



Company Number: 1158819  
Registered Charity Number: 267043

**Wac Arts**  
(A company limited by guarantee)

**REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**

**For the year to**

**30 September 2020**



## **Wac Arts**

### **Consolidated Financial Statements for the year to 30 September 2020**

#### **Contents:**

<b>Wac Arts Administrative Information</b>	<b>3</b>
<b>Structure, Governance and Management</b>	<b>4</b>
<b>Trustee Recruitment, Induction and Training</b>	<b>4</b>
<b>Vision, Mission and Activities</b>	<b>5</b>
<b>Values and Focus</b>	<b>6</b>
<b>Performance Overview 2019-20</b>	<b>7</b>
<b>Key Achievements 2019-20</b>	<b>9</b>
<b>Fundraising</b>	<b>9</b>
<b>Financial Review</b>	<b>10</b>
<b>Risk Management</b>	<b>11</b>
<b>Looking to the Future</b>	<b>12</b>
<b>Post Balance Sheet Events</b>	<b>12</b>
<b>Board of Trustees' Responsibilities</b>	<b>12</b>
<b>Independent Auditor's Report to the Members of Wac Arts</b>	<b>14</b>
<b>Consolidated Statement of Financial Activities</b>	<b>16</b>
<b>Consolidated Charity Balance Sheets</b>	<b>17</b>
<b>Consolidated Cash Flow Statement</b>	<b>18</b>
<b>Notes to the Accounts</b>	<b>19</b>

## Wac Arts

### Consolidated Financial Statements for the year to 30 September 2020

#### Wac Arts Administrative Information

The Trustees are pleased to present their report together with the financial statements of the charity for the year to 30 September 2020.

#### Reference and Administrative Details

These are the consolidated accounts for Wac Arts and Hamden Trust, both companies and charities. In this report we refer to them as 'the Charity'. Consolidated accounts are prepared, as required of related charities with the same Trustees.

Charity number:	Wac Arts: 267043	The Hamden Trust: 1045440
Company number:	Wac Arts: 1158819	The Hamden Trust: 03036627
Principal & registered Office:	The Old Town Hall 213 Haverstock Hill London NW3 4QP	
Auditors:	Knox Cropper LLP 65 Leadenhall Street London EC3A 2AD	
Bankers:	Co-operative Bank Plc Islington Branch Islington High Street London N1 9TR	

#### Trustees

The directors of both charitable companies (Wac Arts and the Hamden Trust) are their Trustees for the purpose of charity law and throughout this report are collectively referred to as Trustees. They are also the members of both charities. Trustees and management serving during the period and since the year end:

Elected trustees:	Elizabeth Cleaver (Chair)*+ (resigned 30 September 2020)
	Justina Cruickshank* (appointed as Chair 5 October 2020)
	David Blake*
	Jolyon Brewis+ (resigned 1 July 2020)
	Dorota Dominiczak* (appointed 1 July 2020)
	Julieanne Gilbert (resigned 1 July 2020)
	Margaret Gorman* (appointed 1 July 2020)
	Lew Hodges*+ (retired 1 November 2020)
	Leah Hurst+
	Rosemary Hytner (resigned 30 September 2020)
	Christine Kinnear~
	Mark Malcomson~ (resigned 1 July 2020)
	Paul McMahon* (resigned 30 September)
	Andrew Shaw* (resigned 11 December 2019)
	Martin Summersgill+ (appointed 1 July 2020)

\*Member of Finance Sub-Committee  
~Member of Programmes Sub-Committee  
+Member of IOWA Building Sub-Committee

Chief Executive: Darius Khwaja

## Structure, Governance and Management

### Organisational Structure

The Board of Trustees set the strategic direction for the charity and measure progress against objectives. The Board meets quarterly, (with an additional strategy day) as do the supporting Sub Committees relating to Finance, IOWA Building and Programmes. All Sub Committees have terms of reference approved by the Board of Trustees.

### Governance

Both Wac Arts and the Hamden Trust are companies limited by guarantee each governed by its Memorandum and Articles of Association. They are registered as charities with the Charity Commission. The members of the charities are the Chair and the elected Trustees, of which there were eleven serving at the period end.

### Management

The Chief Executive is appointed by the Trustees to manage the Charity's work. The other key management roles during the year were the Director of External Relations, replaced by the Development Director in May 2020 and the Director of Programmes. Together with the Chief Executive, they comprise the Senior Leadership Team (SLT). The SLT are supported by Counterculture LLP for strategic financial director-level advice. Recruitment of core staff is done by open advertising and interviews conducted by appropriately skilled and experienced panels. Interview panels include Trustees and external industry specialists where appropriate.

### Key Management Personnel Remuneration Policy

Wac Arts is committed to ensuring that staff are paid fairly and consistently. The Charity operates a policy that balances the need to attract and retain suitably experienced individuals to ensure we provide the greatest public benefit in delivering our charitable objectives, with what the Charity can reasonably afford. Pay is positioned relative to other similar organisations.

Remuneration for the Chief Executive (CE) is set by the Board. Remuneration for all other staff is presented to the Finance Sub-Committee in the annual budget and subject to scrutiny, is recommended to the Board for approval. No member of staff is involved in determining his or her own remuneration.

Annual pay awards are not a contractual requirement. They are considered in relation to the organisation's financial position, performance and sector benchmarking.

## Trustee Recruitment, Induction and Training

### Recruitment and Election of Trustees

The Board of Trustees periodically reviews the skill sets it includes to identify gaps, if any, in the Board with a view to considering the potential for recruiting new Trustee(s). Advertising schedules look to reach the broadest potential group of interested candidates, with interviews and recommendations being made to the Board by the Chair and Vice Chair, supported by additional panel members as appropriate.

All Trustees are elected as the members and directors (co-terminus) of the Charity and the appointments are ratified at each Annual General Meeting. Board members are appointed with the expectation they will serve for at least three years and normally for two terms. In exceptional circumstances, Trustees may serve a maximum of three terms (nine years).

### Trustee Induction & Training

New Trustees undergo an orientation meeting with the Chair and a briefing with the Chief Executive and relevant staff. They can attend activities and meet a selection of beneficiaries. All potential new Trustees are

## **Wac Arts**

### **Consolidated Financial Statements for the year to 30 September 2020**

given a 6-month probation period. They are provided with a Board induction pack including copies of the Memorandum and Articles of Association, Committee Terms of Reference and decision-making processes, the organisation structure, the Business Plan and the recent financial performance of the Charity. All Trustees receive training in Safeguarding and more recently, in Unconscious Bias. Trustees are expected to attend events presenting the Charity's work.

#### **Related Parties**

Wac Arts and Hamden Trust are sister charities. Trustees of Wac Arts are also Trustees of The Hamden Trust. Although The Hamden Trust shares Wac Arts' passion for supporting groups in society who face barriers to opportunity, its primary role is to conserve and enhance its historic building and encourage educational work to celebrate our heritage.

### **Mission and Activities**

#### **Charitable Objects**

Wac Arts' charitable objects may be summarised as the provision and development of activities which seek to make the arts relevant and available to the public, the provision of activities to improve the lives of people who may be disadvantaged, the provision of support for other organisations, and the promotion of citizenship and community development.

The Charity achieves its objectives by:

- Providing a creative arts programme, with a special focus on children and young people aged 5 – 26
- Involving young people in the artistic and creative industries by developing exemplary activities and by highlighting and celebrating the artistic voice of contemporary Britain
- Supporting and strengthening the diversity of culture in the charity sector by providing premises for other charities that provide services to vulnerable groups or disadvantaged communities
- Providing facilities for rehearsals and community events to professional and amateur arts organisations and local groups
- Nurturing and developing our building as a community and creative hub

#### **Mission: Empowering Young People to Change their World through the Arts**

Wac Arts believes in the infinite power of the arts to unleash the extraordinary potential of young people.

The Charity believes that:

- Every young person, regardless of background, has the right to experience the arts
- The arts are transformational and help people fulfil their potential in life
- Experience of the arts can build confidence, self-esteem and help people overcome great difficulties
- Every young person has talent in some form

The Charity seeks to:

- Create a safe and highly accessible environment
- Celebrate individuality and everyone's unique journey
- Nurture potential through the power of the arts
- Build self-esteem, confidence and provide young people with a community
- Provide an environment for life-long learning

#### **Creating a centre of excellence for the arts for young individuals who most need it.**

Wac Arts has worked with generations of young people for over 40 years, empowering them with the life skills the arts can offer. From its base at the Grade 2 listed Old Town Hall in Belsize Park, the Charity delivers

## Consolidated Financial Statements for the year to 30 September 2020

programmes for young people who face barriers to opportunity and provide a range of additional activities and services to the community.

### Values

The Charity's values provide a framework for its activities and reflects how it aims to work as an organisation:

- Innovation
- Equality
- Empowerment
- Excellence
- Love

### Strategic Report

#### Performance Overview 2019-20

The year to September 2020 was like no other. The decision made in 2018 to close the Charity's Diploma course due to enduring problems of financial viability took final effect. The organisation's unsuccessful campaign to secure a cornerstone grant for its capital project resulted rightly in Trustees resolving to pause the scheme indefinitely.

Despite these headwinds, the arrival of a new Chief Executive in July 2019 set a new level of ambition for Wac Arts. Staying true to the organisation's mission to "empower young people to change their world through the arts", plans were set out to increase the quality and scale of the organisation's creative offer and transform the overall level of public benefit provided.

Wac Arts' new statement of artistic principle: The artistic voice of contemporary Britain - Pioneering. Equal. Open, demonstrates the Charity's ultimate aim of becoming a national flagship provider for innovative inclusive arts.

To address more immediate matters, a 12-month plan to improve the Charity's business model was devised. The modernisation of all back-office functions, including the implementation of enterprise IT solutions, formed part of this plan.

With the scale of challenge clear and a new business plan in place to turn the Charity's performance around, COVID-19 arrived.

Finally, in the months following the March 20 coronavirus lockdown, a group of individuals made a number of allegations about the Charity in public. Though the majority of the concerns pre-dated the new leadership team, the Charity resolved to investigate each allegation thoroughly.

Many of the accusations could not be substantiated with evidence. To ensure best practice however, the Charity informed the Charity Commission about the matter and sought external legal advice to ensure the action it took was appropriate. The Charity Commission found no further action was required. No material impact resulted from the allegations.

#### Response to COVID-19

##### Creative Arts Programme

The Charity prioritised the support it provides for the most vulnerable families, young people and adults. Where social distancing measures permitted, the Charity continued a face-to-face service. Where this was not possible online alternatives were implemented swiftly. The wider arts programme for young people was then adapted for online delivery with the rapid launch of Wac Arts online. Additional Safeguarding procedures were implemented to ensure a safe online experience was provided.

## Wac Arts

### Consolidated Financial Statements for the year to 30 September 2020

#### Earned Income

The Charity sought to protect its forecast income by working collaboratively with its building partners especially those struggling with rent and fees. As a designated Humanitarian Assistance Centre, within the London Borough of Camden's Emergency Management Plan, Wac Arts worked with the Royal Free Hospital and The Fashion School UK to repurpose its building as a PPE factory. Rent derived from this partnership went some way to offset the income lost from hiring spaces to theatre production companies, which normally contributes a significant proportion of earned income. Earned income derived from the property elements of Wac Arts' business model exceeded the COVID-19 budget reforecast.

#### Development Income

The exceptional support and loyalty shown by the Charity's funders and donors helped the organisation exceed its fundraised income forecast.

#### Government and Bank Support

The Charity made use of the UK Government's furlough scheme and having demonstrated its long-term viability through its new business plan, secured a Coronavirus Business Interruption Loan successfully from its current account bankers The Co-operative Bank.

#### Outcome of the Response to COVID-19

Taken in combination, these strategies ensured Wac Arts came through COVID-19 in stable financial health. The Charity made no redundancies as a result of the pandemic. To reward all staff for the collective efforts made in managing the impact of the global pandemic, hourly rates of pay for contract staff were raised to at least the London Living Wage. All other staff received a modest pay rise, which the Senior Leadership Team chose not to take.

Though the threat from COVID-19 remains, given the overall effectiveness of Wac Arts' response to the pandemic, the Charity can focus once more on the plans it had newly set out to transform its work and significantly increase the public benefit it provides.

#### Overview of Activity

##### Creative Programme

The organisation worked hard to maintain numbers of participants across the two strands of its creative arts programme: Participation and Outreach.

Wac Arts programme participants	FY2020	FY2019
Participation	816	887
Outreach	185	627
Total		

Given the level of interruption caused by social distancing measures and the closure of the building during lockdown, the number of programme beneficiaries exceeded expectation. The impact of lockdown on outreach activity was considerable, however. Note that the figures above for Outreach include activity relating to a specific project which completed in 2019. This project accounts for approximately half the outreach figure shown for 2019.

#### 1 Participation

##### Special Educational Needs Provision

Typically, 20% of the young people Wac Arts supports identify as disabled. The Charity developed weekly bespoke activities for young people and adults with additional needs recognising how the pandemic impacted

## **Wac Arts**

### **Consolidated Financial Statements for the year to 30 September 2020**

disproportionately on this group. These sessions provided a safe space for creative exploration and allowed participants to share their feelings and express themselves, while maintaining a level of vital social interaction. For some young people this was the only opportunity for them to interact socially outside of their families.

#### **Junior and Senior Wac Arts**

The Charity's weekly face-to-face classes for young people in dance, music, drama, animation and film production continued until the lockdown in March 2020 cut the term short. Participation rates for the period of operation remained in line with the previous year.

#### **Youth Voice**

The Youth Voice Forum brings together young people from across the Charity's Programme to discuss, contribute to and challenge Wac Arts practice and programming. To understand the priorities of young people during lockdown, and in the wake of the Black Lives Matter movement, Wac Arts hosted an online meeting where young people articulated the need to support young people's mental health and wellbeing. This led to the programming of dance and yoga and progression with our peer education programme. This forum will evolve into a formal committee of the Board as part of a planned wider review of Governance.

#### **Wac Arts Online**

New activities were rolled out in the spring and expanded into the summer holiday period. Provision for all age groups was designed and included peer education and wellbeing, drama, music technology, dance and yoga. 32 hours of live online activities enabled participants to stay active and connected during this time of crisis. These activities were provided freely to all participants to ensure they were accessible. Many sessions were designed to enable whole families to participate with more than 50 households taking part.

#### **2 Outreach**

The Charity delivered 8 online creative workshops, using a range of art forms to explore themes and issues relevant to young people. The workshops were led by a team of Associate Artists alongside Wac Arts expert staff. Highlights included high energy dance workouts to promote physical fitness and yoga and mindfulness sessions to support mental wellbeing. The sessions welcomed all levels providing a safe space for people to try something new during lockdown.

#### **3 Wac Arts' Building**

The Charity's plans to evolve its building into a hub for creative sector organisations and charities with a mission similar to Wac Arts continued to evolve. To this end One to One Children's Fund were welcomed to the building as a new partner. Campaigns to attract artist management businesses, production companies and creative technology organisations were carried out. Similar initiatives to attract local creative entrepreneurs were also conducted.

The Charity made progress in broadening its space hire clients to add film and television production companies to its existing list. This led to Netflix hiring the space during the year with approaches to Apple TV+ and the BBC explored.

Working with the Royal Free Hospital and The Fashion School UK, Wac Arts repurposed its building into a PPE factory enabling an army of volunteers to manufacture some 50,000 scrubs for the national COVID effort.

#### **Key Achievements**

Despite the many challenges faced by the Charity during the year, Wac Arts successfully continued the plans laid out by its new leadership team to improve the quality and scale of its offer and so transform the level of benefit the Charity provides to the public.

#### **Notable Successes**

1. The ability of the team to adapt the creative arts programme so quickly to online delivery and thereby continue provision throughout lockdown



## **Wac Arts**

### **Consolidated Financial Statements for the year to 30 September 2020**

2. The management of the Charity's finances which resulted in a surplus for the year and an improvement in the organisation's financial reserves position
3. Wac Arts' contribution to the national COVID-19 response by using its building as a PPE factory for the local NHS

#### **Development and External Relations**

The Development team exceeded the £370,000 revenue fundraising target for the period.

Key highlights include:

1. Be a Changemaker Campaign (December 2019) which raised more than £15,000 from individuals
2. COVID-19 Appeal (March – May 2020) Launched in response to the pandemic, approaches to individual trusts and foundations secured emergency funding. This included core and unrestricted grants from Arts Council England - COVID emergency funding, Bloomberg via the London Community Response Fund, and The Foyle Foundation.
3. Champions for Children, Big Give (June – July 2020) For the first time the Charity took part in the Champions for Children Big Give, a matched funding campaign. The £12,000 target was exceeded, raising more than £14,000 of unrestricted funds. This was made possible thanks to the generosity of our individual supporters and The Childhood Trust.

#### **Capital Fundraising for IOWA**

In March 2020, having been unsuccessful with a Stage 2 bid to the Good Growth Fund, the decision was made to pause the IOWA capital project indefinitely to concentrate on revenue fundraising needs and adapting and developing new programmes for young people.

Our thanks for to all those individuals, trusts and foundations who have chosen to support us during this challenging period, and been advocates for the youth, arts and cultural sectors, including; Andrew Lloyd Webber Foundation, Arts Council England (National Lottery Funding), Bloomberg, Camden Council, Camden Can Innovation Fund, CMS Future Foundation, D'Oyly Carte Charitable Trust, Greater London Authority, Hampstead Wells and Campden Trust, Jack Petchey Foundation, John Lyons Charity, Mayor of London's Good Growth Fund (delivered through the London Economic Action Partnership), Morris Charitable Trust, National Lottery Community Fund, Paul Hamlyn Foundation, Ronnie Scott's Charitable Foundation, Taurus Foundation, The Childhood Trust, The Foyle Foundation, Tuixen Foundation, Vandervell Foundation, Young Camden Foundation and all those who prefer to give anonymously.

#### **Organisational**

Wac Arts fundraising activity was supported by 10 volunteers. Salesforce CRM was developed further for use in the Charity's Development activity and campaigns.

#### **Fundraising**

The Charity raises funds from a wide variety of trusts, foundations, corporations and individuals. All fundraising is carried out by an in-house team, which is headed by an experienced Director of External Relations (September 2019 – May 2020), and Director of Development (May 2020 onwards).

Wac Arts is linked with Amazon Smile, a service which allows customers to generate a donation for charity each time they shop on Amazon, and Easy Fundraising, a service which generates small donations from everyday online shopping.

Wac Arts does not use third parties to undertake any fundraising activities. The Charity complies in all regards with the Code of Fundraising Practice regulated by the Fundraising Regulator and with Charity Commission Guidance. We have robust policies in place regarding vulnerable people and treating donors fairly.

Wac Arts is compliant with the GDPR. All fundraising activities conducted by the Charity are open, fair, honest and legal. The Charity's commitment, which is available on our website is as follows:

## Wac Arts

### Consolidated Financial Statements for the year to 30 September 2020

- We will keep your details and personal information safe.
- We will not sell, trade or rent your personal contact details to any organisation.
- We put your donations to work for young people as quickly as we can, and we tell you about the impact your gift will have.

Wac Arts received no complaints relating to its fundraising activities during 2019/20.

#### Financial Review

The accounts show a £57,338 surplus (2019: £185,903 deficit) on unrestricted funds, which represents a stabilisation of the financial position. This surplus was achieved through better cost management and savings, including reductions arising from staffing-related savings, as well as the cessation of loss-making diploma programme. The prior year figures also included costs associated with a capital programme (IOWA) which was paused.

Wac Arts' principal sources of income continued to be the provision of services to Camden Council for disabled young people, lettings of its premises at the Town Hall, fundraising, and fees for artistic activities provided.

The Charity was able to mitigate the impact of Covid-19 from March 2020 through use of the government furlough scheme, securing building hires during lockdown (including use of the building as a Personal Protective Equipment factory) and flexibility in programme delivery, which helped to ensure that main source of contracted income with Camden Council was maintained.

The Consolidated results of Wac Arts and The Hamden Trust report a £121,756 decrease (2019: £365,216 decrease) in total funds during the year, of which £179,095 (2019: £179,313) represented a deficit relating to Hamden Trust. £176,278 (2019: £176,278) were depreciation charges on building improvement costs financed by restricted funds accumulated within the Hamden Trust for this purpose in previous years.

The £57,338 surplus achieved during the year resulted in an increase in total unrestricted funds from £148,584 to £205,922, which were comprised (as detailed in Note 12) as follows:

	2020 £	2019 £
Tangible fixed assets	345,745	332,872
Net long-term assets/(liabilities)	(105,007)	(132,386)
Net current assets/(liabilities)	(34,816)	(51,902)
<b>Total Unrestricted Funds</b>	<b>205,922</b>	<b>148,584</b>

The free reserves of the charity, excluding long term assets and liabilities, were in deficit to the extent of £(34,816), compared with £(51,902) in the prior year.

A £207,647 loan balance (shown in long term liabilities) helped to ensure there was sufficient cash at the end of the financial period. This loan was secured in 2018/19 to provide working capital to assist with the development of IOWA project. The balance is repayable (over 10 years), so is not counted as part of the Charity's free reserves calculation.

Wac Arts is committed to a phased building of reserves, to meet our policy of holding free reserves at a level equivalent to three months' expenditure (approximately £500k) over a 6 Year Period to 2025/26. In the interim

**Consolidated Financial Statements for the year to 30 September 2020**

period, the policy of the Charity is to ensure that there is a sufficient level of working capital to enable payments to be settled as they fall due.

## **Risk Management**

The Trustees' risk management strategy comprises:

- a review at least annually of the risks the charity may face;
- a quarterly update and review to the Finance Sub Committee with any changes reported to the Board;
- the establishment of systems and procedures to mitigate those risks identified in the review; and
- the implementation of procedures designed to minimise any potential impact on the charity should those risks materialise

This strategy has ensured risks are identified and discussed at an early stage, enabling appropriate management and mitigation arrangements to be put in place. A key element in the management of financial risk is the regular scrutiny of cash flow.

Over the last 12 months, action has been taken on key risks that were identified in the Risk Register. At September 2020, the remaining high risks were:

1. Business model proves unsustainable
2. Strategic objectives are not met
3. Changes in external context
4. Insufficient cash
5. Building not let to target
6. Stakeholder confidence is reduced due to reputational damage

Since the year end however, the Charity has made significant progress in adjusting the business model on to a more sustainable basis. The cash position has been improved by both final trading performance and the confirmation of the CBILS loan. The key remaining risks are:

1. Coronavirus pandemic continues to restrict the Charity's ability to hire the building
2. Organisation lacks staffing capacity to deliver the Business Plan
3. IT systems and processes require further professionalisation
4. HR practices require further improvement

## **Looking to the Future**

### **The Year Ahead**

The Charity's mission to "empower young people to change their world through the arts" remains central to the year ahead and beyond.

The six-year business plan 2020-26 sets out the following high-level objectives:

1. Produce innovative artistic work that expresses the positive voice of contemporary Britain
2. Use the arts to empower people, connect them to high-quality opportunities and work to reduce persistent inequality in our society
3. Become a recognised hub for organisations that share our creative and social aims
4. Grow the number of our annual beneficiaries from hundreds to many thousands
5. Professionalise every aspect of what we do to deliver inspirational arts activities, locally and nationally

The strategic focus for the year ahead is to continue to improve efficiency through the development of an experienced administrative function to centralise all back-office functions such as file and data management, HR

## **Wac Arts**

### **Consolidated Financial Statements for the year to 30 September 2020**

and some financial processing. Salesforce CRM will be implemented further across the organisation as part of wider improvements planned for business processes, data collection and reporting. An external review of Governance will be commissioned and further changes to the organisation structure will be made to ensure the Charity has the team and structures needed to transform the scale and quality of the work it provides for the benefit of the public.

#### **Post Balance Sheet Events**

##### **COVID-19**

In early 2020 (well after the balance sheet date), the pandemic and the associated Government restrictions caused major operational and financial difficulties for many organisations, including Wac Arts. Artistic activities had to be paused (although some activity was still delivered online), and commercial hires of the building had to be stopped; inevitably this impacted significantly on Wac Arts' finances. A number of staff were furloughed, during a challenging period for the organisation, its people, and its beneficiaries. Wac Arts reacted with resilience to these challenges, although it became necessary to make significant changes to the future operating model to survive.

##### **Loan Finance**

The effects of the COVID Pandemic, and the lack of external funds to finance the cost of the IOWA project caused the Board to seek additional loan finance to manage Wac Arts' cash flow in mid-2019. The Charity had had an application for a £400,000 Coronavirus Business Interruption Loan Scheme approved from the Co-operative Bank in July 2020, and this was eventually drawn down in January 2021). A supporting business plan was prepared which set out the Charity's plans to repay the loan over a 6-year period. This plan, together with the availability of additional loan finance enable the Trustees to be confident that Wac is a going concern. The Charity will consider repaying all or some the loan over the next year if circumstances allow.

#### **Board of Trustees' Responsibilities**

Company law requires the Trustees to prepare financial statements for each financial year. 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 profit or loss of the charity 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 judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue on that basis.

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.

## Wac Arts

### Consolidated Financial Statements for the year to 30 September 2020

In accordance with company law, each of the persons who are Trustees at the time when this report is approved has confirmed that:

- (a) so far as each Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware; and
- (b) each Trustee has taken all the steps that ought to have been taken as a Trustee, including making appropriate enquiries of fellow directors and the charity's auditors for that purpose, in order to be aware of any information needed by the charity's auditors in connection with preparing their report and to establish that the charity's auditors are aware of that information.

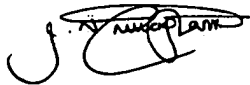
The members each agree to contribute an amount not exceeding £10 to the assets of the charity in the event of it being wound up whilst a member and for one year after ceasing to be a member. The amount of these guarantees at 30 September 2020 was £100 (2019: £90).

Trustees have no beneficial interest in the charity and are not remunerated.

#### Statement on Public Benefit

The Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to public benefit published by the Charity Commission in determining the activities undertaken by the charity. The identifiable benefits are set out in this report as are the aims of the Charity and the beneficiary groups.

This report, which incorporates the Strategic Report, was approved by the Board of Trustees and signed on its behalf on 14<sup>th</sup> June 2021 by:



**Justina Cruickshank**  
Chair

## Wac Arts

### Consolidated Financial Statements for the year to 30 September 2020

#### Independent Auditor's Report to the Members of Wac Arts

##### Opinion

We have audited the financial statements of WAC Arts (the 'parent charity') and its subsidiary ('the group') for the year ended 30 September 2020 which comprise the consolidated Statement of Financial Activities (including the Income and Expenditure Account), the consolidated and charity Balance Sheets, consolidated statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 30 September 2020 and of the group's income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

##### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or parent charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

##### Other information

The other information comprises the information included in the Trustees' Report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

##### Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and

## Wac Arts

### Consolidated Financial Statements for the year to 30 September 2020

- the directors' report, included within the Trustees' Report, has been prepared in accordance with applicable legal requirements.

#### Matters on which we are Required to Report by Exception

In the light of the knowledge and understanding of the group and the parent charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of Trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

#### Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charity or to cease operations, or have no realistic alternative but to do so.

#### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

*Knox Cropper LLP*

Simon Goodridge (Senior Statutory Auditor)  
For and on behalf of Knox Cropper LLP (Statutory Auditor)  
65 Leadenhall Street  
London EC3A 2AD

Date: 22/06/21

**Wac Arts**  
**Consolidated Financial Statements for the year to 30 September 2020**

**Consolidated Statement of Financial Activities**

	<b>Note</b>	<b>Restricted 2020 £</b>	<b>Unrestricted 2020 £</b>	<b>Total 2020 £</b>	<b>Total 2019 £</b>
<b>Income from:</b>					
Grants and donations	2	204,534	306,268	510,802	581,240
Charitable activities		685,070	763,894	1,448,964	1,456,207
Other income		-	7,040	7,040	16,822
Investment income		219	-	219	412
<b>Total income</b>		<u>889,823</u>	<u>1,077,202</u>	<u>1,967,025</u>	<u>2,054,681</u>
<b>Expenditure on:</b>					
<b>Charitable activities:</b>					
Service and projects expenditure	3	1,065,881	501,354	1,567,235	1,547,090
Centre management	3	3,036	518,510	521,546	872,807
<b>Total expenditure</b>	3	<u>1,068,917</u>	<u>1,019,864</u>	<u>2,088,781</u>	<u>2,419,897</u>
Transfers between funds	12	-	-	-	-
<b>Net Movement of Funds</b>		<u>(179,094)</u>	<u>57,338</u>	<u>(121,756)</u>	<u>(365,216)</u>
<b>Reconciliation of funds</b>					
Funds at 1 October 2019		6,367,193	148,584	6,515,777	6,880,993
<b>Funds at 30 September 2020</b>	12	<u>6,188,099</u>	<u>205,922</u>	<u>6,394,021</u>	<u>6,515,777</u>

All of the charity's activities are classed as continuing. All recognised gains and losses are shown above. The comparative year's Statement of Financial Activities is included in note 20.

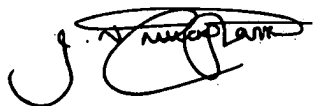


**Wac Arts**  
**Consolidated Financial Statements for the year to 30 September 2020**

**Consolidated and Charity Balance Sheets**  
**Company Number: 1158819**

		30 September 2020		30 September 2019	
	Note	Group £	Wac Arts £	Group £	Wac Arts £
<b>Tangible fixed assets</b>	6	6,624,818	345,745	6,788,223	332,872
<b>Non-Current Assets</b>					
Amount due from Related Charity	7	-	102,640	-	96,640
<b>Current Assets</b>					
Debtors	8	86,310	86,310	202,319	202,319
Cash at bank and in hand		415,172	403,506	128,070	116,588
		-----	-----	-----	-----
		501,482	489,816	330,389	318,907
<b>Creditors, amounts falling due Within one year</b>	9	(524,632)	(524,632)	(373,809)	(370,809)
		-----	-----	-----	-----
<b>Net Current Liabilities</b>		(23,150)	(34,816)	(43,420)	(51,902)
<b>Creditors, amounts falling due After more than one year</b>	11	(207,647)	(207,647)	(229,026)	(229,026)
		-----	-----	-----	-----
		6,394,021	205,922	6,515,777	148,584
		=====	=====	=====	=====
<b>Funds</b>					
Restricted funds	1(j), 12	6,188,099	-	6,367,193	-
Unrestricted funds	1(j), 12	205,922	205,922	148,584	148,584
		-----	-----	-----	-----
		6,394,021	205,922	6,515,777	148,584
		=====	=====	=====	=====

The financial statements were approved and authorised for issue by the Board of Trustees on 14th June 2021 and signed on its behalf by



Justina Cruickshank, Chair

**Wac Arts**

**Consolidated Financial Statements for the year to 30 September 2020**

**Consolidated Cash Flow Statement**

	2020 £	2019 £
<b>Net cash (outflow)/inflow from operating activities</b>		
Net movement in funds	(121,756)	(365,216)
Investment income	(219)	(412)
Interest payable	11,036	2,532
Depreciation	189,224	187,437
Disposal of fixed assets	-	800
(Increase)/ Decrease in debtors	116,009	(111)
(Decrease) in creditors	152,910	(116,878)
	-----	-----
<b>Net cash (used in)/provided by operating activities</b>	347,204	(291,848)
	-----	-----
<b>Cash flow from investing activities</b>		
Investment income	219	412
Purchase of tangible fixed assets	(25,819)	(5,125)
	-----	-----
<b>Net cash used in investing activities</b>	(25,600)	(4,713)
	-----	-----
<b>Cash flows from financing activities</b>		
Cash inflows from new borrowing	-	260,000
Loan repayments	(23,466)	(7,953)
Interest paid	(11,036)	(2,532)
	-----	-----
<b>Net cash used in financing activities</b>	(34,502)	249,515
	-----	-----
<b>Net change in cash and cash equivalents in the year</b>	287,102	(47,046)
<b>Cash and cash equivalents at the beginning of the year</b>	128,070	175,116
	-----	-----
<b>Cash and cash equivalents at the end of the year</b>	415,172	128,070
	=====	=====
<b>Analysis of cash and cash equivalents</b>		
Cash at bank	415,172	128,070
	-----	-----
	415,172	128,070
	=====	=====

**Analysis of changes in net debt:**

	At 30 Sept 2019	Cash flows	At 30 Sept 2020
<b>Cash and cash equivalents</b>	128,070	287,102	415,172
<b>Borrowings:</b>			
Debt due within one year	(3,466)	(17,912)	(21,378)
Debt due after one year	(229,026)	21,379	(207,647)
	-----	-----	-----
	(232,492)	3,467	(229,025)
	-----	-----	-----
<b>Total</b>	(104,422)	290,569	186,147
	=====	=====	=====

## Wac Arts

### Consolidated Financial Statements for the year to 30 September 2020

#### Notes

#### 1. Accounting Policies

##### (a) Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. The format of the financial statements has been presented to comply with the Companies Act 2006, FRS102 *The Financial Reporting Standard applicable in the UK and Ireland* and the Statement of Recommended Practice *Accounting and Reporting by Charities* (FRS102 SORP second edition). Figures are presented in sterling and rounded to the nearest pound. The Charity is a Public Benefit Entity as defined by FRS102.

These financial statements include the results, assets and liabilities of the main charity, Wac Arts, together with its subsidiary, The Hamden Trust (company number 03036627). A separate statement of financial activities for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by Section 408 of the Companies Act 2006. The Net Movement in Funds of the Parent was a deficit of £57,338.

##### (b) Going concern

The Trustees have considered the impact of Covid-19 on going concern. The Trustees consider that there are no material uncertainties which would cast doubt on the Group's ability to continue as a going concern based on their consideration of long term cashflows and the forecasts prepared to support the charity's Government Coronavirus Business Interruption Scheme (CBILS) loan application in summer 2020 (£400,000 having been drawn down in January 2021, after year-end). The Trustees have considered the positive performance against budget (and forecasts included in the CBILS application) during 2019/20 and 2020/21 to inform their view that the Charity remains a going concern.

##### (c) General information

The Charity is a company limited by guarantee, incorporated in England and Wales (company number: 1158819) and a charity registered in England and Wales (charity number: 267043). The registered office is The Old Town Hall, 213 Haverstock Hill, London NW3 4QP.

##### (d) Significant judgements and estimation uncertainty

In preparing these financial statements the trustees have had to make estimates and assumptions that affect the amounts recognised in these financial statements. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Key areas subject to judgement and estimation are as follows:

Fixed asset depreciation. Judgement is applied when assigning anticipated average lives to the fixed assets of the charity.

##### (e) Income

Income is included in the statement of financial activities when the Charity is entitled to the income, its receipt is probable and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Voluntary income is received by way of donations and gifts and are recognised when receivable or when the Charity becomes legally entitled to them and receipt is probable and they can reasonably be measured in financial terms.

Fee income (from sales, room hire and training services), investment income, including interest receivable, and other miscellaneous income are accounted for on a receivable basis.

Revenue grants are credited to the Statement of Financial Activities when receivable, unless they relate to a specified future or prior period, in which case they are deferred or accrued respectively. Grants received specifically for the purchase of fixed assets are credited to restricted funds when received.

## Wac Arts

### Consolidated Financial Statements for the year to 30 September 2020

#### (f) Expenditure

Costs of charitable activities consist of all expenditure directly relating to the objects of the Charity. Support costs which cannot be directly allocated are apportioned between charitable activities and governance costs on the basis of the Trustee's estimate of the time spent on the relevant functions. Employment benefits, including holiday pay, are recognised in the period in which they are earned. Termination benefits are recognised in the period in which the decision is made and communicated to the relevant employee(s).

Governance costs include expenditure on management and compliance with constitutional and statutory requirements. Certain expenditure is directly attributable to specific activities and has been included in those cost categories. Support costs, which are attributable to more than one activity, are apportioned across cost categories on a basis consistent with the use of resource.

#### (g) Fixed assets

Individual fixed assets costing £500 or more are capitalised at cost.

Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life as follows:

Studio Equipment	50% straight line
Land	Not depreciated
Fixtures and fittings	25% straight line
Computer equipment	25% straight line
Leasehold buildings	2% per annum
Improvement to properties -	Straight line over the shorter of
	- the term of the lease, or
	- 2% per annum
Artwork	Not depreciated

#### (h) Financial instruments

##### *Debtors*

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

##### *Cash and cash equivalents*

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

##### *Creditors*

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

#### (i) Leased assets

Rentals applicable to operating leases are charged to the SOFA over the period in which the cost is incurred. Assets purchased under finance lease are capitalised as fixed assets. Obligations under such agreements are included in creditors. Finance charges are written off to the SOFA over the period of the lease so as to produce a constant periodic rate of charge.

#### (j) Fund accounting

*Restricted funds* – these are funds which 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.

*Unrestricted funds* – these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.

# Wac Arts

## Consolidated Financial Statements for the year to 30 September 2020

### (k) Pensions

This year the Trust has made available pensions for all qualifying staff in order to comply with the government's auto enrolment scheme regulations. Contributions to this defined contribution pension scheme are recognised as expenditure when they fall due.

### 2. Income from Grants and Donations

	Restricted Funds £	Unrestricted Funds £	Total 2020 £	Total 2019 £
<b>Wac Arts (for 2019-20)</b>				
Camden – Youth Committee	30,400	-	30,400	50,004
Individual Donations	8,186	75,535	83,721	175,096
Trusts and Foundations	165,948	121,640	287,588	356,140
Furlough Grant	-	109,093	109,093	-
	-----	-----	-----	-----
	204,534	306,268	510,802	581,240
	=====	=====	=====	=====

### 3. a Total Resources Expended: Wac Arts

	Service and Projects £	Centre Management £	Total 2020 £	Total 2019 £
<b>Wac Arts (for 2019-20)</b>				
Staff costs and tutor fees	777,160	292,628	1,069,788	1,301,093
Other direct costs	270,760	124,590	395,350	364,767
Audit fee	-	12,500	12,500	19,000
<i>Allocation of support costs:</i>				
General staff costs	9,649	22,349	31,998	119,190
Premises expenses	306,799	11,192	317,991	311,900
Depreciation	6,672	6,274	12,946	11,159
Insurance	12	15,285	15,297	36,267
Professional fee	19,904	26	19,930	33,789
Irrecoverable VAT	-	33,668	33,668	43,419
	-----	-----	-----	-----
	1,390,956	518,512	1,909,468	2,240,584
	=====	=====	=====	=====

<b>Wac Arts (comparatives for previous year)</b>	<b>Service and Projects £</b>	<b>Centre Management £</b>	<b>Total 2019 £</b>
Staff costs and tutor fees	692,310	608,783	1,301,093
Other direct costs	312,914	51,853	364,767
Audit fee	-	19,000	19,000
<i>Allocation of support costs:</i>			
General staff costs	34,384	84,806	119,190
Premises expenses	311,839	61	311,900
Depreciation	-	11,159	11,159
Insurance	4,532	31,735	36,267
Professional fee	14,833	18,956	33,789
Irrecoverable VAT	-	43,419	43,419
	-----	-----	-----
	1,370,812	869,772	2,240,584
	=====	=====	=====

# Wac Arts

## Consolidated Financial Statements for the year to 30 September 2020

### 3. b Total Resources Expended: Group

Group	Service and Projects £	Centre Management £	Total 2020 £	Total 2019 £
Staff costs and tutor fees	777,160	292,628	1,069,788	1,301,093
Other direct costs	270,760	124,625	395,385	364,802
Audit fee	-	15,500	15,500	22,000
<i>Allocation of support costs</i>				
General staff costs	9,649	22,349	31,998	119,190
Premises expenses	306,799	11,192	317,991	311,900
Depreciation	182,951	6,273	189,224	187,437
Insurance	12	15,285	15,297	36,267
Professional fee	19,904	26	19,930	33,789
Irrecoverable VAT	-	33,668	33,668	43,419
	-----	-----	-----	-----
	1,567,235	521,546	2,088,781	2,419,897
	=====	=====	=====	=====

Group (comparatives for previous year)	Service and Projects £	Centre Management £	2019 £
Staff costs and tutor fees	692,310	608,783	1,301,093
Other direct costs	312,914	51,888	364,802
Audit fee	-	22,000	22,000
<i>Allocation of support costs:</i>			
General staff costs	34,384	84,806	119,190
Premises expenses	311,839	61	311,900
Depreciation	176,278	11,159	187,437
Insurance	4,532	31,735	36,267
Professional fee	14,833	18,956	33,789
Irrecoverable VAT	-	43,419	43,419
	-----	-----	-----
	1,547,090	872,807	2,419,897
	=====	=====	=====

Support costs are allocated according to the proportion of staff time or floor space used by each activity.

### 4. a Staff costs and numbers

	2020 £	2019 £
Wages and salaries	978,589	1,190,970
Social security costs	72,044	87,145
Pension scheme contributions	19,155	22,978
	-----	-----
	1,069,788	1,301,093
	=====	=====

One employee received more than £60,000 (£90k-£100k) during the year (2019 – 1 received £60k - £70k).

Key management personnel received salary, benefits and pension contributions of £190,168 (2019: £154,593) during the year.

The average number of persons employed during the year was 119 (2019: 95). There were 2 redundancies, receiving redundancy payments of £8,207.

## Wac Arts

### Consolidated Financial Statements for the year to 30 September 2020

The overall reduction in staff costs from prior year was primarily due to planned reorganisation and cessation of some activity including a capital project. There were also some changes in allocation which contributed to an increase in centre management direct costs and a corresponding reduction in general staff costs compared with the prior year.

#### 4. b Trustees Remuneration and Expenses – Wac Arts and Group

Trustees received no remuneration during the period (2019: Nil).

No expenses were reimbursed during the period to any Members (2019: £Nil).

#### 4. c Trustee Donations

All trustees donate to the charity. During the financial year 2019/20 total donations from trustees came to £5,110 (2019: £8,886).

#### 5. Net movement on funds

	2020		2019	
	Group £	Wac Arts £	Group £	Wac Arts £
This is stated after charging:				
Depreciation (note 5)	189,224	12,946	187,437	11,159
Auditors' fees	16,000	13,000	16,000	13,000
	=====	=====	=====	=====

#### 6. a Tangible Fixed Assets: Wac Arts

	Building Improv'm'ts £	Studio Equipment £	Fixtures & Fittings £	Plant & Equipment £	Motor Vehicles £	Total Wac Arts £
<b>Cost</b>						
At 1 October 2019	335,559	-	103,262	204,651	-	643,472
Additions	9,327	-	-	16,492	-	25,819
At 30 Sept' 2020	<u>344,886</u>	<u>-</u>	<u>103,262</u>	<u>221,143</u>	<u>-</u>	<u>669,291</u>
<b>Depreciation</b>						
At 1 October 2019	11,289	-	103,262	196,049	-	310,600
Charge for period	6,672	-	-	6,274	-	12,946
At 30 Sept' 2020	<u>17,961</u>	<u>-</u>	<u>103,262</u>	<u>202,323</u>	<u>-</u>	<u>323,546</u>
<b>Net Book Value</b>						
At 30 Sept' 2020	<u>326,925</u>	<u>-</u>	<u>-</u>	<u>18,820</u>	<u>-</u>	<u>345,745</u>
At 30 Sept' 2019	<u>324,270</u>	<u>-</u>	<u>-</u>	<u>8,602</u>	<u>-</u>	<u>332,872</u>

# Wac Arts

## Consolidated Financial Statements for the year to 30 September 2020

### 6. b Tangible Fixed Assets: Group

	Freehold Long Lease £	Long Leasehold Building £	Studio Equipment £	Improvements, Artwork and Building £	Fixtures and Fittings	Motor Vehicles £	Total £
<b>Cost</b>							
At 1 October 2019	330,500	900,000	-	8,250,933	453,062	-	9,934,495
Additions	-	-	-	9,327	16,492	-	25,819
At 30 Sept' 2020	330,500	900,000	-	8,260,260	469,554	-	9,960,314
<b>Depreciation</b>							
At 1 October 2019	-	275,727	-	2,426,085	444,460	-	3,146,272
Charge for period	-	18,000	-	164,950	6,274	-	189,224
At 30 Sept' 2020	-	293,727	-	2,591,035	450,734	-	3,335,496
<b>Net Book Value</b>							
At 30 Sept' 2020	330,500	606,273	-	5,669,225	18,820	-	6,624,818
At 30 Sept' 2019	330,500	624,273	-	5,824,848	8,602	-	6,788,223

### 7. Non-current Asset – Amount due from Related Charity

The non-current asset relates to amounts due from Hamden Trust. The increase in the year relates to audit fees paid by WAC Arts on behalf of Hamden Trust.

### 8. Debtors

	2020		2019	
	Group £	Wac Arts £	Group £	Wac Arts £
Trade debtors	11,806	11,806	94,819	94,819
Other debtors	1,049	1,049	1,355	1,355
Prepayments and accrued income	73,455	73,455	106,145	106,145
	-----	-----	-----	-----
	86,310	86,310	202,319	202,319
	=====	=====	=====	=====



# Wac Arts

## Consolidated Financial Statements for the year to 30 September 2020

9. Creditors: amounts falling due within one year	2020		2019	
	Group £	Wac Arts £	Group £	Wac Arts £
Trade creditors	60,158	60,158	81,323	81,323
Taxation and social security	63,767	63,767	58,401	58,401
Grants in advance	-	-	10,006	10,006
Loan from Triodos Bank (note 11)	21,378	21,378	3,466	3,466
Loan from Donors	40,000	40,000	60,000	60,000
Other creditors and accruals	89,410	89,410	94,478	91,478
Deferred income (Note 10)	249,919	249,919	66,135	66,135
	-----	-----	-----	-----
	524,632	524,632	373,809	370,809
	=====	=====	=====	=====

10. Deferred income	2020		2019	
	Group £	Wac Arts £	Group £	Wac Arts £
Balance at 1 October	66,135	66,135	94,395	94,395
Amount released to incoming resources	(66,135)	(66,135)	(94,395)	(94,395)
Amount deferred in the year	249,919	249,919	66,135	66,135
	-----	-----	-----	-----
	249,919	249,919	66,135	66,135
	=====	=====	=====	=====

11. Creditors: amounts falling due after more than one year	2020		2019	
	£		£	
Loan from Triodos bank				
Due between 1 and 2 years	22,416		21,378	
Due between 2 and 5 years	73,992		96,409	
Due after 5 years	111,239		111,239	
	-----		-----	
Balance at 30 September 2020	207,647		229,026	
	=====		=====	

The charity took a long term borrowing facility from Triodos Bank N.V. of £232,481 in 2019 to help the organisation manage its cashflow as it looked to initiate a capital project to re-develop the Old Town Hall on behalf of The Hamden Trust, a related charity.

The loan is for a period of 10 years from the date of draw-down (25th August 2019) and is secured on the freehold property of 213 Haverstock Hill (the Old Town Hall).

After a 12-month interest-only period, the loan is repayable in 228 consecutive monthly payments of capital and interest. Interest is payable at a rate of 4.75%. Capital payments began in August 2020, so 2 payments were made in the 2019/20 financial year.

# Wac Arts

## Consolidated Financial Statements for the year to 30 September 2020

12. Movement on funds	At 1 October 2019 £	Total Incoming Resources £	Total Resources Expended £	Transfers £	At 30 September 2020 £
<b>Group</b>					
<b>Restricted Funds</b>					
Wac Arts					
Town Hall leasehold acquisition	900,000	-	-	-	900,000
Freehold land	212,000	-	-	-	212,000
Bridge House					
Estates Trust Fund	300,000	-	-	-	300,000
Right of Way	118,500	-	-	-	118,500
Wac Arts Programme					
Costs	-	889,604	(889,603)	-	1
Town Hall Project	4,836,693	219	(179,314)	-	4,657,598
Costs					
	6,367,193	889,823	(1,068,917)	-	6,188,099
<b>Unrestricted funds</b>					
General	148,584	1,077,202	(1,019,864)	-	205,922
	6,515,777	1,967,025	(2,088,781)	-	6,394,021

13. Movement on funds	At 1 October 2018 £	Total Incoming Resources £	Total Resources Expended £	Transfers £	At 30 September 2019 £
<b>Group</b>					
<b>Restricted Funds</b>					
Wac Arts					
Town Hall leasehold acquisition	900,000	-	-	-	900,000
Freehold land	212,000	-	-	-	212,000
Bridge House					
Estates Trust Fund	300,000	-	-	-	300,000
Right of Way	118,500	-	-	-	118,500
Wac Arts Programme					
Costs	-	941,428	(941,428)	-	-
Town Hall Project	5,016,006	-	(179,313)	-	4,836,693
Costs					
	6,546,506	941,428	(1,120,741)	-	6,367,193
<b>Unrestricted funds</b>					
General	334,487	1,113,253	(1,299,156)	-	148,584
	6,880,993	2,054,681	(2,419,897)	-	6,515,777

Restricted funds consist of grants and donations restricted to the purposes as described in each fund's title above. Transfers represent restricted funds spent on fixed assets.

# Wac Arts

## Consolidated Financial Statements for the year to 30 September 2020

### 14. Analysis of Net Assets between Funds

#### Group

Fund balances at 30 September 2020 are represented by:

	Restricted £	Unrestricted £	2020 £
Tangible fixed assets	6,279,073	345,745	6,624,818
Net long-term assets/(liabilities)	(102,640)	(105,007)	(207,647)
Net current assets/(liabilities)	11,666	(34,816)	(23,150)
<b>Total Net Assets</b>	<b>6,188,099</b>	<b>205,922</b>	<b>6,394,021</b>

	Restricted £	Unrestricted £	2019 £
Tangible fixed assets	6,455,351	332,872	6,788,223
Net long-term assets/(liabilities)	(96,640)	(132,386)	(229,026)
Net current assets/(liabilities)	8,482	(51,902)	(43,420)
<b>Total Net Assets</b>	<b>6,367,193</b>	<b>148,584</b>	<b>6,515,777</b>

### 15. Taxation

The company is a registered charity and, as such, is not liable to corporation tax on its charitable operations.

### 16. Lease Commitments

	2020 £	2019 £
The total of future minimum lease payments under non-cancellable operating leases for each of the following periods:		
Not later than one year	9,126	11,621
Later than one year and not later than five years	20,920	3,023
More than five years	872	-
<b>Total Net Assets</b>	<b>30,918</b>	<b>14,644</b>

### 17. Connected Charities

The members of the Board of Trustees of Wac Arts are also the Board of Trustees of The Hamden Trust.

### 18. Pensions

The Charity contributes to certain individual employees' personal pension schemes. In addition, the Charity makes pension contributions for all eligible staff to comply with the Government's auto enrolment scheme regulations. The pension charge for the period was £19,155 (2019: £22,978).

**Wac Arts**

**Consolidated Financial Statements for the year to 30 September 2020**

**19. Financial instruments**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Financial assets measured by amortised cost	12,855	94,819
Financial liabilities measured by amortised cost	329,183	373,815

Financial assets measured at amortised cost comprise trade other debtors. Financial liabilities measured at amortised cost comprise loans and trade creditors.

**20. Statement of Financial Activities for the year ended 30 September 2019  
(for comparative purposes)**

	<b>Note</b>	<b>Restricted 2019 £</b>	<b>Unrestricted 2019 £</b>	<b>Total 2019 £</b>
<b>Income from:</b>				
Grants and donations		356,729	224,511	581,240
Charitable activities		584,699	871,508	1,456,207
Other income		-	16,822	16,822
Investment income		-	412	412
		-----	-----	-----
<b>Total income</b>		<b>941,428</b>	<b>1,113,253</b>	<b>2,054,681</b>
		=====	=====	=====
<b>Expenditure on:</b>				
<b>Charitable activities:</b>				
Service and projects expenditure	3	1,117,706	429,384	1,547,090
Centre management	3	3,035	869,772	872,807
		-----	-----	-----
<b>Total expenditure</b>	<b>3</b>	<b>1,120,741</b>	<b>1,299,156</b>	<b>2,419,897</b>
		=====	=====	=====
Transfers between funds	12	-	-	-
		-----	-----	-----
<b>Net Movement of Funds</b>		<b>(179,313)</b>	<b>(185,903)</b>	<b>(365,216)</b>
		-----	-----	-----
<b>Reconciliation of funds</b>				
Funds at 1 October 2018		6,546,506	334,487	6,880,993
		-----	-----	-----
<b>Funds at 30 September 2019</b>	<b>12</b>	<b>6,367,193</b>	<b>148,584</b>	<b>6,515,777</b>
		=====	=====	=====

## **Wac Arts**

### **Consolidated Financial Statements for the year to 30 September 2020**

#### **21. Post Balance Sheet Event**

The Covid-19 pandemic and the associated Government restrictions caused major operational and financial difficulties for many organisations, including reduced access to the building for an ongoing period after the balance sheet date. The charity is treating Covid 19 as a non-adjusting post balance sheet event as it had no effect on the amounts included in the balance sheet at the year end.

The pandemic resulted in Wac Arts to seek additional loan finance to manage the cash flow of the related charity. An application for a £400,000 Coronavirus Business Interruption Loan Scheme was approved from the Co-operative Bank (July 2020), and was drawn down in January 2021. The loan was secured through a corporate guarantee from Hamden Trust and second legal charge over the property. A supporting business plan was prepared which set out the Charity's plans to repay the loan over a 6-year period. This plan, together with the availability of additional loan finance enable the Trustees to be confident that Wac and the group are going concerns.