

Registered number: 2693334  
Charity number: 1051317

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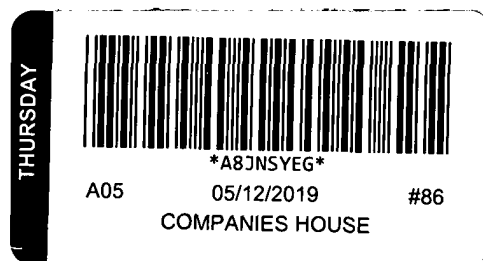
Citadel Arts Limited

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**INDEPENDENTLY EXAMINED ACCOUNTS**  
**FOR THE YEAR ENDED 31/03/2019**

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**Prepared By:**  
Harvey Guinan LLP  
Chartered Certified Accountants  
310/311 Vanilla Factory  
39 Fleet Street  
Liverpool  
Merseyside  
L1 4AR



**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31/03/2019**

**TRUSTEES**

Carl Bccr  
Andrew Cave  
Christopher Coffey  
Graeme Dixon  
Kevin Jones MBE ( Chair)  
Lady AK Pilkington  
Eric Smith (resigned 12/06/2018)  
Jayne Hobin-Wright ( resigned 13/06/2018)  
Karen Metcalfe

**SECRETARY**

Fay Lamb

**REGISTERED OFFICE**

9a Haydock Street  
St Helens  
Merseyside  
WA10 1DD

**COMPANY NUMBER**

2693334

**CHARITY NUMBER**

1051317

**BANKERS**

Natwest Bank plc, PO box 25, 5 Ormskirk Street. St Helens, Merseyside WA10 1DR

**SOLICITORS**

Barrow & Cook, 5-7 Victoria Square, St Helens, Merseyside, WA10 1HQ

**INDEPENDENT EXAMINER: Julie Guinan FCCA**

Harvey Guinan LLP  
Chartered Certified Accountants  
310/311 Vanilla Factory

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31/03/2019**

39 Fleet Street  
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**ACCOUNTS  
FOR THE YEAR ENDED 31/03/2019**

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**FOR THE YEAR ENDED 31/03/2019**

**TRUSTEES' REPORT**

The trustees present their report and accounts for the year ended 31/03/2019 .

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

**CHAIRS REPORT**

Following a relatively successful year to 31/3/19, in a financially challenging environment, it was with great sadness that on the 30th June 2019 we had to succumb to the inevitable and close the doors of the Citadel Arts Centre for good. A sad day for the town of St. Helens and for everyone involved over the years.

However, we certainly went out with a bang. A great performance by the choir, the youth theatre group and the writers & poets who created an afternoon of memorable magic. This was followed in the evening by a jovial & spectacular send-off hosted by our very own Johnny Vegas. Not a dry eye remained in the house. What a perfect end to an illustrious & much admired history of the Citadel Arts Centre.

Of course, it goes without saying that the closure could not have been successfully completed without the tireless work of Fay, Marie, Danny and their teams. Every credit to them for a professional and compliant wind-down of the old business. Effectively and sensitively handled throughout.

The decision to close the building was not taken lightly and required many hours of debate & discussion at Board level. We wanted to save the charity and it's outstanding work by bringing forward a working reserve of £155k. This gave us a positive foothold going forward which would not have been possible by keeping the Arts Centre open. We must now concentrate on our artistic future.

The Citadel charity continues with new spaces, new visions & new challenges. We are requesting ongoing funding from Arts Council England and also the local Council; although this is an uphill struggle in view of their own financial constraints. As ever, the Rainford Trust have been exemplary in their support of Citadel Arts and we sincerely hope to be able to maintain a great working relationship with them going forward.

I very much hope that our devoted and valued supporters will continue to attend all future performances wherever they may be, which will help us to maintain the essential work of the Citadel on its new & creative journey.

The Board and staff will work tirelessly to build on the highly regarded reputation of the Citadel as we look forward to a bright & varied future. Thank you for your support.

Kevin M Jones MBE

Chairperson - Citadel Board

FOR THE YEAR ENDED 31/03/2019

**TRUSTEES' REPORT**

**STRUCTURE GOVERNANCE AND MANAGEMENT**

The charity is a company limited by guarantee incorporated on 3 March 1992 and registered as a charity on 7 December 1995. The company was established under a Memorandum of Association which established the objects and powers of the charity and is governed under its Articles of Association. On July 1 2019 the company The Citadel Arts Centre changed its name to Citadel Arts Limited.

**TRUSTEES AND PRINCIPAL OFFICERS**

The names of the trustees who held office during the year can be found on Page 1.

At the Annual General Meeting Andrew Cave and Kevin Jones retire by rotation and being eligible offer themselves for re-election. The appointment and resignation of trustees are governed by the memorandum and Articles of Association.

No trustee received any remuneration for their services as a trustee. No trustee has an interest in the contracts of the charity.

**SENIOR MANAGEMENT**

Fay Lamb - Chief Executive.

**PAY OF SENIOR STAFF**

The pay of senior staff is reviewed and reflects the level of skill experience and knowledge for the roles and remuneration levels in the sector.

**ORGANISATION**

The Trustees meet quarterly in accordance with a schedule of meetings set twelve months in advance. In between regular Board meetings, the Finance and Planning Committee meet with the executive management and report business transacted back to the Board. The Board agrees policy and oversees the management of the organisation, which is implemented and carried out on a day to day basis by the full time staff. In setting policy the Board of Trustees gives due consideration to guidance issued by the Charity Commission concerning public benefit.

**INVESTMENT POWERS**

Under the memorandum and articles of association the charity has the power to make any investment which the trustees see fit.

**RELATED PARTIES**

The charity has close relationships with St Helens Metropolitan Borough Council and the Rainford Trust who provide funding and opportunities to develop joint initiatives and deliver joint activities.

**FOR THE YEAR ENDED 31/03/2019**

**TRUSTEES' REPORT**

**STATEMENT OF TRUSTEES RESPONSIBILITIES**

The charity trustees (who are also the directors of Citadel Arts Centre Limited for the purposes of Company Law) are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare the financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the net incoming or outgoing resources of the charity for that period. In preparing the financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements 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;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**POLICIES AND PROCEDURES FOR INDUCTION AND TRAINING OF TRUSTEES**

Following the recruitment process a new trustee will meet with the Chair, Chief Executive and relevant key staff to go through an induction pack, which includes;

- History of the organisation
- Memorandum and Articles of Association
- Current business plan and budget
- Mission statement and equal opportunities policy
- Latest annual report and accounts

**FOR THE YEAR ENDED 31/03/2019**

**TRUSTEES' REPORT**

- Staff Handbook
- Recent and forthcoming programming information
- Roles and Responsibilities of board members
- Board List with contact details and brief biographies
- Minutes of the last four board meetings
- Board meeting schedule
- Organisation chart, list of staff and brief biographies of senior staff.

At a meet and greet session with board members, employees and volunteers, there is opportunity for informal discussion and to become acquainted with the team. The new trustee will also receive a tour of the building. Trustees have been advised of any suitable training courses provided by training providers.

**PURPOSES AND ACTIVITIES**

The principal activity of the charity in the year under review was operating a Theatre and Arts Centre .

In accordance with the Memorandum of Association, Citadel Arts Centre Limited is established to foster, promote, maintain, improve, develop and advance education and artistic knowledge and understanding and appreciation of the arts, by the encouragement of the arts, including the arts of drama, mime, dance, singing and music, the visual arts, craft, performance and film and to formulate, prepare and establish schemes therefore provided that all objects of the company shall be of a charitable nature.

**CITADEL ARTS CENTRE MISSION STATEMENT**

This statement addresses the public benefits delivered by the charity.

**VISION**

To create an indispensable community resource based on the values of artistic integrity and financial viability.

**MISSION**

To contribute to people's well-being by creating positive cultural experiences (in arts, theatre, music and dance) which enhance the life of local and regional residents.

**PRINCIPAL AIMS:**

**REPUTATION:**



**FOR THE YEAR ENDED 31/03/2019**

**TRUSTEES' REPORT**

- The Citadel aims to develop a financially and artistically sustainable independent arts organisation. We will use our experience to work in partnership to strategically deliver culture-centred provision across the borough, aiming to increase awareness of the Citadel as a locally, regionally and nationally significant arts destination.

**PERFORMANCE:**

- The Citadel aims to provide a high quality, distinctive performance programme of music, theatre and exhibitions in the Citadel Arts Centre and the local community which attract local, regional, national and international artists and audiences.

**PARTICIPATION:**

- The Citadel aims to provide a high quality, wide-ranging programme of participative arts for all ages and abilities which benefits the local community of St Helens. We will widen access to both professional and amateur arts, creating positive learning experiences which promote the Citadel as a happy and fun place to be, striving for equality of physical and sensory access by all.

**VALUES**

- To deliver excellent customer service
- To ensure the Citadel Arts Centre is a great place to work, volunteer and visit
- To strive for quality, excellence and innovation
- To operate within appropriate legal and governance frameworks
- To maintain and enhance the fabric and physical infrastructure of the Citadel building.

**ACHIEVEMENTS AND PERFORMANCE**

**Current Position and Future Plans**

2018/19 was the final year of Citadel Charity operation from The Citadel Arts Centre building. In the 2018/19 financial year, based on a complete cessation of statutory core funding from St Helens Council, and the tenth year of operation without Arts Council England core funding, the Citadel Charity took the difficult decision to close the Citadel Arts Centre building, effective from June 2019.

During the 2018/19 financial year, with reserves reduced to £155k, Citadel Trustees and Management made an innovative decision to vacate the Citadel Arts Centre building during the 2019/20 financial year and re-brand the charity as Citadel Arts, a children and families agency operating exclusively in the public realm.

FOR THE YEAR ENDED 31/03/2019

TRUSTEES' REPORT

Citadel management and trustees secured financial and strategic support for the Citadel Arts agency from St Helens Council, Arts Council England and other stakeholders to enable an orderly closure of the Citadel Arts Centre building on 30th June 2019 and a smooth transition to the Citadel Arts agency from July 2019.

The Citadel Arts agency will be delivered with a business plan and budget which maximises income from funders and utilises the Citadel's designated funds to support the delivery of Citadel Arts.

Performance Programme

The 2018/19 Performance Programme was an eclectic mix of events, encompassing music, theatre, children's theatre, comedy, poetry, visual arts, and disability arts.

The 2018/19 Participation Programme included participation workshops in a range of art forms including; theatre, dance, singing, poetry, music, visual arts and disability arts incorporating the new St Helens Youth Theatre, Citi-Dis-Arts and community activity.

The 2018/19 year saw the presentation of two seasons filled with venue hires, splits and Citadel promotions allowing a high quality and varied programme delivered at moderate financial risk.

During this year the Citadel was also a partner in two Strategic Touring projects funded via Arts Council England: Big Imaginations the North-West Children's Theatre Network led by Z Arts and Take Flight led by Little Angel Theatre. These programmes enabled high quality performance programming across children's theatre with strategic audience development and building relationships with regional and national arts venues, organisations and schools.

The Citadel is a strategic partner in the Creative People and Places Heart of Glass programme contributing to an ambitious programme, both at the Citadel and in St Helens.

Participation Programme

With new project funding streams, the Citadel launched the NEW St Helens Youth Theatre in 2018 to demonstrate how active engagement with quality arts activity can have a dramatic impact on the wellbeing and confidence of disadvantaged Young People.

With financial support from St Helens Adult Social Care and Health, Citi-Dis-Arts continued to deliver weekly arts activities to improve the wellbeing of Disabled, Vulnerable and Elderly People at the Citadel. The Citadel continued to work closely with St Helens Adult Social Care and Health Day Opportunities providing discounted room hire rates for a town centre base for person centred day support for adults with complex learning and physical disabilities in an inclusive setting at the Citadel Arts Centre.

Strategic Arts Partnership Development

During the early part of the 2018/19 financial year the Citadel Arts Centre worked on financial, governance and capital modelling for Arts Partnership proposals to bring together existing organisations to create one new entity celebrating arts, culture, heritage and learning, aligned to the vision of a Culturally Centred town. The Arts Partnership proposals did not come to fruition, leading the Citadel charity to pursue its Citadel Arts agency approach as detailed above (Current Position and Future Plans).

**FOR THE YEAR ENDED 31/03/2019**

**TRUSTEES' REPORT**

**FINANCIAL REVIEW**

The results for the year and the charity's financial position at the end of the year are shown in attached financial statements.

The Statement of Financial Activities shows the movement on funds. Total incoming resources were £301,983 (2018 £493,951) and total resources expended were £410,795 (2018 £456,858). The total net outgoing resources for the year were £108,812 (2018 £37,093 net incoming resources) comprising £44,733 net outgoing resources on the unrestricted fund being a planned application of reserves to maintain activity, restructure and invest in a resilient organisational model (2018 £85,578 net incoming resources) and £64,079 net outgoing resources on the restricted funds for the year (2018 £48,485 net outgoing resources) being mainly the release of restricted capital grants to match depreciation. Total unrestricted funds on the balance sheet at 31 March 2019 were £159,592 (2018 £204,325) and restricted funds were £14,888 (2018 £78,967) giving total funds of £174,480 (2018 £283,292).

**TANGIBLE FIXED ASSETS**

Movements in tangible fixed assets are shown in note 3 to the accounts.

**RESERVES POLICY**

The trustees are reviewing the level of free reserves (that is those funds not tied up in fixed assets and designated and restricted funds) that the charity will require to sustain its operations over the period when projects or funding streams end and new ones begin. The trustees consider that the most appropriate level of free reserves would be 3 to 6 months running costs (£75k-£150k based on current spending levels). Unrestricted funds at 31 March 2019 are £159,592 of which £155,500 are prudently currently designated by the trustees as being required for short term business plans. A further £291 of the unrestricted funds are invested in fixed assets leaving general free reserves of £3,801. Given the shortfall from the ideal level of reserves for such a charity the trustees carefully manage cash flows and available resources and the current strategic business plan is addressing collaborative ways of working to enable the charity to continue to deliver its artistic offer.

**RISK**

The trustees confirm that controls are in place designed to mitigate the major risks to which the charity is faced. The potential fundraising shortfall is a major risk and one of which the trustees are acutely aware. They are driving forward plans aimed at mitigating risks and improving resources thereby creating new opportunities for the users. The business plan assesses the risk of the options put forward in it for full consideration by management.

**PLANS FOR THE FUTURE**

2018/19 will be the final year of Citadel Charity operation from The Citadel Arts Centre building.

FOR THE YEAR ENDED 31/03/2019

**TRUSTEES' REPORT**

During the 2018/19 financial year Citadel Trustees and Management made an innovative decision to vacate the Citadel Arts Centre building during the 2019/20 financial year and re-brand the charity as Citadel Arts, a children and families agency operating exclusively in the public realm. Citadel management and trustees have secured financial and strategic support for the Citadel Arts agency from St Helens Council, Arts Council England and other stakeholders to enable an orderly closure of the Citadel Arts Centre building on 30th June 2019 and a smooth transition to the Citadel Arts agency from July 2019.

**INDEPENDENT EXAMINERS**

The Independent Examiner, Julie Guinan on behalf of Harvey Guinan LLP, has indicated willingness to remain in office and a resolution will be proposed for re-appointment at the forthcoming Annual General Meeting.

**SMALL COMPANY RULES**

The report was prepared in accordance with the special provisions within Part 15 of the Companies Act 2006.

This report was approved by the Board of Trustees on 27/11/2019

  
Kevin Jones MBE (Chair)

**INDEPENDENT EXAMINER'S STATEMENT**

**FOR THE YEAR ENDED 31/03/2019**

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF CITADEL ARTS LIMITED**

I report on the accounts of the company for the year ended 31/03/2019 .

**RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND EXAMINER**

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 (the 2006 Act). The charity's trustees consider that an audit is not required for this year under Part 16 of the 2006 Act and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of ACCA .

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

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

**BASIS OF INDEPENDENT EXAMINERS STATEMENT**

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

**INDEPENDENT EXAMINER'S STATEMENT**  
**FOR THE YEAR ENDED 31/03/2019**

**INDEPENDENT EXAMINERS STATEMENT**

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

(1) which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with section 386 of the Companies Act 2006; other than the requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination and

- to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities SORP (FRS102)

have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached

.......... Julie Guinan FCCA Independent Examiner

Date: 27/11/2019

Harvey Guinan LLP  
Chartered Certified Accountants  
310/311 Vanilla Factory  
39 Fleet Street  
Liverpool  
Merseyside  
L1 4AR

**Statement of Financial Activities  
for the year ended 31/03/2019**

|                                      | Unrestricted funds | Restricted funds | 2019<br>Total    | 2018<br>Total  |
|--------------------------------------|--------------------|------------------|------------------|----------------|
|                                      | £                  | £                | £                | £              |
| <b>Income</b>                        |                    |                  |                  |                |
| Income from generated funds          |                    |                  |                  |                |
| Other trading activities             | 226                | -                | 226              | 178            |
| Income from Investments              | 241                | -                | 241              | 43             |
| Income from charitable activities    | 175,385            | 126,131          | 301,516          | 493,730        |
| <b>Total Income</b>                  | <b>175,852</b>     | <b>126,131</b>   | <b>301,983</b>   | <b>493,951</b> |
| <b>Expenses</b>                      |                    |                  |                  |                |
| Costs of generating funds            |                    |                  |                  |                |
| Expenditure on Charitable activities | 220,585            | 190,210          | 410,795          | 456,858        |
| <b>Total Expenses</b>                | <b>220,585</b>     | <b>190,210</b>   | <b>410,795</b>   | <b>456,858</b> |
| <b>Net Income</b>                    | <b>(44,733)</b>    | <b>(64,079)</b>  | <b>(108,812)</b> | <b>37,093</b>  |
| <b>Net movement in funds:</b>        |                    |                  |                  |                |
| <b>Net income for the year</b>       | <b>(44,733)</b>    | <b>(64,079)</b>  | <b>(108,812)</b> | <b>37,093</b>  |
| Total funds brought forward          | 204,325            | 78,967           | 283,292          | 246,199        |
| <b>Net funds carried forward</b>     | <b>159,592</b>     | <b>14,888</b>    | <b>174,480</b>   | <b>283,292</b> |

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

**BALANCE SHEET AT 31/03/2019**

|   | Notes | 2019<br>£      | 2018<br>£      |
|---|-------|----------------|----------------|
| <b>FIXED ASSETS</b>                                   |       |                |                |
| Tangible assets                                       | 4     | 10,421         | 72,806         |
| Investments   | 5     | 2              | 2              |
|   |       | <u>10,423</u>  | <u>72,808</u>  |
| <b>CURRENT ASSETS</b>                                 |       |                |                |
| Stock   |       | 1,560          | 1,896          |
| Debtors (amounts falling due within one year)         | 7     | 5,544          | 64,920         |
| Cash at bank and in hand                              |       | <u>207,246</u> | <u>184,636</u> |
|   |       | 214,350        | 251,452        |
| <b>CREDITORS: Amounts falling due within one year</b> | 8     | <u>50,293</u>  | <u>40,968</u>  |
| <b>NET CURRENT ASSETS</b>                             |       | <u>164,057</u> | <u>210,484</u> |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>          |       | <u>174,480</u> | <u>283,292</u> |
| <b>RESERVES</b>                                       |       |                |                |
| <b>Unrestricted funds</b>                             | 10    |                |                |
| General fund  |       | 4,092          | 3,973          |
| Designated funds                                      |       | 155,500        | 200,352        |
| <b>Restricted funds</b>                               | 11    | <u>14,888</u>  | <u>78,967</u>  |
|   |       | <u>174,480</u> | <u>283,292</u> |

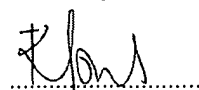
For the year ending 31/03/2019 the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

**Approved by the board of trustees on 27/11/2019 and signed on their behalf by**



Kevin Jones MBE (Chair)  
Trustee



**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31/03/2019**

**1. ACCOUNTING POLICIES**

**1a. Basis Of Accounting**

The accounts have been prepared under the historical cost convention.

The accounts have been prepared in accordance with FRS102 - The Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities.

**1b. Incoming Resources**

Voluntary income including cash and in kind donations and grants that provide core funding or are of a general nature are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when: - The donor specifies that the grant or donation must only be used in future accounting periods or - The donor has imposed conditions which must be met before the charity has unconditional entitlement. Income from commercial activities including room and auditorium hire and income from selling refreshments, is recognised as earned as the related goods and services are provided. Gift aid has been included when receivable. Investment income is recognised on a receivable basis. Income from charitable activities includes income from the operation of a theatre and arts centre and includes income received from Youth Arts subscriptions, production and performance and related administration income, workshop income and project income all recognised as the related goods and services are provided. Grant income in this category provides funding to support performance activity under a service level agreement or project grants to deliver specific artistic programmes of work including disability arts. This category of grant income is also recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Such income is deferred when: - Admission fees (ticket sales) are received in advance of the performance date or event to which they relate or grants received under a service level agreement are received in advance of the financial year to which they relate. Donated Services (In Kind Income) These are only included in incoming resources (with an equivalent amount in resources expended) where the benefit to the charity is reasonably quantifiable, measurable and material. The value placed on these resources is the estimated value to the charity of the service or facility received.

**1c. Resources Expended**

Expenditure is recognised when a liability is incurred. Costs of generating funds are those costs incurred in trading activities that raise funds. Charitable activities include expenditure associated with performances, workshops, art and education projects and include both the direct costs and support costs relating to these activities. Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirement and include audit costs.

**1d. Allocation And Apportionment Of Costs**

Support costs include central functions and have been allocated to activities on a basis consistent with the use of resources, for example based upon staff time allocated to the activity or space occupied by the activity in the Arts Centre.

#### **1e. Fund Accounting**

Funds held by the charity are either: Unrestricted general funds - these are funds which can be used in accordance with the charitable objects at the discretion of the trustees. Designated funds – these are funds set aside by the trustees out of unrestricted general funds for specific future purposes or projects. Restricted funds – these are funds that 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 a particular restricted purpose. Further explanation of the nature and purpose of each fund is included in the notes to the accounts.

#### **1f. Depreciation**

Fixed assets are shown at historical cost.

Depreciation is provided, after taking account of any grants receivable, at the following annual rates in order to write off each asset over its estimated useful life.

At each Balance sheet date the charity reviews the carrying amount of its tangible assets to determine whether there is any indication that any items have suffered an impairment loss. If any such indication exists the recoverable amount of an asset is estimated in order to determine the extent of the impairment loss if any. Where it is not possible to estimate the recoverable amount of the asset the charity estimates the recoverable amount of the cash generating unit to which the asset belongs.

|                       |                       |
|-----------------------|-----------------------|
| Land And Buildings    | straight line 5 %     |
| Fixtures And Fittings | reducing balance 20 % |

#### **1g. Stocks**

Stocks of beverages, snacks and other goods for resale are stated at the lower of cost or net realisable value.

#### **1h. Pension Costs**

The company operates a defined contribution pension scheme. The pension charge represents the amounts payable by the company to the fund in respect of the year.

#### **1i. Turnover**

Turnover represents the invoiced value of goods and services supplied by the company, net of value added tax and trade discounts.

#### **1j. Investments**

The investment is in the subsidiary company that ceased to trade on 31 March 2012 with the former trading activities of running a bar and other commercial activities at the Citadel Arts Centre now incorporated into those of the charity. The financial statements do not include the results of the trading company and are not therefore consolidated accounts.

#### **1k. Accounting Basis**

As stated in the Trustees' report the Charity has produced a business plan and budget, that maximises income and minimises costs whilst utilising designated funds that indicates sufficient funds to support the delivery of Citadel arts and cultural activity for 2019/20 and 2020/21 financial years. Based upon the transitional plans, including longer term strategic plans described in the Chair's report and the Trustees' report the board consider it appropriate to adopt the going concern concept of accounting. In making this decision they have considered a period of at least 12 months from the date these accounts are authorised for issue.

#### **1l. Debtors Policy**

Trade and other debtors are recognised at the settlement amount due after any discount offered. Prepayments are valued at the amount prepaid after taking account of any discount due.

#### **1m. Policy For Income Recognition**

Items of income are recognised and included in the accounts when all of the following are met: (1) The charity has entitlement to the funds; (2) Any performance conditions attached to the income have been met or are fully within the control of the charity; (3) There is sufficient certainty that receipt of the income is considered probable and (4) The amount can be measured reliably.

#### **1n. Cash At Bank And In Hand Policy**

Cash at bank and in hand includes cash and short term liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

#### **1o. Creditors And Provisions Policy**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in a transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement value amount after allowing for any discount due.

#### **1p. Financial Instruments Policy**

The charity has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

#### **1q. Public Benefit**

The Citadel Arts Centre meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

### 1r. Leases

Rentals payable under operating leases are charged to the statement of financial activities as incurred over the term of the lease.

## 2. DIRECTORS AND EMPLOYEES

Particulars of employees (including directors) are shown below:

| Employee costs during the year amounted to: | 2019           | 2018           |
|---|----------------|----------------|
|   | £              | £              |
| Wages and salaries                          | 128,213        | 138,187        |
| Social security costs                       | 6,572          | 8,572          |
| Pension costs                               | 4,154          | 1,000          |
|   | <u>138,939</u> | <u>147,759</u> |

There have been no material transactions with trustees throughout the year and none of the trustees received any emoluments or expenses during the year (2018 £Nil) for their services as a trustee. The average number of full time equivalent employees was 6 (2018 6).

## 3. PENSION CONTRIBUTIONS

|                       | 2019         | 2018         |
|-----------------------|--------------|--------------|
|                       | £            | £            |
| Pension contributions | 4,154        | 1,000        |
|                       | <u>4,154</u> | <u>1,000</u> |

#### 4. TANGIBLE FIXED ASSETS

|                         | Land<br>And<br>Buildings<br>£ | Plant and<br>Machinery<br>£ | Fixtures<br>and<br>Fittings<br>£ | Total<br>£ |
|-------------------------|-------------------------------|-----------------------------|----------------------------------|------------|
| <b>Cost</b>             |                               |                             |                                  |            |
| At 01/04/2018           | 850,188                       | 47,542                      | 133,691                          | 1,031,421  |
| At 31/03/2019           | 850,188                       | 47,542                      | 133,691                          | 1,031,421  |
| <b>Depreciation</b>     |                               |                             |                                  |            |
| At 01/04/2018           | 805,349                       | 47,536                      | 105,730                          | 958,615    |
| For the year            | 44,836                        | -                           | 17,549                           | 62,385     |
| At 31/03/2019           | 850,185                       | 47,536                      | 123,279                          | 1,021,000  |
| <b>Net Book Amounts</b> |                               |                             |                                  |            |
| At 31/03/2019           | 3                             | 6                           | 10,412                           | 10,421     |
| At 31/03/2018           | 44,839                        | 6                           | 27,961                           | 72,806     |

The Arts Council of England had a charge over the leasehold premises shown as Land and Buildings for £707,060 subject to straight line reduction over the term of the lease which has been satisfied after the year end on 5 June 2019. After the year end the lease from Rainford Trust was surrendered with effect from 3 July 2019.

#### 5. FINANCIAL ASSETS

|                         | Other<br>Investments<br>£ | Total<br>£ |
|-------------------------|---------------------------|------------|
| <b>Cost</b>             |                           |            |
| At 01/04/2018           | 2                         | 2          |
| At 31/03/2019           | 2                         | 2          |
| <b>Amortisation</b>     |                           |            |
| <b>Net Book Amounts</b> |                           |            |
| At 31/03/2019           | 2                         | 2          |
| At 31/03/2018           | 2                         | 2          |

The Citadel Arts Centre wholly owns the issued ordinary share capital of the Citadel Arts Centre Trading Limited and the principal activity of the trading subsidiary was to run the bar and commercial activities at The Citadel Arts Centre. The Trading Company ceased to trade at 31 March 2012, retained sufficient cash to pay all creditors and transferred all remaining assets to its parent charity. The charity has run its own bar at events from 1 April 2012.

#### 6. STOCK

|                                      | 2019<br>£    | 2018<br>£    |
|--------------------------------------|--------------|--------------|
| Stock comprises:                     |              |              |
| Bar Stock, Beverages & Confectionery | 1,560        | 1,896        |
|                                      | <u>1,560</u> | <u>1,896</u> |

**7. DEBTORS**

|                                      | <b>2019</b>         | <b>2018</b>          |
|--------------------------------------|---------------------|----------------------|
|                                      | £                   | £                    |
| Amounts falling due within one year: |                     |                      |
| Trade debtors                        | 4,949               | 10,696               |
| Other debtors                        | <u>595</u>          | <u>54,224</u>        |
|                                      | <u><b>5,544</b></u> | <u><b>64,920</b></u> |

**8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|                              | <b>2019</b>          | <b>2018</b>          |
|------------------------------|----------------------|----------------------|
|                              | £                    | £                    |
| Trade creditors              | 16,492               | 7,633                |
| Taxation and social security | 4,759                | 3,267                |
| Other creditors              | <u>29,042</u>        | <u>30,068</u>        |
|                              | <u><b>50,293</b></u> | <u><b>40,968</b></u> |

Included in Other Creditors is deferred income of £1,200 (2018 £1,225) comprising admission fees and earned income for services received or invoiced in advance.

**9. LIMITED BY GUARANTEE**

The company is limited by guarantee and does not have a share capital. Each member gives a guarantee to contribute a sum not exceeding £1, to the company should it be wound up. At 31/03/2019 there were 7 members.

## 10. UNRESTRICTED FUNDS

|  | Brought forward | Incoming resources | Outgoing resources | Transfers | Carried forward |
|--|-----------------|--------------------|--------------------|-----------|-----------------|
|  | £               | £                  | £                  | £         | £               |
| General fund                           | 3,973           | 175,852            | (220,585)          | 44,852    | 4,092           |
| Business Development Fund (Designated) | 200,352         | -                  | -                  | (44,852)  | 155,500         |
|  | <u>204,325</u>  | <u>175,852</u>     | <u>(220,585)</u>   | <u>-</u>  | <u>159,592</u>  |

### Business Development Fund (Designated)

The designated fund comprises funds to be available for match funding to secure project funds and ensure the delivery of planned activity. Without such underpinning resources the planned activity may not go ahead.

## 11. RESTRICTED FUNDS

|   | Brought forward | Incoming resources | Outgoing resources | Transfers | Carried forward |
|---|-----------------|--------------------|--------------------|-----------|-----------------|
|   | £               | £                  | £                  | £         | £               |
| Building Development Fund                       | 3,122           | -                  | (3,122)            | -         | -               |
| SRB re Refurbishment                            | 1,588           | -                  | (1,588)            | -         | -               |
| ERDF re Refurbishment                           | 4,265           | -                  | (4,265)            | -         | -               |
| Lottery re Refurbishment                        | 34,849          | -                  | (34,849)           | -         | -               |
| Foundation for Sports and Arts re Refurbishment | 697             | -                  | (697)              | -         | -               |
| Awards For All Capital Fund                     | 198             | -                  | (40)               | -         | 158             |
| Youth Arts Capital Fund                         | 40              | -                  | (10)               | -         | 30              |
| Theatre Replacement Assets                      | 7,771           | -                  | (7,771)            | -         | -               |
| WREN Capital Grant                              | 16,126          | -                  | (8,063)            | -         | 8,063           |
| Heritage Lottery Fund                           | -               | 7,054              | (7,054)            | -         | -               |
| Heart of Glass Fund                             | -               | 30,000             | (30,000)           | -         | -               |
| Adult Health and Social Care re Citi Dis Arts   | 3,750           | 5,000              | (5,000)            | -         | 3,750           |
| In Kind Donations                               | -               | 36,656             | (36,656)           | -         | -               |
| Small Activity Grants                           | 316             | 3,004              | (2,314)            | -         | 1,006           |
| Cory Environmental Capital Grant                | 3,761           | -                  | (1,880)            | -         | 1,881           |
| ACE Catalyst Income                             | 2,484           | 44,417             | (46,901)           | -         | -               |
|   | <u>78,967</u>   | <u>126,131</u>     | <u>(190,210)</u>   | <u>-</u>  | <u>14,888</u>   |

### Building Development Fund

Funds invested in Fixed Assets.

### SRB re Refurbishment

Funds invested in Fixed Assets.

### ERDF re Refurbishment

Funds invested in Fixed Assets.

### Lottery re Refurbishment

Funds invested in Fixed Assets.

## 11. RESTRICTED FUNDS

### **Foundation for Sports and Arts re Refurbishment**

Funds invested in Fixed Assets.

### **Awards For All Capital Fund**

Funds invested in Fixed Assets.

### **Youth Arts Capital Fund**

Funds invested in Fixed Assets.

### **Rainford Trust Project Funds**

Funds for the Volunteer Award

### **Theatre Replacement Assets**

Insurance funds for assets

### **WREN Capital Grant**

Funds for Musical equipment

### **Heritage Lottery Fund**

Funds to celebrate 150 years in St Helens

### **Heart of Glass Fund**

Funds for in the streets Summer activity in St Helens

### **Adult Health and Social Care re Citi Dis Arts**

Matched funding for Lottery funds for arts projects for groups with disabilities.

### **In Kind Donations**

In Kind rent donation from Rainford Trust of £30,000 and in kind rates support from St Helens MBC of £6,656.

### **Small Activity Grants**

Funds for specific art activity and placements including weekly drama dance and community choir activities.

### **Cory Environmental Capital Grant**

Funds for Doors

### **ACE Catalyst Income**

Funds for internal organisational development and fundraising expertise.



## 12. RELATED PARTY TRANSACTIONS

During 2018/2019 the charity had a close relationship with the Rainford Trust who provided core revenue funding to enable the charity to carry out its objectives. Revenue Funding from the Rainford Trust was £40,000 in 2018/2019 and in 2017/2018 including £30,000 in kind rent in both years.

Lady Pilkington, a Trustee is a director of the Rainford Trust. The Charity occupied the premises in Waterloo Street on a lease from Rainford Trust. After the year end the lease was surrendered on 3 July 2019 .

Related Party transactions with the subsidiary undertaking Citadel Arts Centre Trading Limited are as disclosed in the notes.

## 13. INCOMING RESOURCES

|   | Unrestricted<br>Funds | Restricted<br>Funds | Total<br>2019  | Total<br>2018  |
|---|-----------------------|---------------------|----------------|----------------|
| From Generated Funds: Voluntary Income        | 10,000                |                     | 10,000         | 10,100         |
| Trusts and Foundations In Kind Rent           |                       | 30,000              | 30,000         | 30,000         |
| Public Authority In Kind Rates                |                       | 6,656               | 6,656          | 6,467          |
| Other Donations                               | 3,335                 |                     | 3,335          | 403            |
| Heritage Lottery                              |                       | 7,054               | 7,054          |                |
| Catalyst Donations                            | 4,405                 |                     | 4,405          | 86,926         |
|   | <u>17,740</u>         | <u>43,710</u>       | <u>61,450</u>  | <u>133,896</u> |
| Activities for generating Funds               |                       |                     |                |                |
| Room Hire                                     | 22,794                |                     | 22,794         | 20,091         |
| Bar Income                                    | 47,804                |                     | 47,804         | 45,201         |
|   | <u>70,598</u>         |                     | <u>70,598</u>  | <u>65,292</u>  |
| Investment Income Bank Interest Receivable    | 241                   |                     | 241            | 43             |
| Incoming Resources from Charitable Activities |                       |                     |                |                |
| Service Agreements with Public Authorities    | 30,807                |                     | 30,807         | 60,517         |
| Performance Income                            | 20,045                |                     | 20,045         | 32,462         |
| Other Self Generated Income                   | 36,421                |                     | 36,421         | 54,123         |
| Revenue Grants                                |                       | 82,421              | 82,421         | 117,968        |
| Capital Grant                                 |                       |                     |                | 29,650         |
|   | <u>87,273</u>         | <u>82,421</u>       | <u>169,694</u> | <u>294,720</u> |
| Total   | <u>175,852</u>        | <u>128,131</u>      | <u>301,983</u> | <u>493,951</u> |

#### 14. EVENTS SINCE THE YEAR END

In June 2019 the company closed its premises in Waterloo Street including the disposal of the assets relating to the building and which were not portable to its new premises in St Helens.

#### 15. RESOURCES EXPENDED

|  | 2019                    | 2018                    |
|--|-------------------------|-------------------------|
| Charitable Activities for operation of Theatre and Arts Centre |                         |                         |
| Direct costs:  |                         |                         |
| Performance costs  | 31,290                  | 41,820                  |
| Direct Project costs   | 40,003                  | 64,058                  |
| Bar and Refreshments   | 25,735                  | 23,180                  |
|  | <u>97,028</u>           | <u>129,058</u>          |
| Support costs  |                         |                         |
| Staff costs  | 133,816                 | 148,675                 |
| Premises Costs   | 83,193                  | 85,189                  |
| Marketing costs  | 8,641                   | 7,525                   |
| Administration and finance                                     | 85,824                  | 84,211                  |
|  | <u>311,474</u>          | <u>325,600</u>          |
| Total Charitable Activities                                    | <u>408,502</u>          | <u>454,658</u>          |
| Governance costs   |                         |                         |
| Independent Examination  | 2,293                   | 2,200                   |
| Total Resources Expended                                       | <u>410,795</u><br>===== | <u>456,858</u><br>===== |

## 16. NET ASSETS BY FUND

|                                 | Tangible<br>Fixed<br>Assets | Net<br>Current<br>Assets | Total Net<br>Assets |
|---------------------------------|-----------------------------|--------------------------|---------------------|
| Restricted Funds - Capital      | 10,132                      |                          | 10,132              |
| Restricted funds - Revenue      |                             | 4,756                    | 4,756               |
| Unrestricted Funds - Designated |                             | 155,500                  | 155,500             |
| Unrestricted Funds - General    | 291                         | 3,801                    | 4,092               |
|                                 | <u>10,423</u>               | <u>164,057</u>           | <u>174,480</u>      |
|                                 | =====                       | =====                    | =====               |

## 17. DEFERRED INCOME

Included in Other Creditors is deferred income of £1,200 (2018 £1,225) comprising ticket sales received in advance of £1,200 (2018 £1,225)

| Analysis of Deferred Income          | At 01/04/18  | Received<br>in Year | Released       | At<br>31/03/19 |
|--------------------------------------|--------------|---------------------|----------------|----------------|
| Ticket sales and services in advance | 1,225        | 1,200               | (1,225)        | 1,200          |
|                                      | <u>1,225</u> | <u>1,200</u>        | <u>(1,225)</u> | <u>1,200</u>   |
|                                      | =====        | =====               | =====          | =====          |

## 18. LEGAL AND TAX STATUS

The charity is a company limited by guarantee (company number 2693334) registered in England and Wales and has no share capital. The liability of each member in the event of a winding-up is limited to £1.

The Citadel Arts Centre is a registered charity (number 1051317) and claims exemption from corporation tax.

Its registered office is Waterloo Street, St Helens, Merseyside WA10 1PX. The accounts are stated in sterling the functional currency of the company.