

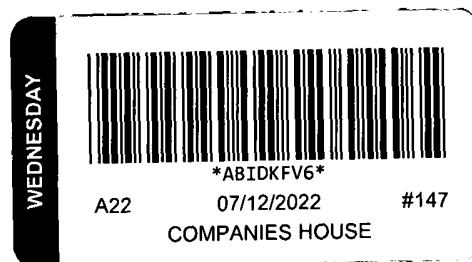
COMPANY REGISTRATION NUMBER: 02999055
CHARITY REGISTRATION NUMBER: 1043197

ADEC (Arts Development In East Cambridgeshire)
T/A Babylon Arts

Company Limited by Guarantee

Unaudited financial statements

31 March 2022



**ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts
Company Limited by Guarantee**

Financial statements

Year ended 31 March 2022

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ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts

Company Limited by Guarantee

Trustees' annual report (incorporating the directors' report)

Year ended 31 March 2022

The trustees, who are also the directors for the purposes of company law, present their report and the unaudited financial statements of the charity for the year ended 31 March 2022.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published in October 2019.

Chair's report

This year has been another positive one for Babylon Arts (ADEC) with many opportunities helping us realise our vision to be the creative heart of Ely and the Fens.

I continue to be really impressed with the range and quality of work that is carried out by staff lead by CEO Claire Somerville and supported by my colleagues on the board. We are very grateful for the continued support of our members and stakeholders.

We have achieved a significant amount this year considering there was still a lot of uncertainty around COVID and how organisations like ours would recover from its impact.

It was just wonderful to reopen our cinema that we know was very welcomed by many people as evidenced in the increase in tickets sold in the year. It was also really pleasing to see so many people back in our gallery visiting some exciting and innovative exhibitions.

ADEC is the grant holder and Consortium partner for MarketPlace (Creative People and Places Project) During this financial year the team successful secured three more years of funding from Arts Council England (ACE) for 2022-25 to continue delivering the project. This along with more ACE funding and support from various funders has resulted in ADEC ending the year in a sound financial position with a good outlook for the future.

Reference and administrative details

Registered charity name	ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts
Charity registration number	1043197
Company registration number	02999055
Principal office and registered office	Babylon Gallery Babylon Bridge Waterside Ely Cambs CB7 4AU

The trustees

The trustees who served during the year and at the date of approval were as follows:

L McCord (Chair)
T A Veith (Treasurer)
I Downey BA
L Holland FRSA
D Johnson
T Coney

**ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts
Company Limited by Guarantee**

Trustees' annual report (incorporating the directors' report) *(continued)*

Year ended 31 March 2022

S Green
C Harvey
D M Bainbridge (Appointed 11/11/2021)
J Jephcott (Appointed 10/01/2022)
M Macey FCA (Treasurer - Deceased 03/06/2021)
A Tyrrell (Resigned 30/11/2021)

Secretary

I Downey BA

Independent examiner

L Thurston FCCA
Lovewell Blake LLP
Chartered accountants
11 Lynn Road
Ely
CB7 4EG

**ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts
Company Limited by Guarantee**

Trustees' annual report (incorporating the directors' report) *(continued)*

Year ended 31 March 2022

Objectives and activities

Policies and objectives

In setting objectives and planning for activities, the trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit and they consider that the charity is fulfilling its obligations in this respect.

The charity's objects are to: Promote, maintain and encourage the arts, including without limitation, the arts of drama, dance, visual art, literature and film, for the advancement of education and to encourage public understanding of the arts, in the Eastern region of England.

In meeting our artistic objects, the charity also undertakes associated performance activities that contribute to making art, opera, theatre, ballet and film available to our key audiences as well as enhancing our profile as the key provider in the area that we represent.

Strategic report

The following sections for achievements and performance and financial review form the strategic report of the charity.

ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts Company Limited by Guarantee

Trustees' annual report (incorporating the directors' report) *(continued)*

Year ended 31 March 2022

Achievements and performance

ADEC's vision is:

To be the Creative Heart of Ely and West Anglia.

Its mission is to:

Develop Creativity and Connect Communities with Arts and Culture.

Its aims are:

- For ADEC (trading as Babylon Arts) to be seen as an essential part of the area's cultural, economic and artistic life.
- To enrich more people's lives through our inspiring and dynamic Creative Spaces and Creative Communities programmes.
- To build our networks, developing partnerships and connections that enable us to grow arts and cultural provision for the enjoyment of people across West Anglia.
- To nurture creative practice of those who live and work in West Anglia, providing opportunities through our programmes, to showcase their work.

ADEC holds four key values and seeks to be:

Resourceful: we seek to develop new partnerships and create opportunities through our work to increase opportunities for arts and creativity to flourish.

Passionate: we care deeply about the communities in which we work and will work fervently to showcase and develop engaging and exciting creative opportunities.

Curious: we are interested in people's ideas and in new ways of working. We're open to trying new things and taking considered risks to reach new audiences. We're keen to invoke curiosity in the communities we work in.

Inclusive: we value diversity, promote equality and provide a supportive environment for artists, audiences, partners and businesses to be creative in response to a variety of art forms, styles and genres.

ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts Company Limited by Guarantee

Trustees' annual report (incorporating the directors' report) *(continued)*

Year ended 31 March 2022

Achievements and performance *(continued)*

Some highlights from our programme between April 2021 and March 2022. We:

- Re-opened the Cinema in May 2021, with our new branding. Over the financial year we sold 2600 tickets, around half of which were to new bookers.
- Organised and delivered a second Drive-in Cinema in partnership with Lancaster Way Business Park who were the main sponsor and venue.
- Toured the 'I Matter' Exhibition to Peterborough Museum and Art Gallery and Wells Maltings - a huge testament to the success of our Babylon Young Curator's programme and Olu Taiwo's excellent work.
- Saw our largest East Cambridgeshire Schools Art Exhibition, involving 18 schools.
- Delivered the pilot of the Creative Briefs Project, involving 8 groups (138 students) of secondary school pupils from Fenland and East Cambridgeshire and achieving the highest-level Impact Award for our programme from Skill Builder.
- Secured £7,000 from Film Hub South East - BFI Film fund to support our community work with the cinema which included two 'Community Meet-ups' and some training for staff and volunteers.
- Were one of four rural hosts for the Britten Sinfonia Tour in January 2022, which saw two 'Pushchair Playlist' events for young families and a sell-out evening concert.

Our work is delivered across three main strands:

Creative Spaces: This is about making the spaces where we showcase & develop work: the Babylon Gallery (our versatile exhibition & event space), The Maltings (Ely City Council managed multi-purpose venue where we deliver our independent cinema & live performances) & outdoor spaces; as vibrant, accessible & inclusive as possible. It's also about 'creating space' for people to develop their ideas & skills to improve or increase the cultural offer they provide.

Creative Communities: Focuses on working with communities in local villages & towns often in partnership with others, to increase the cultural offer on their doorstep. It's driven by the needs & interests of the communities we work in & the growing recognition of the role nature & the environment play in our lives, particularly in how these manifests in rural places like ours.

Cultural Education: We worked with Festival Bridge & the Opportunity Area for East Cambs & Fenland to develop new Creative Briefs, which improve the Essential Skills of secondary pupils, through meaningful engagement with the creative industries, measured through the Skills Builder programme. In addition, during the last two-years we've set-up & chair a new LCEP for East Cambs & as part of this we conducted research with over 600 children & young people (CYP), their parents & teachers, to find out what they need & want to see happening here. This resulted in a new strategy & the coordination of the work to deliver this strategy will be a key part of our work across this funding period.

ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts Company Limited by Guarantee

Trustees' annual report (incorporating the directors' report) *(continued)*

Year ended 31 March 2022

Achievements and performance *(continued)*

Creative Spaces

Babylon Gallery

The pandemic continued to have an effect on the operations and programme at the Babylon Gallery and we're very grateful to the artists who were flexible and understanding during the many changes in lockdown schedules and government guidance.

Despite the challenges the Babylon Gallery had 245 open days over the financial year and welcomed over 13,589 visitors. The exhibitions included: **BFG in Pictures**, a new collaboration with the House of Illustration; **The Joy of Play**, the inaugural solo exhibition of Cambridge-based artist Kester Matine and the two exhibitions by **Babylon Young Curators: Olu Taiwo and Sid White-Jones**.

Babylon Cinema at The Maltings

We were delighted to bring the cinema back to life following over a year of closure due to the pandemic. Whilst ticket sales are well below the pre-Covid average, they are in-line with the national picture, which saw independent cinemas operate with around 30-50% of pre-Covid audiences in this financial year.

We have been working to diversify the films show, increasing the subtitled, specialist and arthouse films, to further differentiate our offer from the multiplex.

Thanks to the funding from the Film Hub South East, we were able to consult with audiences through two Community Meet-Ups and provide the team with training and consultancy to improve our work with D/deaf and neurodiverse audiences.

We are grateful for the continued support from the City of Ely Council for our community cinema housed within The Maltings.

Live Performance

We continued to grow our live performance offer as Covid restrictions allowed. We were finally able to showcase shows that had been postponed due to lockdowns, including **Protein Dance The Little Prince** in The Maltings and **The Weather Machine**, in Ely Market. In addition, we partnered with **Britten Sinfonia** for their rural tour, resulting in a sell-out concert and presented **Lamphouse Theatre's** outdoor performances of **Romeo & Juliet & Macbeth**. Feedback on all these events has been very positive and provides evidence of a strong appetite for more live performance in the city.

Creative Communities

Window Wanderland 2021

Building on the success of 2020's event, we delivered this with The Stained Glass Museum, paving the way to more collaboration between the two organisations. The project invited households to decorate their windows and illuminate them over three evenings on October 2021. Over 100 households took part, with many more exploring the trail and we plan to run it again over three nights in October 2022.

MarketPlace (Creative People and Places Project)

ADEC is the grant holder and Consortium partner for this project. During this financial year the team successfully secured three more years of funding for 2022-25 and continued to deliver projects and events with and for the communities in Fenland and Forest Heath (now part of West Suffolk).

ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts Company Limited by Guarantee

Trustees' annual report (incorporating the directors' report) *(continued)*

Year ended 31 March 2022

Achievements and performance *(continued)*

The Library Presents

ADEC continued to be the Arts Partner for the Library Presents project, which is led by Cambridgeshire County Council and funded by Arts Council England. Two rounds of programming took place, combining both digital events and live events, when this was possible. ADEC specifically manage the artist engagement aspect of the project and this has continued to see increases in the number of applicants.

As part of this project, we deliver artist development sessions, which this year included the Creative Ideas Lab. This supported nine local creative practitioners to develop their project ideas, benefit from peer feedback and have a project coach. One project, the Grrls Rock Camp, was selected to take receive a small commission.

Grrls Rock Camp

This was led by musician Emma Kupa and involved 12 young people who identified as female or non-binary. The participants attended a week of band workshops and were universally positive about their experience and showed over a 90% improvement in their confidence from the start to the end of the week. Conversations continue with Emma about how to work with this group further.

Cultural Education

Creative & Cultural Futures & Creative Briefs

Working with Festival Bridge, ADEC has re-imagined this schools' project to develop 12 new Creative Briefs, each one focusing on a different creative industry sub-sector. Each brief is designed to be delivered remotely, over six weeks and was rolled out across seven secondary schools in East Cambridgeshire and Fenland, involving 138 students.

The student's progress in various Essential Skills (as outlined in the Universal Framework of Essential Skills) were measured, resulting in an average of 87% improvement in the 'Creativity' essential skill and 85% improvement in the 'Problem Solving' essential skill.

East Cambridgeshire Local Cultural Education Partnership (LCEP)

Despite the challenges posed by the pandemic, we took the lead on forming a new for East Cambridgeshire, bringing together schools and cultural organisations in the district initially, to explore the gaps and opportunities in cultural education and engagement for children and young people in East Cambridgeshire. In this period, we have raised some funds to deliver Primary School Pop-Up events in July 2022.

Financial review

Overall income for the year was £309,432 (2021: £504,844), a decrease of £195,412 on the previous year, and total expenditure amounted to £504,122 (2021: £377,006) an increase of £127,116 on the previous year. Babylon ARTS achieved an unrestricted surplus before transfers in the year of £25,261 (2021: £15,589), full details of which are shown in the Statement of Financial Activities.

ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts

Company Limited by Guarantee

Trustees' annual report (incorporating the directors' report) *(continued)*

Year ended 31 March 2022

Financial review *(continued)*

Reserves policy

The board of trustees has examined the charity's requirements for reserves in light of the main risks to the charity. It has established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets should be between 3-6 months operating costs. Being the level of funds to cover short term cash flow issues, such as where grants are paid in arrears of expenditure and to ensure that the charity has sufficient reserves to cover the operational costs during any period of low activity. Based on the charity's current activity levels, the trustees have assessed that the reserves it should be holding equate to between £35,000-£70,000.

At the year end, the total funds held by the charity were £77,242 (2021: £271,932), of which £15,212 is restricted (2021: £235,163) and unrestricted funds were £62,030 (2021: £36,769) which are in line with the charities reserves policy.

Plans for future periods

Future developments

It is fortunate that we had built some additional resilience into the organisation through 2019-20, which, alongside significant public investment and the continued support of our friends and members, has helped ADEC to weather the Covid 19 storm. We have continued to forge stronger relationships with external partners in the cultural and education sectors and have taken another step forward in consolidating our position as the Creative heart of Ely and West Anglia.

The next financial year will see ADEC submit two major funding bids, one in the first quarter to Arts Council England for the continuation of the MarketPlace project from 1st April 2022 to 31st March 2025, which if successful will result in further investment of at least £900,000 in audience and community development in Fenland and West Suffolk.

The second bid is expected to go in in March 2022 for National Portfolio funding from Arts Council England, for the period 1st April 2023 to March 2026. The trustees and CEO have been developing our strategic approach to support the delivery of the Arts Council's new 10 Year Strategy and will be continuing to focus on what we're learning through the audience development and Diversity and Inclusion work funded through the Culture Recovery Fund and the successful community engagement approaches delivered through MarketPlace, that can inform our work in East Cambridgeshire.

We intend to build on the Babylon Young Curators programme which has provided direct pathways into further employment for both young curators, diversified the artists we engage with and improved our practices with regards to artist development and curatorial choices.

We will also continue our strong partnership with The Library Presents NPO and develop the new Local Cultural |Education Partnership so that within the next financial year it is making positive changes to young people's access and participation in arts, culture and heritage.

There are challenges ahead, but the significant support we have had already from funders and through the government schemes, has given us additional cause for looking ahead with confidence and preparing our medium to long-term programming with a sense of purpose and ambition.

ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts Company Limited by Guarantee

Trustees' annual report (incorporating the directors' report) *(continued)*

Year ended 31 March 2022

Structure, governance and management

a. Constitution

The charity is registered as a charitable company limited by guarantee and was set up and constituted by the Memorandum of Association on 7 December 1994. We have permission not to use 'Ltd' in our name, and is a registered charity number 1043197.

b. Method of appointment or election of trustees

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements are listed in the reference and administration details of these accounts.

The management of the charity is the responsibility of the trustees who are elected or co-opted under the terms of the Articles of Association. The board of trustees aim to maintain a broad mix of business, artistic and community based skills, and to this end an audit of trustee skills is carried out on a regular basis. When particular skills are lost, individuals with relevant skills are approached to offer themselves for election to the board of trustees. Members are elected to serve for a period of three years after which they can offer themselves for re-election at the next Annual General Meeting.

c. Organisational structure and decision making

ADEC has a board of trustees of up to 15 members who meet six times a year and are responsible for the strategic direction and policy of the charity. At the 2021/22 year end, the committee was made up of ten members from a variety of backgrounds relevant to the work of the charity. The board is accountable for the general management of ADEC, and responsible for the direction of its affairs; it determines all policy matters including ADEC's strategy, business plan and budget, and the board determines the delegated powers to its chair and any sub-committees. Sub-committees report to the board and a sub-committee may authorise its chair to take appropriate executive action, according to its delegated powers. We have two sub-committees, a Finance and General Purposes Sub-Committee and a Gallery Advisory Sub Committee.

d. Policies adopted for the induction and training of trustees

Potential trustees are provided with an information pack, including information about the structure and activities of the charity, and the role of the trustee in the operation of the charity, and are invited to visit ADEC and meet the staff team. All trustees are regularly invited to attend events and activities run by the charity.

e. Related party relationships

In so far as it is complementary to the charity's objects, the charity is guided by both local and national policy. These policies fall into two main categories; arts and cultural policy, and broader non-arts policies, where the arts are able to play a positive role in meeting policy needs. Owing to the nature of the charity's operations and the composition of the board of trustees being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the charity's financial regulations and normal procurement procedures.

**ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts
Company Limited by Guarantee**

Trustees' annual report (incorporating the directors' report) *(continued)*

Year ended 31 March 2022

Structure, governance and management *(continued)*

f. Risk management

The trustees have assessed the major risk to which the charity is exposed, in particular those related to the operations and finances of the charity, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks. A risk register has been established which is reviewed annually. Where appropriate, systems have been established to mitigate the risks faced by the charity. External risks to funding have led to the development of a strategic plan, which allows for the diversification of funding and activities. Internal risks are minimised by the implementation of procedures for authorisation of all transactions and projects and to ensure consistent quality of delivery for all operational aspects of the charitable company. These procedures are periodically reviewed to ensure that they still meet the needs of the charity.

Independent examiner reappointment

A resolution to appoint L Thurston FCCA of Lovewell Blake LLP as independent examiner will be proposed at the next meeting.

The trustees' annual report and the strategic report were approved on 21/11/22 and signed on behalf of the board of trustees by:



L McCord (Chair)
Trustee

**ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts
Company Limited by Guarantee**

**Independent examiner's report to the trustees of ADEC (Arts Development In
East Cambridgeshire) T/A Babylon Arts**

Year ended 31 March 2022

I report to the charity trustees on my examination of the financial statements of the company for the year ended 31 March 2022 which comprise the statement of financial activities (including income and expenditure account), balance sheet, statement of cash flows and the related notes.

Responsibilities and basis of report

As the charity's trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the financial statements of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your company's financial statements as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Association of Chartered Certified Accountants, which is one of the listed bodies.

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

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

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



L Thurston FCCA
Independent Examiner

Lovewell Blake LLP
Chartered accountants
11 Lynn Road
Ely
CB7 4EG

25 November 2022

ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts

Company Limited by Guarantee

Statement of financial activities (including income and expenditure account)

Year ended 31 March 2022

		Unrestricted funds £	2022 Restricted funds £	Total funds £	2021 Total funds £
	Note				
Income and endowments					
Donations and legacies	5	18,837	198,807	217,644	455,411
Charitable activities	6	84,921	2,983	87,904	47,740
Other trading activities	7	3,452	–	3,452	1,138
Investment income	8	432	–	432	555
Total income		<u>107,642</u>	<u>201,790</u>	<u>309,432</u>	<u>504,844</u>
Expenditure					
Charitable activities	9	82,381	421,741	504,122	377,006
Total expenditure		<u>82,381</u>	<u>421,741</u>	<u>504,122</u>	<u>377,006</u>
Net (expenditure)/income and net movement in funds		<u>25,261</u>	<u>(219,951)</u>	<u>(194,690)</u>	<u>127,838</u>
Reconciliation of funds					
Total funds brought forward		36,769	235,163	271,932	144,094
Total funds carried forward		<u>62,030</u>	<u>15,212</u>	<u>77,242</u>	<u>271,932</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 15 to 26 form part of these financial statements.

ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts Company Limited by Guarantee

Balance sheet

31 March 2022

	Note	2022 £	£	2021 £	£
Fixed assets					
Tangible fixed assets	15		3,727		3,606
Current assets					
Stocks	16	812		583	
Debtors	17	35,244		13,324	
Cash at bank and in hand		114,380		277,862	
		<u>150,436</u>		<u>291,769</u>	
Creditors: Amounts falling due within one year	18	<u>(76,921)</u>		<u>(23,443)</u>	
Net current assets			73,515		268,326
Total assets less current liabilities			<u>77,242</u>		<u>271,932</u>
Net assets			<u>77,242</u>		<u>271,932</u>
Funds of the charity					
Restricted funds			15,212		235,163
Designated funds			6,355		-
Unrestricted funds			55,675		36,769
Total charity funds	20		<u>77,242</u>		<u>271,932</u>

For the year ending 31 March 2022 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

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

These financial statements were approved by the board of trustees and authorised for issue on 21.11.22, and are signed on behalf of the board by:


L McCord (Chair)
Trustee


T Veith (Treasurer)
Trustee

Company registration number: 02999055

The notes on pages 15 to 26 form part of these financial statements.

ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts

Company Limited by Guarantee

Statement of cash flows

Year ended 31 March 2022

	2022	2021
	£	£
Cash flows from operating activities		
Net (expenditure)/income	(194,690)	127,838
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	984	642
Other interest receivable and similar income	(432)	(555)
Accrued expenses	35,428	4,348
<i>Changes in:</i>		
Stocks	(229)	—
Trade and other debtors	(21,920)	4,263
Trade and other creditors	18,050	(2,007)
Cash generated from operations	(162,809)	134,529
Interest received	432	555
Net cash (used in)/from operating activities	<u>(162,377)</u>	<u>135,084</u>
Cash flows from investing activities		
Purchase of tangible assets	(1,105)	—
Net cash used in investing activities	<u>(1,105)</u>	<u>—</u>
Net (decrease)/increase in cash and cash equivalents	(163,482)	135,084
Cash and cash equivalents at beginning of year	277,862	142,778
Cash and cash equivalents at end of year	<u>114,380</u>	<u>277,862</u>

The notes on pages 15 to 26 form part of these financial statements.

**ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts
Company Limited by Guarantee
Notes to the financial statements
Year ended 31 March 2022**

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is Babylon Gallery, Babylon Bridge, Waterside, Ely, Cambs, CB7 4AU.

2. Statement of compliance

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity, and rounded to the nearest pound.

Going concern

The accounts have been prepared on the going concern basis and the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected income and expenditure for the next 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 31 March 2022

3. Accounting policies *(continued)*

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds where necessary, are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Income

All income is included in the statement of financial activities when entitlement has passed to the charity, it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 31 March 2022

3. Accounting policies *(continued)*

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Gallery and cinema equipment - 20% straight line

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Financial instruments

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

4. Limited by guarantee

The charity is a company limited by guarantee and accordingly does not have share capital. Every member of the company undertakes to contribute such an amount as may be required (not exceeding £10) to the company's assets if it should be wound up whilst they are a member, or within one year after they cease to be a member, to cover the liabilities of the company.

5. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Donations			
Donations received	5,835	—	5,835
Gift Aid tax reclaimed	—	—	—

ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 31 March 2022

5. Donations and legacies *(continued)*

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Grants			
CPP (Creative People and Places) (ACE - Arts Council England)	–	147,254	147,254
Local Authority Funding	–	17,000	17,000
Leap into Dance (ACE - Arts Council England)	–	1,334	1,334
Loneliness Project (ACE - Arts Council England)	–	3,100	3,100
Cambridgeshire ACRE	–	2,000	2,000
CC Futures (Bridge)	–	3,275	3,275
The Independent Cinema Office	–	6,150	6,150
Cambridgeshire Community Foundation	–	4,699	4,699
Kickstart scheme	12,350	–	12,350
Creative Spaces (ACE - Arts Council England)	–	4,995	4,995
Postcode Neighbourhood Trust	–	–	–
Arts Council Covid Grant	–	9,000	9,000
CJRS Grant Income	652	–	652
Other Covid Grant Income	–	–	–
	<u>18,837</u>	<u>198,807</u>	<u>217,644</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Donations			
Donations received	3,701	970	4,671
Gift Aid tax reclaimed	487	–	487

Grants			
CPP (Creative People and Places) (ACE - Arts Council England)	(481)	243,372	242,891
Local Authority Funding	–	–	–
Leap into Dance (ACE - Arts Council England)	–	–	–
Loneliness Project (ACE - Arts Council England)	–	27,900	27,900
Cambridgeshire ACRE	–	–	–
CC Futures (Bridge)	–	28,000	28,000
The Independent Cinema Office	–	–	–
Cambridgeshire Community Foundation	–	–	–
Kickstart scheme	–	–	–
Creative Spaces (ACE - Arts Council England)	–	19,980	19,980
Postcode Neighbourhood Trust	–	10,010	10,010
Arts Council Covid Grant	–	88,950	88,950
CJRS Grant Income	12,615	–	12,615
Other Covid Grant Income	19,907	–	19,907
	<u>36,229</u>	<u>419,182</u>	<u>455,411</u>

**ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts
Company Limited by Guarantee**

Notes to the financial statements (continued)

Year ended 31 March 2022

6. Charitable activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Babylon gallery	11,810	—	11,810
Ely cinema	26,188	—	26,188
ADeC live events	611	—	611
Sundry earned income	9,012	533	9,545
Contract income from projects	37,300	2,450	39,750
Workshop fees	—	—	—
	<u>84,921</u>	<u>2,983</u>	<u>87,904</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Babylon gallery	5,336	900	6,236
Ely cinema	5,037	—	5,037
ADeC live events	1,871	—	1,871
Sundry earned income	1,832	1,339	3,171
Contract income from projects	31,000	—	31,000
Workshop fees	425	—	425
	<u>45,501</u>	<u>2,239</u>	<u>47,740</u>

7. Other trading activities

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Rental income from Gallery lettings	<u>3,452</u>	<u>3,452</u>	<u>1,138</u>	<u>1,138</u>

8. Investment income

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Interest receivable	<u>432</u>	<u>432</u>	<u>555</u>	<u>555</u>

ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 31 March 2022

9. Expenditure on charitable activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Direct costs	56,806	258,198	315,004
Support costs	25,575	163,543	189,118
	<u>82,381</u>	<u>421,741</u>	<u>504,122</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Direct costs	32,112	96,265	128,377
Support costs	35,722	212,907	248,629
	<u>67,834</u>	<u>309,172</u>	<u>377,006</u>

10. Analysis of support costs

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Premises costs	17,075	12,280	29,355
Staff costs	8,396	149,826	158,222
General office costs	104	1,437	1,541
	<u>25,575</u>	<u>163,543</u>	<u>189,118</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Premises costs	12,824	12,172	24,996
Staff costs	20,965	179,069	200,034
General office costs	1,933	21,666	23,599
	<u>35,722</u>	<u>212,907</u>	<u>248,629</u>

11. Net (expenditure)/income

Net (expenditure)/income is stated after charging/(crediting):

	2022 £	2021 £
Depreciation of tangible fixed assets	<u>984</u>	<u>642</u>

**ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts
Company Limited by Guarantee**

Notes to the financial statements *(continued)*

Year ended 31 March 2022

12. Independent examination fees

	2022	2021
	£	£
Fees payable to the independent examiner for:		
Independent examination of the financial statements	1,905	2,000
Tax advisory services	–	175
Other financial services	2,625	1,751
	<u>4,530</u>	<u>3,926</u>

13. Staff costs

	2022	2021
	£	£
Wages and salaries	218,959	179,498
Employers NI	13,991	15,738
Pension costs	4,852	3,875
	<u>237,802</u>	<u>199,111</u>

The average head count of employees during the year was 17 (2021: 15).

No employee received employee benefits of more than £60,000 during the year (2021: Nil).

Key Management Personnel

Key management personnel include all personnel that have the authority and responsibility for planning, directing and controlling the activities of the charity. The total compensation paid to key management personnel for services provided to the charity was £40,977 (2021: £37,449).

14. Trustee remuneration and expenses

During the year no trustee received any remuneration or expenses (2021: £Nil).

**ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts
Company Limited by Guarantee**

Notes to the financial statements (continued)

Year ended 31 March 2022

15. Tangible fixed assets

	Gallery and cinema equipment £
Cost	
At 1 April 2021	51,310
Additions	1,105
At 31 March 2022	<u>52,415</u>
Depreciation	
At 1 April 2021	47,704
Charge for the year	984
At 31 March 2022	<u>48,688</u>
Carrying amount	
At 31 March 2022	<u>3,727</u>
At 31 March 2021	<u>3,606</u>

16. Stocks

	2022	2021
	£	£
Raw materials and consumables	<u>812</u>	<u>583</u>

17. Debtors

	2022	2021
	£	£
Trade debtors	10,149	5,063
Prepayments and accrued income	21,378	3,449
Other debtors	3,717	4,812
	<u>35,244</u>	<u>13,324</u>

18. Creditors: Amounts falling due within one year

	2022	2021
	£	£
Trade creditors	14,815	9,303
Accruals and deferred income	46,879	11,451
Social security and other taxes	4,166	928
Other creditors	11,061	1,761
	<u>76,921</u>	<u>23,443</u>

ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 31 March 2022

19. Deferred Income

Deferred income comprises refundable cinema ticket sales and gallery hire, along with grants and income in accordance with the conditional terms and as set by the grant provider.

	£
Balance as at 1 April 2021	9,551
Amount released to income earned from charitable activities	(9,551)
Amount deferred in year	31,936
Balance as at 31 March 2022	<u>31,936</u>

20. Analysis of charitable funds

Unrestricted funds

	At 1 April 2021 £	Income £	Expenditure £	Transfers £	At 31 March 2022 £
General funds	36,769	107,642	(82,381)	(6,355)	55,675
Designated funds	—	—	—	6,355	6,355
	<u>36,769</u>	<u>107,642</u>	<u>(82,381)</u>	<u>—</u>	<u>62,030</u>

Restricted funds

	At 1 April 2021 £	Income £	Expenditure £	Transfers £	At 31 March 2022 £
Creative People and Places	91,568	164,704	(248,759)	—	7,513
Loneliness Project (ACE - Arts Council England)	27,150	3,100	(30,250)	—	—
Leap Into Dance (ACE - Arts Council England)	2,766	1,592	(4,358)	—	—
CC Futures (Bridge)	31,465	3,275	(34,740)	—	—
Creative Spaces (ACE - Arts Council England)	38,837	5,270	(43,107)	—	1,000
Postcode Lottery	9,868	—	(9,868)	—	—
ACE Covid-19	(19)	—	19	—	—
Culture Recovery Fund	33,528	9,000	(42,528)	—	—
Rural Touring Project	—	2,000	(2,000)	—	—
Large Marg Dance Project	—	1,500	—	—	1,500
FHSE Building Connections Project	—	6,150	(6,150)	—	—
East Cambs Primary School Pop-Up Events	—	5,199	—	—	5,199
	<u>235,163</u>	<u>201,790</u>	<u>(421,741)</u>	<u>—</u>	<u>15,212</u>

ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 31 March 2022

Unrestricted funds

	At 1 April 2020 £	Income £	Expenditure £	Transfers £	At 31 March 2021 £
General funds	21,180	83,423	(67,834)	—	36,769

Restricted funds

	At 1 April 2020 £	Income £	Expenditure £	Transfers £	At 31 March 2021 £
Creative People and Places	62,035	244,334	(214,801)	—	91,568
Loneliness Project (ACE - Arts Council England)	—	27,900	(750)	—	27,150
Leap Into Dance (ACE - Arts Council England)	2,828	(62)	—	—	2,766
CC Futures (Bridge)	32,266	28,439	(29,240)	—	31,465
Creative Spaces (ACE - Arts Council England)	25,785	20,950	(7,898)	—	38,837
Postcode Lottery	—	10,010	(142)	—	9,868
ACE Covid-19	—	34,950	(34,969)	—	(19)
BFI Covid Resilience	—	900	(900)	—	—
Culture Recovery Fund	—	54,000	(20,472)	—	33,528
	122,914	421,421	(309,172)	—	235,163

Creative People and Places

A large-scale project called MarketPlace to increase arts engagement in Fenland and West Suffolk, funded primarily by Arts Council England.

Save Ellie the Eel

A fundraising campaign through the Big Give, led to funds to repair the two eels and provide community workshops to get people involved in their repair.

Catalyst

An Arts Council England programme, which helped support our fundraising objectives and procure a new CRM system.

Gallery Participation

Workshops and activities for people to learn more about different artists and have a go at creative activities.

HLF Origins

A Word Garden Project, funded by the National Lottery Heritage Fund, on which Babylon ARTS carried our project management and marketing work.

ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts

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Notes to the financial statements *(continued)*

Year ended 31 March 2022

The Library Presents

Babylon ARTS is the arts partner (to Cambridge County Council's NPO) for two seasons of arts events and activities taking place in libraries across Cambridgeshire each year.

Leap into Dance

An Arts Council England funded project, aimed at bringing professional dance performance aimed at family audiences, to Ely.

Ely City Council Projects

In 2019-20 ECC supported the 'Submerged' community exhibition focusing on themes of flood risk management and the waterways. This exhibition was also delivered in partnership with the Environment Agency.

CC Futures (Bridge) Project

This is aimed at improving the skills and opportunities for young people in East Cambridgeshire and Fenland so they are better equipped to enter into jobs in the Creative Industries. This is in partnership with Festival Bridge, and is funded through the opportunity Area and the Take Your Place programme.

Creative Spaces 2020

An Arts Council England funded project, which will support two Young Curators to develop exhibitions at The Babylon Gallery. The project will also develop our professional development work with artists from across West Anglia.

BFI Covid Resilience

Funding from the British Film Institute to support core costs for the cinema during the first Covid lockdown, that were not otherwise included in the Culture Recovery Fund grant.

Culture Recovery Fund

Government funding from the Department of Culture, Media and Sport (DCMS) (distributed by Arts Council England) to support core costs and organisational development activities such as work on access and inclusion and audience development, plus cultural education in East Cambridgeshire.

Designated Fund

An element of Arts Council England emergency grant received during the year for £6,355 which is for 'reflation of reserves' and was designated to support Babylon Arts financially through the Covid recovery period.

**ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts
Company Limited by Guarantee**

Notes to the financial statements *(continued)*

Year ended 31 March 2022

21. Analysis of net assets between funds

As at 31 March 2022

	Unrestricted Funds £	Designated Funds £	Restricted Funds £
Tangible fixed assets	3,727	—	—
Current assets	51,948	6,355	15,212
Net Assets	<u>55,675</u>	<u>6,355</u>	<u>15,212</u>

As at 31 March 2021

	Unrestricted Funds £	Designated Funds £	Restricted Funds £
Tangible fixed assets	3,606	—	—
Current assets	33,163	—	235,163
Net Assets	<u>36,769</u>	<u>—</u>	<u>235,163</u>

22. Analysis of changes in net debt

	At 1 Apr 2021 £	Cash flows £	At 31 Mar 2022 £
Cash at bank and in hand	<u>277,862</u>	<u>(163,482)</u>	<u>114,380</u>

23. Related parties

During this year and the prior year there were no related party transactions.