	<b>(0.308)</b>	<b>(0.412)</b>

The split of the liabilities at the last valuation between the various categories of members is as follows:

Active members	80%
Deferred Pensioners	7%
Pensioners	13%

Amounts recognised in profit and loss and other comprehensive income	Period ending 31 March 2022 (£M)	Period ending 31 March 2021 (£M)
<b>Operating cost</b>		
Current service cost	0.042	0.032
Past service cost (inc. curtailments)	0.000	0.000
Settlement cost	0.000	0.000
<b>Financing cost</b>		
Interest on net defined benefit liability / (asset)	0.008	0.005
<b>Pension expense recognised in profit and loss</b>	<b>0.050</b>	<b>0.037</b>

Remeasurements in other comprehensive income	Period ending 31 March 2022 (£M)	Period ending 31 March 2021 (£M)
Return on plan assets (in excess of) / below that recognised in net interest	(0.041)	(0.070)
Actual (gains)/losses due to changes in financial assumptions	(0.101)	0.210
Actual (gains)/losses due to changes in demographic assumptions	(0.008)	0.000
Actual (gains)/losses due to liability experience	0.008	(0.003)
<b>Total amount recognised in other comprehensive income</b>	<b>(0.142)</b>	<b>0.137</b>

<b>Total amount recognised in profit and loss and other comprehensive income</b>	<b>(0.092)</b>	<b>0.174</b>
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Allowance for administration expenses included in Current Service Cost (£M)	0.000	0.000
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Changes to the present value of the defined benefit obligation	Period ending 31 March 2022 (£M)	Period ending 31 March 2021 (£M)
<b>Opening defined benefit obligation</b>	<b>0.825</b>	<b>0.582</b>
Current service cost	0.042	0.032
Interest expense on defined benefit obligation	0.017	0.013
Contributions by participants	0.005	0.004
Actual (gains)/losses due to changes in financial assumptions	(0.101)	0.210
Actual (gains)/losses due to changes in demographic assumptions	(0.008)	0.000
Actual (gains)/losses due to liability experience	0.008	(0.003)
Net benefits paid out	(0.003)	(0.013)
Past service cost (inc. curtailments)	0.000	0.000
Net increase in liabilities from disposals/acquisitions	0.000	0.000
Settlements	0.000	0.000
<b>Closing defined benefit obligation</b>	<b>0.785</b>	<b>0.825</b>

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022 continued**

THE CRAFT CENTRE & DESIGN GALLERY LIMITED  
(Company Limited by Guarantee with Charitable Status)

Changes to the fair value of assets	Period ending 31 March 2022 (£M)	Period ending 31 March 2021 (£M)
<b>Opening fair value of assets</b>	<b>0.413</b>	<b>0.332</b>
Interest income on assets	0.009	0.008
Remeasurement (gains)/losses on assets	0.041	0.070
Contributions by the employer	0.012	0.012
Contributions by participants	0.005	0.004
Net benefits paid out	(0.003)	(0.013)
Net increase in assets from disposals/acquisitions	0.000	0.000
Settlements	0.000	0.000
<b>Closing fair value of assets</b>	<b>0.477</b>	<b>0.413</b>

Actual return on assets	Period ending 31 March 2022 (£M)	Period ending 31 March 2021 (£M)
Interest income on assets	0.009	0.008
Remeasurement gain/(loss) on assets	0.041	0.070
<b>Actual return on assets</b>	<b>0.050</b>	<b>0.078</b>

## 2 Estimated pension expense in future periods

We provide an estimate of the charges to the profit and loss account in future periods, based on the assumptions as at 31 March 2022 set out in Section 1. Comments on these approximate figures are set out in the Covering Report.

### Funded Benefits

Analysis of amount charged to profit and loss	Period ending 31 March 2023 (£M)
Current service cost	0.037
Net interest on net defined benefit liability	0.008
<b>Total estimated pension expense</b>	<b>0.045</b>
Allowance for administration expenses included in Current Service Cost (£M)	0.000
Estimated pensionable payroll over the period (£M)	0.088

## 3 Sensitivity Analysis

The approximate impact of changing the key assumptions on the present value of the funded defined benefit obligation as at 31 March 2022 and the projected service cost for the period ending 31 March 2023 is set out below.

In each case only the assumption mentioned is altered; all other assumptions remain the same and are summarised in Section 1. We have not included sensitivity of unfunded benefits (where applicable) on materiality grounds.

### Funded LGPS benefits

Discount rate assumption			
Adjustment to discount rate	+0.1% p.a.	Base figure	-0.1% p.a.
Present value of total obligation (£M)	0.762	0.785	0.809
% change in present value of total obligation	-2.9%		3.0%
Projected service cost (£M)	0.036	0.037	0.038
Approximate % change in projected service cost	-3.8%		3.9%

Rate of general increase in salaries			
Adjustment to salary increase rate	+0.1% p.a.	Base figure	-0.1% p.a.
Present value of total obligation (£M)	0.791	0.785	0.780
% change in present value of total obligation	0.8%		-0.7%
Projected service cost (£M)	0.037	0.037	0.037
Approximate % change in projected service cost	0.0%		0.0%

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022 continued**

THE CRAFT CENTRE & DESIGN GALLERY LIMITED  
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<b>Rate of increase to pensions in payment and deferred pensions assumption, and rate of revaluation of pension accounts assumption</b>			
<b>Adjustment to pension increase rate</b>	<b>+0.1% p.a.</b>	<b>Base figure</b>	<b>-0.1% p.a.</b>
Present value of total obligation (£M)	0.802	0.785	0.768
% change in present value of total obligation	2.2%		-2.2%
Projected service cost (£M)	0.038	0.037	0.036
Approximate % change in projected service cost	3.9%		-3.8%

<b>Post retirement mortality assumption</b>			
<b>Adjustment to mortality age rating assumption *</b>	<b>-1 year</b>	<b>Base figure</b>	<b>+1 year</b>
Present value of total obligation (£M)	0.812	0.785	0.758
% change in present value of total obligation	3.5%		-3.4%
Projected service cost (£M)	0.038	0.037	0.036
Approximate % change in projected service cost	3.9%		-3.9%

\* A rating of +1 year means that members are assumed to follow the mortality pattern of the base table for an individual that is 1 year older than them

## 4 Data summary

### Funded benefits

The following data was provided by the Fund Administering Authority and / or the Employer and has been used to produce the results in this report. Details of the split of assets between the various asset classes were also provided by the Fund Administering Authority and are shown in Section 1. We have also shown some of the intermediate calculations used in evaluating the figures in this report.

#### Active members as at 31 March 2019

	<b>Number</b>	<b>Total Pay (£M)</b>
Total	4	0.070

#### Pensioner & deferred pensioner members as at 31 March 2016

<b>Type</b>	<b>Number</b>	<b>Total pension (£M)</b>
Deferred members	3	0.002
Pensioners and dependants	1	0.003

#### Funded cash-flow data provided

	<b>Months Provided</b>	<b>Amount Provided (£M)</b>	<b>Amount Used (£M)</b>
Employer – Normal contributions	11	0.011	
Employer – Additional capital contributions	11		
Employer – Early retirement strain on fund payments	11		
<b>Total contributions by the Employer</b>			<b>0.012</b>

Employee - Normal contributions	11	0.005	
Employee - Added years contributions	11		
<b>Total contributions by participants</b>			<b>0.005</b>

Transfers in	12		
Other income	12		
Transfers out	12		
Retirement lump sums	12		
Other outgo	12		
Death in service lump sums *	12		
Benefits paid (i.e. pension paid)	12	0.003	
<b>Net benefits paid out **</b>			<b>0.003</b>

* We have calculated the expected death in service lump sums over the year to be (£M)	0.000
** The 'Net benefits paid out' figure includes an allowance for expenses of (£M)	0.000

Any other approximations applied in deriving the "Amount Used" are set out in the Covering Report.

### **NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022 continued**

THE CRAFT CENTRE & DESIGN GALLERY LIMITED  
(Company Limited by Guarantee with Charitable Status)

**National cashflows between employers in the Fund**

		<b>Amount Provided (£M) *</b>	<b>Amount Used (£M) *</b>
Notional Transfers in	12		
Notional Transfers out	12		
Net notional transfers of assets			0.000

**Prior year adjustments**

	<b>Amount (£M) *</b>
Allowance for additional data in relation to the cashflows provided for the prior year	0.006

**Annualised pensionable payroll over the accounting period**

	<b>(£M) *</b>
Period ending 31 March 2022	0.084
Period ending 31 March 2021	0.090

\* The annualised pensionable payroll has been derived from the contributions paid over the relevant accounting period

**Calculation of assets at the balance sheet date**

	<b>(£M) *</b>
Asset Value at 31 March 2022	0.476
Unit Price at 31 March 2022	1.7138
Unit Price at 31 March 2021	1.5581
Total known to 31 March 2022	10.0%
Total return over the accounting period*	10.9%

\*The total return has been adjusted to reflect any differences between the assumed investment returns allowed for in the prior period and the actual returns experienced over the prior period (where applicable).