

PETHERTON ARTS TRUST LIMITED
(A company limited by guarantee)
REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

CONTENTS

1	Company Information
2 - 8	Report of the Board of Management
9	Independent Examiner's Report
10	Income and Expenditure Account and Statement of Financial Activities
11	Balance Sheet
12 - 21	Notes to the Financial Statements

Company No. 02438900
Charity No. 900637

PETHERTON ARTS TRUST LIMITEDCOMPANY INFORMATIONBOARD OF MANAGEMENT

Cliff Keating (Resigned October 2020)
Peter Wheeler
Tom Davies
Jan Novy (Resigned 3 August 2020)
Anne Brown (Resigned 3 August 2020)
Derek Boles
Christopher Latham
Viv Wiles
Angela Keating
Jed Dunn
Janet East (Appointed February 2021)
Aaron Clements (Appointed February 2021)
Fares Moussa (Appointed February 2021)
Mick Connon

ADMINISTRATOR

Emma Randall

REGISTERED OFFICE

The David Hall
Roundwell Street
South Petherton
Somerset
TA13 5AA

REGISTERED NUMBER

02438900 (England and Wales)

INDEPENDENT EXAMINER

Michael Cook BSc FCA
A C Mole & Sons
Stafford House
Blackbrook Park Avenue
Taunton
Somerset
TA1 2PX

BANKERS

National Westminster Bank plc
2 Hendford
Yeovil
Somerset
BA20 1TN

PETHERTON ARTS TRUST LIMITED (REGISTERED NUMBER 02438900)

REPORT OF THE BOARD OF MANAGEMENT

The Board of Management present their Report and the unaudited financial statements of the Company for the year ended 31 March 2021. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (issued October 2019).

Structure, Governance and Management

Governing Document

The organisation is a charitable company limited by guarantee, incorporated on 2 November 1989 and registered as a charity on 26 July 1990. The company was established under a Memorandum of Association and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £10.

Members of the Board of Management

Members of the Board of Management, who are directors for the purpose of company law and trustees for the purpose of charity law, to the date of this report are set out on page 1.

Recruitment and Appointment of the Board of Management

The directors of the company are also the charity trustees for the purposes of charity law and under the company's Articles are known as members of the Board. Under the requirements of the Memorandum and Articles of Association the members of the Board are elected to serve for a period of one year after which they must be re-elected at the next Annual General Meeting.

The Board members include a significant number with professional knowledge of music and the arts. When recruiting Board members care is taken to ensure a broad level of suitable skills is maintained.

Trustee Induction and Training

Most trustees are already familiar with the practical work of the charity having been regular attendees at the charity's events.

New trustees receive induction notes on their responsibilities and duties.

Risk Management

The Board has conducted a review of the major risks to which the charity is exposed. As a public venue it is subject to regular inspections by the fire officer and all issues raised are dealt with. A member of the board has been given responsibility for risk assessment and carries out regular checks.

Organisational Structure

Petherton Arts Trust currently has a Board who meet bi-monthly and are responsible for the strategic direction and policy of the charity. At present the Board has nine members from a variety of professional backgrounds.

The day-to-day running of the venue is the responsibility of the Administrator who was employed for 22 hours per week and the Board has the support of a Treasurer who is employed for 8 hours per week. The Board are responsible for ensuring that the charity operates the David Hall effectively and that key performance indicators are met. The Administrator has responsibility for the day-to-day operational management of the David Hall.

Objectives and Activities

The company's objects and principal activities are: To promote, maintain, improve and advance public education within the Community at large and particularly in South Petherton in the County of Somerset by the promotion, production and performance of, and the encouragement of, the arts of drama, mime, ballet, dance, music, singing, playwriting, literature and visual arts, sculpture and painting.

PETHERTON ARTS TRUST LIMITED (REGISTERED NUMBER 02438900)REPORT OF THE BOARD OF MANAGEMENT
(CONTINUED)**Objectives and Activities (continued)**

In furtherance of the objects set out above but not otherwise: -

- i) To set up, maintain and manage organisations for the promotion of theatrical performances, film events, shows and all artistic endeavours for firms, companies and individuals involved in any leisure, educational or other activity.
- ii) To arrange tours, conventions, seminars, classes, study groups, workshops and similar activities concerning the performing arts.
- iii) To engage and provide the services of artistes, actors, singers, dancers, variety performers, lecturers, instructors, entertainers and any other persons for the production, transmission, representation and performance of scenarios, film plays, stage plays, operas, burlesques, vaudevilles, pantomimes, performances and amusements of any kind.
- iv) To issue publications of performance or other programme details and advertising needs and all other matters with regard to competitions, exhibitions and musical and film activities.
- v) To enter into agreements with authors, composers and lyric writers or other persons for the dramatic or other rights of operas, stage plays, operettas, revues, burlesques, vaudevilles, ballets, pantomimes, spectacular pieces, musical compositions, cinematograph and moving picture plays, scenarios and other musical and dramatic performances and entertainments, or for the representation thereof in any part of the world.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the company's aims and objectives and in planning future activities.

Achievements and Performance**Introduction**

This is the 33rd annual report of The Petherton Arts Trust in which will summarise the events, activities, challenges, successes and opportunities that have featured during the year. Most notably has been the dramatic effect of COVID on our operation, seriously affecting our business. It has been a huge challenge but one met with creativity and resilience.

In the period following the AGM held in November 2019 regrettably the Chairman, Mike Penn, resigned his post and Cliff Keating, as Vice Chairman assumed the post of Acting Chairman. In the Spring of 2021 Mr Keating subsequently stepped down and Tom Davis stepped in to complete the year.

I acknowledge and recognise the contribution made by our staff and volunteers (including the Board) and I extend my gratitude to them for their energy and efforts.

Fabric of the David Hall Building

Following the survey conducted in spring 2019 a number of issues requiring attention were highlighted in previous report and they continued to cause concern.

With the onset of the Covid-19 epidemic in early 2020 and consequential lockdowns we took the opportunity to capitalise on the restricted funds we had identified, continued to seek major funds and, in the Spring of 2021, appointed a contractor to begin work.

Funds were secured from:

- Our own fundraising efforts
- Garfield Weston Foundation
- South Somerset District Council
- South Petherton Parish Council
- Worshipful company of Blacksmiths (for the Weathervane)
-

REPORT OF THE BOARD OF MANAGEMENT
(CONTINUED)**Fabric of the David Hall Building (continued)**

These funds enabled us to focus on the high level work to the roof, water goods dormers and high and some low level stonework incurring costs of around £35,000.

While the condition of the building will no doubt continue to need attention we believe the main exterior fabric has been secured.

Activities and Entertainments

Sadly, due to Covid lockdowns and restrictions our programme for this financial year has been greatly reduced. As in previous years we had planned a comprehensive programme of music, theatre, films and much more for this year. Our inability to complete this programme has had a detrimental effect on our finances - not only due to the loss of ticket sales but also a massive reduction in our ability to sell alcohol.

All the events organised during that period that have not taken place have been postponed and not cancelled so that we have not incurred any cost, rearranging artists into our 2021 - 2022 programme

We did however manage to put on a number of socially distanced events at The David Hall and also a number of gigs online. Additionally we produced in-house 'virtual acoustic nights' of local performers. These all helped us to maintain our profile while waiting for the time when we could be fully open; and the feedback we have had from our supporters is most encouraging.

A brief resume of the above mentioned events is as follows:-

- Saturday 26 June - Reg Meuross Summer Solstice Gig on line
- Saturday 11 September - Reg Meuross Vinyl Launch - one socially distanced event at The David Hall
- Saturday 19 September - Phil Beer on line
- Saturday 7 November - Track Dogs from Madrid on line
- Saturday 14 November - Bob Fox on line
- Saturday 5 December - Chris While and Julie Matthews on line
- Saturday 12 December - Richard Digance - two socially distanced events at The David Hall
- Wednesday 20 January - In search of Cinderella on line
- Saturday 6 February - Steve Knightley on line

In addition to this Petherton Picture Show were able to show films in September and October 2020 with others cancelled due to lockdowns. There were also a small number of live acoustic night performances.

We have a very exciting mix of live music, theatre, films and much more arranged for the future which we are sure is of a quality that will appeal both to our regular punters and, indeed, a new and younger audience.

Our Marketing Group is working extremely hard that we make every effort to seek out ways of promoting all our events, especially using the use of social media. We are confident that although customers have not been coming to The David Hall on a regular basis, their desire to "get back" is being shown by the large ticket sales being purchased for forthcoming events.

We will continue to strive to spread the range of activities at The David Hall involving local schools in programming activities. Our desires are supported by the reputation we have built over many years and we remain totally optimistic about the future.

REPORT OF THE BOARD OF MANAGEMENT
(CONTINUED)**Administration Services at the Trust**

It is with considerable pride that the hall operates successfully with what equates to less than one full time paid position, a large proportion of the work being undertaken by unpaid volunteers. Our hard-working team of administrator and treasurer, Emma and Anne are employed part time and without doubt work considerably more hours than are paid for by the Trust. Our public relations officer manages to maintain a robust media presence, despite PAT having no budget available for advertising. Our volunteers provide the majority of office back up services and box office. The board express their gratitude to their hard work and dedication that make the David Hall the success that it is.

The introduction of the new box office and finance system has proved to be problematic with a number of difficult issues that have required modification. The contractor has proved very responsive to the resolution of these issues; however some areas still require optimisation. The administration of the new website has also been undertaken by the contractor and this has proven to be a great success.

Our bi-annual programme requires a considerable undertaking and expense to prepare and issue by the staff and volunteers. We are constantly investigating means of offsetting its printing and distribution costs. Much work had already been conducted on the Autumn 2020 programme but, due to the uncertainty introduced by the global pandemic, this has been put on hold until the situation clarifies.

Links with Our Community

The Hall continues to enjoy support from the local community. The monthly coffee mornings are very popular with large numbers attending. Several local groups use these events as a regular meeting place.

Volunteers from the Hall continue to deliver the community magazine to all in the local community. The Petherton Folk Festival again took place in June 2019 and grows in popularity with volunteers and Board members from the Hall being very active in this event.

The annual Open Gardens event in South Petherton again raised a substantial sum for the Hall.

The Hall is used most evenings for classes for the local community and we continue to try to grow our daytime bookings. To help with this we have been promoting the use of the Hall as rehearsal space for arts and theatre groups with some success.

Links with a local theatre company have continued, providing children's activities during the summer holidays.

Financial Review

This has been a particularly difficult year for Petherton Arts Trust. The COVID pandemic has had a potentially devastating impact on our activities. We have been closed for the majority of the year with just the odd Coffee Morning, Acoustic Night or Online gig where possible within Government restrictions and between Lockdown periods. Income through our usual streams has been almost non-existent. However we were successful in a bid for Government funding through the Arts Council and Culture Recovery Fund which brought in £46,328. There is a further 10% of our award to follow in the coming months, however the total amount receivable of £51,476 has been included in these financial statements. We have also received other Government grants (£20,674) to support through closure periods when trading has not been possible.

Our loyal customers and the general public have been supportive with valued donations both for the general costs of keeping things going and for the major roofing project which was critical to maintain the integrity of the building and the activities within it. We have also submitted bids and been successful in being awarded some particularly generous donations specifically for the building work.

We continue to monitor our finances closely and finish the year with a generated Income of £28,953. Our Cost of Sales amount to £10,251. This leaves a gross profit of £18,702. When our Operating Expenses of £47,197 are applied together with Grant and Donation monies of £111,175 we end the year with a Surplus of £82,680. From this figure approximately £36K is committed to our ongoing major building project.

PETHERTON ARTS TRUST LIMITED (REGISTERED NUMBER 02438900)

REPORT OF THE BOARD OF MANAGEMENT
(CONTINUED)

Investment Policy

Petherton Arts Trust Limited monies need to remain easily accessible for the day to day running of the Hall and as such it has not been appropriate to consider the longer term investments that might be available. Working capital is held in a current account and further reserves in the Bath Building Society.

We have taken out a Government backed Bounce Back Loan of £29,938 in case of need but this money remains untouched in the Building Society.

Reserves Policy

The reserves policy is to hold reserves totaling approximately £12,000. The aim is to meet the working capital requirement of Petherton Arts Trust against a background of no external funding. We started the year with £7,378 in reserve in the Building Society and this has remained untouched throughout the full financial period. Cultural Recovery Fund monies covered PAT expenses from October 20 to March 21 and allowed reserves reflation by £21K. There was a small underspend of £3K as at the end of March, but it is anticipated that this and some of the reserves will be needed to support the specified activities until the end of Covid restrictions.

For the year ended 31 March 2021 the charity generated a profit for the period of £82,680 (2020: £23,407 loss). The total reserves at the year end stood at £98,352 (2020: £15,672) of which £31,037 (2020: £8,190) were restricted reserves leaving £67,315 (2020: £7,482) unrestricted reserves. Of these unrestricted reserves £16,073 are held as fixed assets leaving the charity with free reserves of 51,242.

Given the continuing uncertainty from the ongoing COVID-19 pandemic and the major repair works required at the David Hall the Trustees consider it prudent to hold reserves in excess of the reserves policy at this time.

Impact of the global pandemic

The COVID-19 global pandemic has had an immediate effect on the trust and hall operations at the end of this financial year. The last performance at the hall was on 14 March 2020 and in the light of government advice, the decision was made that we should close as of 18 March until advised it is both permissible and safe to open.

Since this time the hall has managed to open for events on a few occasions in keeping with the relevant Government requirements, particularly in regard to social distancing. This has had a major impact on the cash flow of the Trust. Staff have either been working from home or utilising a safe office space in order to conduct necessary administrative work. Refunds for tickets already purchased and the cancellation or postponement of events have necessitated the staff being retained without the organisation participating in the government furlough scheme. In addition, the preparation, printing and distribution of the official programmes for the second half of 2020 and the first part of 2021 has been postponed until there is further clarification of the Government's regulations.

The trust successfully applied for and received a Cultural Recovery Fund Grant in October 2020 of £51,476. Arts Council England has subsequently recognised that most applicants will be unable to deliver all the activities which they applied for due to tighter restrictions with the ongoing pandemic. The funding can now be used to build reserves up to the equivalent of 12 weeks' turnover.

As a Rates-payer, under the Government scheme, the Trust also received several elements of Business Support Grant through the autumn and winter of 2020/21 which has proved essential in allowing the Trust to build its reserves funding for the re-opening year ahead. Additionally we have obtained a government (Bounce Back) loan which we are holding in reserve.

PETHERTON ARTS TRUST LIMITED (REGISTERED NUMBER 02438900)REPORT OF THE BOARD OF MANAGEMENT(CONTINUED)**Impact of the global pandemic (continued)**

The trust is currently applying for further Government funding through the Cultural Recovery Fund so that reserves are not depleted until operations are permitted to begin again. It is far from clear what the long term impact on the trust will be and to the performing arts in general. The trustees will maintain a regular active review of the situation in order that the future of the trust and the hall are not compromised.

The Trustees will make every effort to work within Government Regulations but maximise new and alternative opportunities to build new income streams in order that the future of the trust and the hall are not compromised. The practicality of conducting civil wedding services at the hall is being pursued with vigour, as there have been a large number of postponed weddings in 2020. This will serve to offset hall overheads without impact on the core programme of activities of the trust.

Funding applications will continue to be pursued vigorously to ensure the Trust has significant funding to enable the organisation to continue to function and to build on the funding and grant opportunities that have already been realised for the short to medium term.

Statement of Trustees' Responsibilities

The trustees (who are also directors of Petherton Arts Trust Limited for the purposes of company law) are responsible for preparing the Report of the Board of Management (incorporating the directors' report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the income and expenditure of the charitable company for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:-

- There is no relevant audit information of which the charitable company's auditors are unaware; and
- The trustee's have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

PETHERTON ARTS TRUST LIMITED (REGISTERED NUMBER 02438900)

REPORT OF THE BOARD OF MANAGEMENT
(CONTINUED)

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by the Board of Management on

and signed on its behalf by:

Tom Davies
Trustee

DRAFT

PETHERTON ARTS TRUST LIMITED (REGISTERED NUMBER 02438900)

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES
OF
PETHERTON ARTS TRUST LIMITED

I report to the charity trustees on my examination of the accounts of Petherton Arts Trust Limited (the Company) for the year ended 31 March 2021 which are set out on pages 10 to 21.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors 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 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.

Independent examiner's report

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

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no other 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.

Michael Cook BSc FCA
A C Mole & Sons
Chartered Accountants
Stafford House
Blackbrook Park Avenue
Taunton
TA1 2PX

Dated

PETHERTON ARTS TRUST LIMITED (REGISTERED NUMBER 02438900)

INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 MARCH 2021

	<u>Note</u>	Unrestr- icted <u>Funds</u> £	Restr- icted <u>Funds</u> £	Total Funds <u>2021</u> £	Total Funds <u>2020</u> £
<u>INCOME FROM:-</u>					
Donations	2	83,094	28,081	111,175	10,903
Charitable activities	3	21,602	-	21,602	67,762
Other trading activities	4	7,329	-	7,329	29,401
Investments	5	22	-	22	102
		_____	_____	_____	_____
<u>TOTAL INCOME</u>		112,047	28,081	140,128	108,168
		_____	_____	_____	_____
<u>EXPENDITURE ON:-</u>					
Raising funds:	6	10,251	-	10,251	9,106
Charitable activities	6	41,963	5,234	47,197	122,469
		_____	_____	_____	_____
<u>TOTAL EXPENDITURE</u>		52,214	5,234	57,448	131,575
		_____	_____	_____	_____
<u>NET INCOME/(EXPENDITURE) AND NET MOVEMENT IN FUNDS IN THE YEAR</u>	8	59,833	22,847	82,680	(23,407)
<u>RECONCILIATION OF FUNDS</u>					
Total funds brought forward		7,482	8,190	15,672	39,079
		_____	_____	_____	_____
Total funds carried forward	19	67,315	31,037	98,352	15,672
		=====	=====	=====	=====

The notes on pages 12 to 21 form part of these financial statements

PETHERTON ARTS TRUST LIMITED (REGISTERED NUMBER 02438900)BALANCE SHEETAS AT 31 MARCH 2021

	<u>Notes</u>	<u>2021</u>		<u>2020</u>	
		£	£	£	£
<u>FIXED ASSETS</u>					
Tangible Assets	11		19,153		19,811
Investments	12		-		100
<u>CURRENT ASSETS</u>					
Stock		1,463		2,376	
Debtors	13	6,987		1,840	
Cash at Bank and in Hand		<u>114,754</u>		<u>14,782</u>	
		123,204		18,998	
<u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u>					
	14	<u>16,455</u>		<u>23,237</u>	
<u>NET CURRENT ASSETS</u>					
			<u>106,749</u>		<u>(4,239)</u>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>					
			125,902		15,672
<u>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</u>					
	15		27,550		-
<u>NET ASSETS</u>					
			<u>98,352</u>		<u>15,672</u>
<u>THE FUNDS OF THE CHARITY</u>					
Unrestricted Funds	19		67,315		7,482
Restricted Funds	19		31,037		8,190
<u>TOTAL CHARITY FUNDS</u>					
			<u>98,352</u>		<u>15,672</u>

The Company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2021.

The members have not required the Company to obtain an audit of its financial statements for the year ended 31 March 2021 in accordance with Section 476 of the Companies Act 2006.

The Board of Management acknowledge their responsibilities for:-

- (i) Ensuring that the Company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (ii) Preparing financial statements which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the Company.

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by the Board of Management on _____ and signed on its behalf by:

Tom Davies
Trustee

The notes on pages 12 to 21 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTSYEAR ENDED 31 MARCH 2021**1 ACCOUNTING POLICIES****a) Charitable company status**

The charity is a company limited by guarantee and does not have any share capital. The liability of the guarantors, who are the members, is limited to £10 per guarantor. At 31 March 2021 the charity had 9 members. The company is registered in England and Wales. The registered office is The David Hall, Roundwell Street, South Petherton, Somerset, TA13 5AA.

b) Basis of preparation

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value. The financial statements have also been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (issued October 2019) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102) and the Companies Act 2006.

Petherton Arts Trust Limited meets the definition of a public benefit entity as defined by FRS 102.

To ensure its survival Petherton Arts Trust Limited has to rely upon securing adequate external funding while operating at a reduced capacity. At the time of this report the trustees are satisfied that the Charity has been successful in obtaining sufficient funds to ensure its continuance for at least the next 12 months. The trustees therefore consider it appropriate to prepare these accounts on a going concern basis. The uncertainty over the ability to reopen at full capacity due to the COVID-19 pandemic requires the financial position to be kept under constant review and this the trustees have done and will continue to ensure.

c) Basis of consolidation

The company had one subsidiary undertaking (see note 12). However, it is exempt from preparing consolidated financial statements on the grounds that the group meets the criteria to be classified as a small group. These financial statements therefore refer only to the parent undertaking, Petherton Arts Trust Limited.

d) Funds structure

Unrestricted funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects.

Restricted Funds are funds which are subject to external restriction on the way they may be spent. Further details of each fund are disclosed in note 19.

e) Income recognition

Income is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured reliably.

Revenue grants including government grants in respect of coronavirus support are recognised in full in the Income and Expenditure Account in the year in which they are receivable.

Capital grants received in previous years were deferred and are being released to the Income and Expenditure Account in line with the depreciation charge on the fixed assets to which the grant relates.

Income received in advance of a theatrical performance is deferred until the criteria for income recognition are met.

NOTES TO THE FINANCIAL STATEMENTSYEAR ENDED 31 MARCH 2021**1 ACCOUNTING POLICIES – CONTINUED****f) Expenditure recognition**

Liabilities are recognised as expenditure as soon as there is a legal and constructive obligation committing the Charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably

Expenditure on raising funds comprises the costs associated with attracting voluntary income.

Expenditure on charitable activities 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 including governance costs.

All costs are allocated or apportioned to the applicable expenditure headings, on a basis designed to reflect the use of the resources as detailed in notes 6 and 7.

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

g) Tangible fixed assets

Tangible fixed assets are initially recognised at cost. Depreciation is provided on tangible fixed assets in equal annual instalments in order to write off the cost over their estimated useful economic lives as follows:

Freehold property	25 years
Fixtures and fittings	10 years
Computer equipment	4 years

h) Stock

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving stock.

i) Taxation

The charity is exempt from corporation tax on its charitable activities.

j) Cash and cash equivalents

Cash and cash equivalents represent cash in hand and in instant access bank and building society accounts.

k) Financial instruments

The charity only has financial assets and liabilities that qualify as basic financial instruments. Basic financial instruments are recognised at transaction price and subsequently measured at their amortised cost.

l) Critical accounting judgements and estimation uncertainty

The preparation of the financial statements in conformity with FRS 102 requires the trustees to make judgements, estimates and assumptions that affect the application of policies and the amounts recognised in the financial statements. The trustees are of the opinion that there are no accounting judgements or estimates that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

PETHERTON ARTS TRUST LIMITED (REGISTERED NUMBER 02438900)NOTES TO THE FINANCIAL STATEMENTSYEAR ENDED 31 MARCH 2021

2	DONATIONS	<u>2021</u>	<u>2020</u>
		£	£
	Unrestricted		
	Donations	7,729	5,192
	Save the Hall Friends	2,472	2,008
	Covid-19 Grants	72,150	-
	South Petherton Combined Arts Society	-	375
	Gift aid	743	-
	Restricted		
	Helping Hand Project	28,081	3,328
		-----	-----
		111,175	10,903
		=====	=====
3	INCOME FROM CHARITABLE ACTIVITIES - UNRESTRICTED	<u>2021</u>	<u>2020</u>
		£	£
	Box office	21,332	63,383
	Film video	270	4,379
		-----	-----
		21,602	67,762
		=====	=====
4	INCOME FROM OTHER TRADING ACTIVITIES - UNRESTRICTED	<u>2021</u>	<u>2020</u>
		£	£
	Hall hire	1,043	4,472
	Advertising income	-	1,445
	Bar income	1,671	19,380
	Save the Hall raffle	-	318
	Save the Hall 200 club	2,675	2,886
	Sundry income	1,940	900
		-----	-----
		7,329	29,401
		=====	=====
5	INCOME FROM INVESTMENTS - UNRESTRICTED		

All of the company's investment income of £22 (2020: £102) arises from money held in interest bearing deposit accounts.

PETHERTON ARTS TRUST LIMITED (REGISTERED NUMBER 02438900)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

6 **EXPENDITURE**

	Raising <u>Funds</u> £	Charitable Activities <u>Unrestricted</u> £	Charitable Activities <u>Restricted</u> £	2021 <u>Total</u> £	2020 <u>Total</u> £
Artists' fees	-	4,633	-	4,633	56,031
Publicity and advertising	-	1,009	-	1,009	6,371
Film video expenses	-	273	-	273	3,513
Licenses	-	194	-	194	3,142
Bar stocks	-	992	-	992	9,105
Wedding expenses	509	-	-	509	-
Support costs (See note 7)	9,742	34,862	5,234	49,838	53,413
	<u>10,251</u>	<u>41,963</u>	<u>5,234</u>	<u>57,448</u>	<u>131,575</u>

All expenditure in 2020 was unrestricted with the exception of £1,982 on support costs and £375 of Artists fees.

7 **ANALYSIS OF GOVERNANCE AND SUPPORT COSTS**

	<u>Basis of allocation</u>	Raising <u>funds</u> £	Charitable activities <u>(unrestricted)</u> £	Charitable activities <u>(restricted)</u> £	2021 <u>Total</u> £	2020 <u>Total</u> £
Administrative salaries	Staff time	9,146	16,491	-	25,637	23,115
Rates and water	Floor area	13	251	-	264	877
Light and heat	Floor area	114	2,172	-	2,286	2,400
Insurance	Floor area	72	1,363	-	1,435	2,087
Repairs	Floor area	233	4,421	4,717	9,371	13,528
Cleaning	Floor area	51	970	-	1,021	1,040
Printing, stationery, Postage and telephone	Usage	109	2,074	-	2,183	3,905
Independent examiner's	Direct	-	3,045	-	3,045	2,136
Accountancy services	Usage	-	1,596	-	1,596	1,028
Sundries	Usage	4	86	-	90	358
Depreciation	Usage	-	1,825	517	2,342	2,939
Impairment loss	Usage	-	100	-	100	-
Bad debts	Usage	-	200	-	200	-
Interest payable	Usage	-	268	-	268	-
		<u>9,742</u>	<u>34,862</u>	<u>5,234</u>	<u>49,838</u>	<u>53,413</u>

All expenditure in 2020 was unrestricted with the exception of £1,282 of depreciation and £700 of repairs.

NOTES TO THE FINANCIAL STATEMENTSYEAR ENDED 31 MARCH 2021**8 NET INCOME/(EXPENDITURE) FOR THE YEAR**

	<u>2021</u>	<u>2020</u>
	£	£
Net income/(expenditure) is stated after charging:		
Independent examiner's fee	3,045	2,136
Accountancy services	1,596	1,028
Depreciation	2,342	2,939
	<u> </u>	<u> </u>

9 STAFF COSTS

	<u>2021</u>	<u>2020</u>
	£	£
Wages and salaries	25,387	22,526
Pension contributions	250	589
	<u> </u>	<u> </u>
	25,637	23,115
	<u> </u>	<u> </u>
Average number of employees	3	3
	<u> </u>	<u> </u>

There were no employees with emoluments over £60,000 (2020 – none).

The charity considers its key management personnel to comprise the trustees and the administrator. Total remuneration of key management personnel in the year was £21,863 (2020 - £20,586).

10 TRUSTEES REMUNERATION AND EXPENSES

Remuneration of £7,050 (2020 - £4,950) was paid during the year directly out of the funds of the charity to Anne Brown, a member of the Board of Management, in her role as Treasurer. The charity's Articles of Association have been updated to permit the remuneration of one member of the Board of Management.

Expenses incurred and reimbursed to 3 (2020: 9) Directors of the Board of Management during the year amounted to £1,393 (2020 - £2,153).

PETHERTON ARTS TRUST LIMITED (REGISTERED NUMBER 02438900)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

11 **TANGIBLE ASSETS**

<u>Cost</u>	<u>Freehold Property</u> £	<u>and Fittings</u> £	<u>Fixtures Computer Equipment</u> £	<u>Total</u> £
At 1 April 2020	158,577	40,367	5,475	204,419
Additions	-	1,684	-	1,684
	-----	-----	-----	-----
At March 2021	158,577	42,051	5,475	206,103
	-----	-----	-----	-----
<u>Depreciation</u>				
At 1 April 2020	147,414	31,719	5,475	184,608
Charge for Year	656	1,686	-	2,342
	-----	-----	-----	-----
At 31 March 2021	148,070	33,405	5,475	186,950
	-----	-----	-----	-----
<u>Net Book Value</u>				
At 31 March 2021	10,507	8,646	-	19,153
	=====	=====	=====	=====
At 31 March 2020	11,163	8,648	-	19,811
	=====	=====	=====	=====

The David Hall was purchased with grant monies provided by the Foundation for Sport and the Arts and South Somerset District Council.

The cost of freehold property and capital grants in respect thereof is as follows:-

	<u>Cost</u> £	<u>Capital Grant</u> £
Acquisition of the David Hall	62,500	62,500
Renovation and Extension of Toilets	17,235	12,631
Balcony Project and Renovation of Toilets	62,432	50,525
Windows Project	16,410	2,000
	-----	-----
	158,577	127,656
	=====	=====

12 **INVESTMENTS**

Investment in Subsidiary Undertaking at Cost less impairment	£	£
	-	100
	=====	=====

The investment comprised 100% of the issued ordinary share capital of David Hall Enterprises Limited, a dormant company registered in England and Wales. The address of the registered office was, The David Hall, Roundwell Street, South Petherton, TA13 5AA. The capital and reserves of David Hall Enterprises Limited at 31 March 2021 amounted to £100.

After the balance sheet date there was an application to strike off David Hall Enterprises Limited. The company was dissolved on XXXXXXXX. The value in the accounts has therefore been impaired to £nil net realisable value.

PETHERTON ARTS TRUST LIMITED (REGISTERED NUMBER 02438900)NOTES TO THE FINANCIAL STATEMENTSYEAR ENDED 31 MARCH 2021

13	DEBTORS	<u>2021</u>	<u>2020</u>
		£	£
	Trade Debtors	426	526
	Grants Receivable	5,148	-
	Prepayments	1,413	1,314
		<hr/>	<hr/>
		6,987	1,840
		<hr/> <hr/>	<hr/> <hr/>

14	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	<u>2021</u>	<u>2020</u>
		£	£
	Third Party Loans	1,100	1,100
	Amounts due to Subsidiary Undertaking	-	100
	Accruals	5,404	4,588
	Deferred Income (See note 16)	6,570	16,877
	Taxation and Social Security	725	572
	Coronavirus Bounceback Loan	2,656	-
		<hr/>	<hr/>
		16,455	23,237
		<hr/> <hr/>	<hr/> <hr/>

Third party loans are interest-free and do not carry any set date for repayment.

The bank loan was drawn down in October 2020 under the Bounce Back Loan provisions due to the Covid-19 pandemic. The loan, which includes a 12 month interest and capital repayment holiday, carries interest at a fixed rate of 2.5% and is repayable in 60 monthly instalments from October 2021. The loan is repayable by September 2026.

15	CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	<u>2021</u>	<u>2020</u>
		£	£
	Coronavirus Bounceback Loan	27,550	-
		<hr/> <hr/>	<hr/> <hr/>

16	DEFERRED INCOME		
	Deferred income represents advance ticket sales for performances taking place after the year end		
		<u>2021</u>	<u>2020</u>
		£	£
	As at 1 April 2020	16,877	6,963
	Amount released to income from charitable activities	(16,877)	(6,963)
	Amount deferred in year	6,570	16,877
		<hr/>	<hr/>
	As at 31 March 2021	6,570	16,877
		<hr/> <hr/>	<hr/> <hr/>

17 **SHARE CAPITAL**

The Company is limited by guarantee and does not have a share capital. The liability of the members is limited to £10 each.

PETHERTON ARTS TRUST LIMITED (REGISTERED NUMBER 02438900)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

18 **SUMMARY OF NET ASSETS BY FUND**

	<u>Fixed Assets</u> £	<u>Current Assets</u> £	<u>Current Liabilities</u> £	<u>Long Term Liabilities</u> £	<u>Total</u> £
General Unrestricted Fund	16,073	95,247	(16,455)	(27,550)	67,315
<u>Restricted Funds</u>					
Thrive	-	1,000	-	-	1,000
Youth Concession	-	600	-	-	600
Poetry Project	-	281	-	-	281
SSDC – 30 th Anniversary	-	84	-	-	84
Windows Project	1,280	-	-	-	1,280
Boiler Fund	1,800	-	-	-	1,800
Helping Hands	-	25,992	-	-	25,992
	<u>19,153</u>	<u>123,204</u>	<u>(16,455)</u>	<u>(27,550)</u>	<u>98,352</u>

19 **MOVEMENT IN FUNDS**

	<u>01.4.20</u> £	<u>Income</u> £	<u>Expenditure</u> £	<u>Transfers</u> £	<u>31.3.21</u> £
General Unrestricted Fund	7,482	112,047	(52,214)	-	67,315
<u>Restricted Funds</u>					
The BIG Lottery ‘Awards for All Fund’	137	-	(137)	-	-
Thrive	1,000	-	-	-	1,000
Youth Concession	600	-	-	-	600
Poetry Project	281	-	-	-	281
SSDC – 30 th Anniversary	84	-	-	-	84
Windows Project	1,360	-	(80)	-	1,280
Boiler Fund	2,100	-	(300)	-	1,800
Helping Hands	2,628	28,081	(4,717)	-	25,992
	<u>8,190</u>	<u>28,081</u>	<u>(5,234)</u>	<u>-</u>	<u>31,037</u>

NOTES TO THE FINANCIAL STATEMENTSYEAR ENDED 31 MARCH 2021**19 MOVEMENT IN FUNDS CONTINUED**Purpose of Restricted Funds

The BIG Lottery 'Awards for All Fund' was a grant provided to fund the purchase of lower balcony screens, audio visual equipment and a shower for artists. The balance will reduce as the capital expenditure is depreciated.

Thrive Project was a grant provided to fund a Songwriting Project involving Petherton Arts Trust, Folk South West and The Octagon. The project needs to attract greater funding

Youth Concession Project was a grant provided to substitute some family events as applicable in the programme. In addition, links are being made with the local schools to develop a David Hall prize for promising students.

Poetry project: Seed funding to establish Poetry as a regular feature of the David Hall Programme. Some aspects still in the development stage and hoped to encourage workshops in local schools to celebrate National Poetry Day.

SSDC – 30th Anniversary. This grant was initially received for folk music development which never took place. South Somerset District Council agreed that this income could be used to support the 30th Anniversary celebrations of Petherton Arts Trust Limited.

Windows Project was an anonymous donation to fund the replacement of the main windows. The balance will reduce as the capital equipment purchased is depreciated.

The Boiler Fund was set up to replace the old oil fired boiler by an energy efficient gas fired unit. This will reduce the hall operating costs, create more space and enable the removal of some large oil storage tanks. The balance will reduce as the capital equipment purchased is depreciated.

The Helping Hand project is to specifically fund maintenance and repairs to the fabric of the building, this includes the major roof and stonework repairs.

20 RELATED PARTY TRANSACTIONS

At the balance sheet date there is a balance of nil due to David Hall Enterprises Limited from Petherton Arts Trust Limited (2020: £100).

21 CONTINGENT LIABILITIES

- (a) The Company's freehold property, the David Hall, was purchased in 1992 in part with a grant from the Foundation for Sport and the Arts of £50,000. The Foundation's standard terms and conditions specify that in the event that the Company ceases trading for whatever reason, the Foundation reserves the right to reclaim the full amount of the grant.
- (b) On 11 February 1998, the Company received a supplementary grant from South Somerset District Council of £15,500 to clear its accumulated indebtedness and secure its long-term future. The grant is repayable in the event of the David Hall being sold, and is secured by a formal charge over the property.

PETHERTON ARTS TRUST LIMITED (REGISTERED NUMBER 02438900)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

22 **SUMMARY OF NET ASSETS BY FUND FOR THE YEAR ENDED 31 MARCH 2020**

	<u>Fixed Assets</u> £	<u>Current Assets</u> £	<u>Current Liabilities</u> £	<u>Long Term Liabilities</u> £	<u>Total</u> £
General Unrestricted Fund	16,314	14,405	(23,237)	-	7,482
<u>Restricted Funds</u>					
The BIG Lottery "Awards for All Fund"	137	-	-	-	137
Thrive	-	1,000	-	-	1,000
Youth Concession	-	600	-	-	600
Poetry Project	-	281	-	-	281
SSDC – 30 th Anniversary	-	84	-	-	84
Windows Project	1,360	-	-	-	1,360
Boiler Fund	2,100	-	-	-	2,100
Helping Hands	-	2,628	-	-	2,628
	<u>19,911</u>	<u>18,998</u>	<u>(23,237)</u>	<u>-</u>	<u>15,672</u>

23 **MOVEMENT IN FUNDS FOR THE YEAR ENDED 31 MARCH 2020**

	<u>01.4.19</u> £	<u>Income</u> £	<u>Expenditure</u> £	<u>Transfers</u> £	<u>31.3.20</u> £
General Unrestricted Fund	32,235	104,465	(129,218)	-	7,482
<u>Restricted Funds</u>					
The BIG Lottery 'Awards for All Fund'	990	-	(853)	-	137
Notice Board Grant	49	-	(49)	-	-
Thrive	1,000	-	-	-	1,000
Youth Concession	600	-	-	-	600
Poetry Project	281	-	-	-	281
SSDC – 30 th Anniversary	84	-	-	-	84
Windows Project	1,440	-	(80)	-	1,360
Boiler Fund	2,400	-	(300)	-	2,100
Helping Hands	-	3,328	(700)	-	2,628
South Petherton Combined Arts Society	-	375	(375)	-	-
	<u>6,844</u>	<u>3,703</u>	<u>(2,357)</u>	<u>-</u>	<u>8,190</u>