

Registered number: 3345162
Charity number: 1063671

THE CREATIVE ART HOUSE
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021



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CONTENTS

	Page
Reference and administrative details of the charity, its Trustees and advisers	1
Chair's statement	2
Trustees' report	3 - 14
Independent auditor's report on the financial statements	15 - 19
Statement of financial activities	20
Balance sheet	21 - 22
Statement of cash flows	23
Notes to the financial statements	24 - 43

THE CREATIVE ART HOUSE
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2021

Trustees	C A Wills, Chair J Glaister (Resigned 11 November 2020) N Wilson (Resigned 11 November 2020) A Asres (Appointed 11 November 2020) E Wood (Appointed 11 November 2020) T Raabe-Webber (Appointed 11 November 2020) B Esapathi (Appointed 11 November 2020) S Hansom (Appointed 11 November 2020) J Cook M Faull
Company registered number	3345162
Charity registered number	1063671
Registered office	The Art House Drury Lane Wakefield WF1 2TE
Chief executive	S Thornbury
Independent auditor	BHP LLP Chartered Accountants Rievaulx House 1 St Mary's Court Blossom Street York YO24 1AH
Bankers	Unity Trust Bank plc 9 Brindley Place Birmingham B1 2HB
Solicitors	Hempsons The Exchange Station Parade Harrogate HG1 1DY

THE CREATIVE ART HOUSE

(A company limited by guarantee)

INTRODUCTION FROM THE CHAIR *FOR THE YEAR ENDED 31 MARCH 2021*

The chair presents her statement for the year.

There are times, there are moments, when more is possible. In March 2020, The Art House Staff and Trustees finally raised their heads from implementing a successful two year turn around plan, only to be met by the challenges of a pandemic staring them back in the face.

Yet, this incredible team of hard working and values-driven individuals rose to the challenge, and successfully navigated the organisation in a way that surpassed any of our expectations. Not without fear, heartache, and a lot of hard work. But always driven by a firm belief in and commitment to our community of artists and the wider people of Wakefield.

At The Art House, we regularly ask ourselves, What is the fullest role an Arts Centre can play in its community? The pandemic has provided us with a myriad of answers to that question.

We've supported food distribution to needy families through a partnership with The Real Junk Food Project. The NHS contracted us to house the new Safe Space, a seven night a week drop-in emergency mental health service run by three local mental health charities. We provided remote art workshops for people with dementia and their carers, as well as for refugees and asylum seekers. During the holidays we distributed 1,000 creative gift boxes to struggling families, including those in the homeless accommodation across our street. We worked with NOVA and the Leeds Community Foundation to leverage the money we had been granted from the Small Business Support grants for our interim use spaces and distributed over £208,000 of financial support to local artists and creative entrepreneurs who were slipping through the government's relief programmes. And to keep up our community's (and our own) morale, we planted 1,000 sunflowers around The Art House.

While Covid has been challenging for us, impacting both our earned income streams and our programming, it has also called upon us to go deeper into the role we could play in our community than even we had imagined. And as we begin to tentatively emerge from the pandemic and begin to operate in this new post-covid world, we want to hang onto that. In November 2020, we saw the scheduled stepping down of two long-serving trustees in November of 2020, Jane Glaister and Nigel Wilson. I would like to thank them on behalf of the organisation for their dedicated service over the years. We wish them the best for the future.

After a very successful recruitment campaign, we were delighted to welcome five new trustees to the board, who now make up the most diverse board in The Art House's history. They are a gifted group and are committed to supporting this next phase of The Art House's development.

The coming year will no doubt bring more challenges as we adjust to a new reality; however, we have more faith than ever in the power that art has to make a difference in people's lives and in the communities they live in. We know that we will rise to meet whatever lay ahead.

I would like to thank the Trustees of The Art House and the fantastic Art House staff, who have worked so very hard over this last year. I would also like to pay tribute to all of the studio holders, resident artist and stakeholders that have weathered this journey with us. Your courage and humanity have been inspiring



Anamaria Wills, Chair
Date: 18 October 2021

THE CREATIVE ART HOUSE
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2021

The Trustees present their annual report together with the audited financial statements of the charity for the 1 April 2020 to 31 March 2021 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" in preparing the annual report and financial statements of the charity.

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 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.

Since the charity qualifies as small under section 382 of the Companies Act 2006, the Strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. Policies and objectives

The prime objectives of the organisation are to enable disabled and non-disabled visual artists to access opportunities to develop their creative practice, in an inclusive and accessible environment, through:

1. Supporting artists to develop their practices, reach new audiences and cultivate wider networks.
2. Actively promoting and establishing equality in the visual arts for disabled and non disabled artists.
3. Providing residencies, exhibitions, training, membership and one to one advice.

The Art House is an organisation working towards equal access for ALL artists, focused on identifying, highlighting and removing physical, philosophical, educational, social and economic barriers for Visual Artists.

As such, we have expanded our work to include other marginalised artists and creative practitioners. For example our Studio of Sanctuary programme is the first of its kind in the UK to provide free professional development, studio space and pastoral support for asylum seekers and refugee artists.

In addition, we are also highly committed to using arts and creativity to engage and empower the people of Wakefield. As such, we have opened the organisation out to the community - providing a range of social impact projects, public classes and events. We are also working with the council and local businesses to help regenerate Wakefield through arts, culture and the creative industries.

THE CREATIVE ART HOUSE
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Objectives and activities (continued)

b. Activities undertaken to achieve objectives

The Art House buildings are fully accessible and include 50 studio spaces for artists, makers and creative businesses. We also have a fully equipped and staffed print studio, meeting rooms, an exhibition gallery, an event space, residency accommodation, a coffee house and a maker's shop.

Through its Artistic Programme, The Art House provides time, space and support for artists to develop their work and connect with audiences through:

- Residencies and artist commissions
- Artist Mentoring
- Artist-led sharing of best practice
- Physical and virtual exhibitions, workshops and events

Our Social Impact and Public Engagement Activities include:

- Producing the bi-monthly Artwalk, Wakefield's creative late night out
- Being the first 'Studio of Sanctuary' in the UK for artists and makers who are seeking asylum
- Arts and Health programmes in a dedicated Arts and Health studio
- Producing special events and festivals
- Providing interim use space for artists, charities and community groups
- Classes and workshops in printmaking and other art forms for the public and artists

The Trustees have considered the Charity Commission's general guidance on public benefit when reviewing the activities for the year. Further information on the activities which provided public benefit during the year is provided below.

Achievements and performance

a. Key performance indicators

The Charity's key financial performance indicators are based on targets set for:

Earned Income: income from studio occupancy, meeting and event space rentals, public courses and classes and contracts for services, as well as their related expenses

Charitable Income: primarily from the Arts Council England NPO, as well as from other statutory or charitable sources and individual donors.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Achievements and performance (continued)

b. Review of activities

2020-21 will forever be known as the year of Covid-19. In fact, as of this writing (October 2021), we are still feeling the effects and fallout of the pandemic. We have re-opened and the public is beginning to come back to courses and events; however staffing capacity and operations are still being affected by the pandemic and there will continue to be a period of recovery, both economically and emotionally, as well as an unknown landscape ahead as we discover how the fall-out from Covid impacts our ongoing operations, capacity and community.

While Covid has been challenging for us, impacting both our earned income streams and our programming, it has also called upon us to go deeper into the role we could play in our community than even we had previously imagined. It has brought into stark relief the potential there is for The Art House to play a radical and transformative role for creatives and communities in Wakefield. The pandemic has galvanized us to stay on this path and continue to explore.

We closed due to Covid-19 from the 19th of March 2020. 90% of our earned income streams dried up immediately. We also refunded bookings, gave a rent moratorium to Studio holders and honoured all contracts with artists and freelancers.

We put the organisation into stasis upon the first lockdown. We furloughed all staff except the CEO and Marketing Director. We re-budgeted for the year, sensitively cutting core costs while trying to protect jobs and our capacity to bounce back. We repurposed NPO funds.

We received £376,729 of Small Business Grants over the course of the pandemic, and are proud to say that we re-granted out £208,099 to local artists and creative businesses who were falling through the cracks of Government relief and really struggling. We weren't just trying to save the livelihoods of people we work with, but also the local cultural infrastructure we rely on for business. One local artist who runs creative programmes for learning disabled young people noted:

'I can't explain the relief you have created by giving us this grant. I cannot afford to cover all the staff costs with the small contributions that members give and I didn't want to increase the fees. There is such a desperate need to get these sessions back up and running, and many parents and carers have said how many of the members have deteriorated and are in need of the stimulation.' This grant means I don't need to worry financially for these classes and I don't have to take another pay cut which was what it was looking likely to have to happen.'

In July we re-opened safely to studio holders. In September we safely re-opened the print room to the public for classes, courses and studio use and we also were awarded a Culture Recovery Grant to support re-opening efforts scheduled for January.

Unfortunately, the winter 2020 Lockdown came into force before January, and we did not actually re-open fully to the public until May 2021.

Throughout the pandemic period, we have maintained meaningful relationships with our studio holders, resident artists, audiences, our course participants; with our partners, our community groups and with the local authorities. This may be why studio rentals have not dropped off and our engagement figures were still impressive last year, despite being closed. Our staff, and the organisation as a whole, proved resilient over the pandemic, although this is not to say that it has not taken a deep emotional and physical toll.

The early signs are that the emerging business model since the turnaround in 2017-2019 had proven to be the right one for the organisation, however, The Art House remains engaged in deep thinking about how to navigate a post-Covid era.

THE CREATIVE ART HOUSE

(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Achievements and performance (continued)

Business Developments and New Initiatives

Income

- While lockdown wiped out our earned income streams from room bookings, classes and courses, over the course of the pandemic we were able to replace some of this lost earned income through other means of income generation, resulting in a total decline of earned income of 38% on the previous year, as opposed to the 90% that we saw at the beginning of the first lockdown.
- Trustees decided to suspend Studio Holder rents during lockdown periods, in an effort to support artists' livelihoods during what was an extremely difficult time for them and other creative freelancers. Although we feared that the pandemic would result in a decrease of studio rentals, this has not in fact materialised. We are pleased to say that studios are still at capacity with a waiting list. This statement from one of our relieved artists captures the relief they have all expressed: *'This is amazing news, and in such bleak times. I've been reduced to one day at the school with no furlough so hit pretty hard this time. Thank you.'*
- We were awarded a Culture Recovery Fund Grant of £161,00 which, along with the Furlough Scheme, proved instrumental to us weathering the pandemic.
- We were awarded £376,729 of Small Business Support money over the pandemic, as we qualified for it for each of the Makey Wakey interim use spaces that we manage. We re-granted £208,099 of this money out to artists and creative businesses across Wakefield who were falling through the cracks of the government funding schemes. We also worked with NOVA and The Wakefield District Health and Community Support Charity, who were distributing the Leeds Community Foundation Net Recovery Funds, in order to leverage our funds together to ensure the most effective distribution of funds across the local creative sector. Another grant recipient, BEAM, an arts producing organisation, noted: *'On behalf of Beam and the Board of Trustees I am writing to thank you and the Trustees of The Art House for your support for Beam through your consultation, negotiation and advocacy on our behalf and for your role in redistributing funds from the government's Small Business Emergency Grant Relief scheme. This unrestricted grant will help to sustain our organisation in this time of crisis and support the freelancers that we regularly work with.'*
- We were commissioned by The NHS to house the new Safe Space, an out of hours emergency mental health drop-in service run by three local mental health charities. We are incredibly proud to be involved with this project, as it enables The Art House to play a role in helping with the enormous increase of mental health issues facing our communities as a result of the pandemic.
- We were contracted by Peel Plc to expand our Makey Wakey programme to Salford's Media City
- We were approached by Rushbond Plc about interim use of The Court House, which they are taking on as part of their new Civic Quarter Development of 100 homes in central Wakefield.

Cap Ex Works

- After stalling due to the first lockdown, we were able to proceed with the improvement works we had received funding for through the Arts Council's Small Capital Expenditure Scheme in 2019. This included renovating the old bin store to provide additional storage space, undertaking improvement works to the event space and meeting rooms, investing in an online CRM and Room booking and project management system, and upgrading our computers. We also improved the gallery space through installing museum quality lighting and re-decorating.
- We were able to work with ACE to re-purpose parts of the grant to meet the new ways of working that were emerging from Covid, for example, installing technology to enable professional quality video conferencing in both our board room and our large event space in order to better enable a future of hybrid meetings and conferences.
- Combining the re-purposed CapEx grant with the Culture Recovery Scheme funding enabled us to undertake significant building work in the foyer and event-space. Not only did this create a more spacious and ventilated area, but has greatly enhanced the flow and created an more open and welcoming feel to the space.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Achievements and performance (continued)

Staff

- We made no redundancies during the pandemic, and in fact used the grants we received to employ freelancers and expand staff in order to support our local creatives and our community.
- We furloughed all but the CEO and Marketing Director during the 1st lockdown. Over the course of the year, we continued to furlough the majority of staff, but took advantage of flexible furlough once it was introduced.
- The emotional, mental health and physical toll on the staff during Covid and lockdown cannot be under-stated. This applied across the board – both to those who worked all the way through lockdowns and those who were furloughed. Trustees took the emotional and mental health needs of the staff seriously and instituted an employee wellbeing programme, which included online yoga and meditation classes and the opportunity to see a therapist for six sessions if needed.
- Communication with staff was active over lockdown, with regular video team meetings, e-newsletters and informal chats. There remained a definite sense that we were all in it together.

Trustees

- We saw the scheduled stepping down of two long-serving trustees in November of 2020, Jane Glaister and Nigel Wilson. Their service to the organisation over the years was very much appreciated.
- The Chair of Trustees initiated and led on a comprehensive skills audit of the board. The result of this was a formal advertising campaign to recruit new trustees. We were delighted to receive a number of highly qualified applications, and from these we selected five new Trustees which represent a wide array of backgrounds and has resulted in creating the most diverse board we have ever had. Each trustee now carries responsibility for a different area of the business, and provides a mentoring and 'soundboard' role for the member of staff responsible for that area.
- The board was engaged with and responsive to the needs of the charity during the pandemic – working in a responsive and flexible way using video conferencing and devolved decision making systems as needed to ensure successful navigation and governance during such an unprecedented time.
- Despite all of the upheaval of the last year, the new board has also been systematically developing itself through a formal review of sections of the Code of Governance at each meeting. This has resulted not only in Trustees better knowing their roles, but also in guiding Trustees on key thinking necessary for this next stage of the charity's journey.

Artistic Programme

Access and Diversity

Accessibility, diversity and equality are our founding principles and much of our work in this area has been sector leading over the last 28 years. We know the arts have a vital role to play in modelling a diverse and inclusive society, especially for our local area which is 96% white British. We were proud to be rated 'Outstanding' in 2021 by Arts Council England for our focus on access and diversity: 'The Art House (TAH) continues to take a leading role in championing the Creative Case for Diversity across the sector.'

TAH have an advanced strategic approach to addressing barriers within the sector for artists from underrepresented backgrounds with a broad focus on inclusion and equalities (e.g. significant programmes around refugee and asylum seekers, visible disabilities, neuro-diversity and health agendas) TAH has pioneered the UK's first 'studio of sanctuary' to offer provision for refugee and asylum seekers. TAH are one of few fully disability accessible studio buildings, which supports talent with the delivery of residencies, international residencies, live/work, showcase exhibitions, artist talks, events and commissioning collaborations across the national cultural landscape, ensuring that diverse artists are presented and profiled. Work with the diverse studio holders has championed inclusion and promoted fair-pay as an equality agenda under the creative case.

During the pandemic, TAH has delivered a programme of grants supporting artist livelihoods, especially for those from (or working with) asylum seekers, the disabled, or those from other marginalised backgrounds. There is a highly advanced

THE CREATIVE ART HOUSE

(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Achievements and performance (continued)

organisation-wide approach to inclusion and the creative case at the centre of all the organisation's work and decision making at board level.'

Audiences, Social impact and Engagement Work

The Art House is a crucial part of Wakefield's creative infrastructure, and this pandemic year proved that more than ever. In April, we postponed the residencies and artistic programme we had planned for the year, still making the fees available to artists who wanted them paid during that time. We then pivoted to focus on what we could do to support artists and the most vulnerable in our communities to get through lockdown and the pandemic. These activities included:

Practical Responses to the pandemic in our community

- As mentioned above, we granted out £208,000 in direct funds to artists and creative enterprises across Wakefield, as they were slipping through the cracks of the Government's various funding streams. We spent thousands more commissioning work and projects from other artists and freelancers. And we also provided a rent moratorium to all our studio holders over lockdown. We take our commitment to Wakefield's artists and creatives very seriously, and are proud that we were able to provide support to so many of them during this period.
- We also were proud to become the site of Wakefield's first out-of-hours emergency mental health drop in, Safe Space, working in partnership with three mental health charities.
- We supported food distribution to needy families in Wakefield through our partnership with The Real Junk Food Project, reaching 1,046 key workers with free weekly food boxes and an additional 5,506 people with 'pay as you feel' boxes
- While the building was closed, we reached out to the NHS to see if there was any way we could help. The perinatal mental health unit contacted us soon afterwards and began a weekly support group for mums who had given birth during lockdown who were at risk of mental health issues. The group of mums and babies is still running.
- CEO support group – during the first lockdown, our CEO ran a weekly support group for senior leaders across Wakefield's cultural and third sector organisations.
- We also, for the first time, took on two university year-long work placement students. Both of these students, including one who is blind, had to complete work placements as a part of their course, but when lockdown hit, the businesses they had arranged to do these with cancelled. Each contacted us, and we made the commitment to work with them. Both placements were highly successful, both for the students and for The Art House.

Commissions

- Another way we supported artist livelihoods over the pandemic was through commissions and purchasing artworks. Commissions included:
 - An inspirational mural for Wakefield from up and coming print artist, Ellie Way. The mural received fantastic feedback from the public, was posted on social media numerous times and was seen by an estimated 75,000 people
 - A neon piece by artist Richard Wheeler of Neon Workshops, for exhibition in our large gallery windows, as a beacon of light to Wakefield during the Winter Lockdown. Again, the piece was incredibly well received and became a destination point for people while they were on their permitted daily walks during this time. Nearly 15,000 people visited the piece.
 - We worked hard to ensure that as much of our capex grant as possible was used to support our local artists and craft makers. For example, instead of buying new chairs as we had planned, we commissioned one of the studio holders who is a furniture maker to strip down and repaint the chairs we had. This not only provided an income for her, but also was more environmentally friendly.

Pivoting to Online delivery

- Like many arts and cultural organisations, we pivoted and delivered many of our outreach and engagement projects

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Achievements and performance (continued)

online, supplemented by physical packs of art supplies which were delivered. We did not rush in immediately to do this because of the difficulties of engaging our outreach participants - people with Dementia and their carers, as well as asylum seekers and refugees – online. However, we are pleased to say that through a lot of effort and partnership working, we managed to get the programmes up and running and had excellent engagement.

- We were especially pleased with getting the Creative Ageing Dementia group online, as many of these older participants had not used the internet before. We supported them every step of the way, including getting some laptops with dongles. We ran 24 weeks of Creative Ageing on line with 15 repeating participants. For most of the participants, this session became a lifeline for them.
- We ran three remote Studio of Sanctuary projects, including for asylum seekers kept in the local Initial Accommodation Centre for over a year longer than standard practice. These courses included working online and via post with two professional artists, including one who was himself a refugee.
- **Artwalk Online** – we experimented with transferring our bi-monthly city-wide late night 'Artwalk' to online and social media takeovers, which was quite successful the first few times, with enthusiasm tapering off as lockdown went on. However, the process did result in us gaining a number of new audience members, including internationally, from more far-reaching places than we had ever had. Although the in-person version of Artwalk is preferable, and was returned to in spring on 2021, we are exploring ways to create a real-time online component to Artwalk for the future.
- **Gift Boxes** – In December, we distributed 1,000 creative gift boxes to struggling families across Wakefield. Boxes included creative winter and holiday themed activity cards (and the necessary supplies) created by studio holders at The Art House and were distributed via local food banks, the Initial Accommodation Centre for Asylum seekers, the local homeless accommodation across our street, and partner schools. The boxes themselves were beautiful and of an exceptionally high quality – designed and printed in our own print studio. Response to the boxes was overwhelming and we aim to continue the programme annually.
- **Sunflowers** – And finally, to keep up our community's (and our own) morale, we planted 1,000 sunflowers around The Art House with a sign that said 'Stay Positive Wakefield'.

Financial review

a. Going concern

The Trustees have reviewed going concern in light of the current and forecast financial position of the charity. We have prepared a detailed budget to March 2023. We are confident that our application to take up Arts Council England's offer of extending our NPO funding for an additional year (2022-23) will be successful.

In making the going concern assessment the Trustees have also considered the charity's principal financial risks (see Risk Management section - page 12) and the current level of reserves and target reserves as set out in the reserves policy (page 10). As part of our Risk Management & contingency planning we have produced a scenario for the unlikely event that we may have to significantly retract the charity or wind down completely. In either case, we have enough in reserves to cover all redundancies should that be necessary.

After making appropriate enquiries therefore, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

THE CREATIVE ART HOUSE
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

b. Financial review

The Art House recorded a net surplus of £253,982 for the year, before transfers and depreciation.

This result saw our free reserves of the charity at 31 March 2021 at £100,567 after the deduction of unrestricted reserves held as fixed assets. This is slightly above the stated aim of the reserves policy, which is £100,000. Total funds at 31 March 2021 are £3,725,981 (2020: £3,651,971) including restricted funds of £3,449,424 (2020: £3,589,424).

c. Reserves policy

In forming a reserves policy, the Trustees have regard to the financial impact of the principal risks as set out on page 12. In particular:

- Not achieving income targets, especially in light of continued uncertainty around the pandemic and the possibility of economic downturn due to the fallout of both the pandemic and Brexit
- Unforeseen liabilities arising in relation to building running costs, especially in regards to rising energy prices, maintenance and rectification
- Other unforeseen liabilities

In setting a reserves policy the trustees have also considered the cost of achieving an orderly wind-down of the charity's activities should the Art House no longer become viable. The cost of this wind-down would seek to mitigate the immediate impact to beneficiaries of the charity through provision of a continued facility for a short period of time whilst alternative service provision is sourced.

In light of these financial risks the trustees have set a reserve target of £100,000. Our current level of free reserves is £100,567.

Funding – There is no doubt that the successful turnaround plan that we implemented for The Art House between 2018-2020 laid the strong foundation we needed for weathering the pandemic. However, the gains we made around growing our earned income streams and creating a more balanced income mix between statutory and earned income has obviously now tilted back to Statutory Funding being the larger slice of the pie due to Covid Government support. However, we hope to re-dress this balance over the next two years.

The Art House is generously supported as one of Arts Council England's National Portfolio Organisations, with an annual funding level of £247,087 per annum until March 2023.

In addition, we earn income through a variety of sources, including studio rental fees, contracts for services, interim-use space management and classes and courses.

We also receive charitable income from Wakefield Council (project-based), Foundations and Trusts and Individual Donors.

The Art House manages its financial risks carefully through a considered reserves policy, an active risk register and on-going fundraising and income generation development.

THE CREATIVE ART HOUSE
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

d. Principal funding

The Charity's principal sources of funding are:

Core: Arts Council England, Earned Income
Projects: The Tudor Trust, Arts Council England Small Capital Expenditure Grant, Misc trusts and foundations
Covid Related: Furlough Scheme, Small Business Relief Funding, Culture Recovery Grant

Structure, governance and management

a. Constitution

The Creative Art House is registered as a charitable company limited by guarantee and was set up in April 1997. The charity is governed by its Articles of Association and is registered with charity number 1063671.

The objects of the charity are specifically restricted to:

1. To advance the education of the public in arts and culture by providing experiences of art and artists through exhibitions, residencies, commissions, workshops and events.
2. The relief of those in need by reason of youth, age, ill-health, disability, financial hardship or other disadvantage in particular through visual arts and crafts.

b. Methods of appointment or election of Trustees

The Articles of Association requires a minimum of three Trustees, each appointed for a three-year term. Trustees are recruited by panel interview against agreed criteria to effectively meet the Charity's obligations and responsibilities.

c. Organisational structure and decision-making policies

The Board of Trustees agree the strategic direction and policy statements of the Company. Executive and operational responsibilities are delegated to the Company's senior management and support staff.

The Board meets four times per year and is supported by two sub-committees of Trustees which meet regularly throughout the year and report to the Board. These are the Finance, Human Resources and Risk Committee and the Estates Committee. Each Committee is chaired by one of the Trustees under terms of reference delegated by the Board.

There is also a Programme Working Group which consists of studio holders, artists in residence, partners and collaborators inputting into debate and decision making with the The Art House programme team (led by the Chief Executive).

d. Policies adopted for the induction and training of Trustees

Persons invited to join the Board of Trustees are first invited to attend a Board meeting as an observer. When first becoming a member of the Board, the Trustee is provided with an information pack regarding the organisation, which includes all company policies and procedures.

Appropriate skills development opportunities are provided for all Trustees and staff.

THE CREATIVE ART HOUSE

(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Structure, governance and management (continued)

e. Pay policy for senior staff

The Trustee Board determines and agrees the overall policy for the remuneration and pension arrangements for all the Charity's employees.

The remuneration policy is designed to attract and engage those with the required skills and experience to meet the Charity's aims and objectives, aligned with the values of its Trustees, beneficiaries, partners and supporters.

The Board benchmarks pay levels against local similar salaries where information is available and utilises external professional advisors and salary databases where necessary.

f. Financial risk management

The Trustees and Executive have identified the principal risks to which the Charity is exposed and assessed their possible impact on the services provided and financial security of the Charity. They are satisfied that the necessary systems and controls are in place, and under regular review, to mitigate the Charity's exposure to those risks. The Finance, HR and Risk Committee specifically considers risk and reports to the Board and a comprehensive risk register is in place.

Key risks identified by the charity include:

Funding – The Art House is currently reliant on the generous support of the Arts Council for the majority of its income. The Art House's annual NPO funding level is £247,087 per annum until March 2022. However, this funding does not cover the full operations of the building or the full artistic programme. The Trustees are committed to providing an Artistic Programme based on 'excellence' – to do so requires further funding. This is why the new strategy of developing new earned income streams and establishing more of a mixed economy has been adopted by Trustees.

Reputation – The Art House seeks to be a relevant and innovative arts organisation. The consequences of not adapting to the needs of the sector and responding to artists and audiences jeopardises our position as a national lead for diversity and the visual arts. The Art House approach to risk taking and adaptability is to operate a model that can respond flexibly to shifting perspectives and agenda, recognise opportunities and possibilities and is managed through reporting, feedback and evaluation.

Building costs – Phase 1 of the Art House is approaching ten years in age and the requirement to repair certain aspects of the building is increasing. The cost of repairs is managed through a maintenance plan which prioritises critical works and carefully appraises any investment being considered. This plan is discussed regularly at meetings of the Estates committee, a sub-committee of the Board.

THE CREATIVE ART HOUSE
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Plans for future periods

Ironically, The Art House came into its own during the pandemic. We have grown our capacity and our impact. We are keen to retain that capacity and impact as we pick up the pieces and begin to operate again in a new, post-pandemic world.

We have re-opened and re-started our artist residency programme. At the time of this writing (Oct 2021), we have just opened our long-delayed Circle/Sphere show, celebrating Neon Workshop's 10 years in Wakefield with an exhibition of American Neon Artist Fred Tschida's vibrant rotating neon sculptures.

We have just launched the country's first disabled accessible darkroom, working with the Disabled Photographers Association, and are now offering photo courses and darkroom memberships. We are planning on opening a Ceramics Studio in early 2022.

We are continuing to benefit and harness the opportunities that came our way during the pandemic. Safe space has extended from 3 nights a week to 7. We have been contracted by Rushbond Plc to design the branding for their Civic Quarter Development and also to undertake a Feasibility and Options Analysis for The Court House with a view to us potentially being operators.

Our Makey Wakey interim use programme is being expanded to The New Media Centre in Salford and as part of the contract, we are training up a local arts organisation in how to manage the scheme and make it their own. Our aim is to develop a national network of arts organisations doing rates mitigation in this way.

We are focusing our efforts during this upcoming year on re-building our pre-pandemic earned income streams. People are returning to classes and courses, but slowly. Meeting room and event bookings are returning, but slowly. We know we will get there.

Much of the upcoming year will focus on preparing our application for the next NPO round, which is due in February of 2022. We are thrilled with ACE's new strategy, Let's Create, which could have been written for The Art House, as it prioritises addressing barriers to practice and engagement.

We will also continue to look after the wellbeing of our staff, studio holders and artists. The emotional toll of the pandemic will last a long time, and we need to support each other through it.

There is much to fret about in wondering how long it will take earned income to return to pre-pandemic levels, or what the ongoing impact of the pandemic will be on the arts and the economy, or even whether the upcoming winter will bring another virus surge and other lockdowns.

However, there is much to celebrate and be positive about as well.

For example, since re-opening, we are seeing many more people coming in and just hanging out in our newly renovated foyer, drinking coffee, working on laptops, conversing over cups of tea and slices of cake. We have more families coming in. Our profile has significantly increased. More people have heard of us. More artists are calling in to enquire about studios and residencies. And our staff and studio holders are happy and excited to be back at work. There is a buzz about the place, one that in the middle of lockdown, in a quiet and closed building, was hard to imagine would ever return. But it's back now. And we will continue to meet the challenges that lie ahead in order to keep that buzz going.

THE CREATIVE ART HOUSE
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the charity for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial . 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 its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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.

Disclosure of information to auditor

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Approved by order of the members of the board of Trustees and signed on their behalf by:



.....
Anamaria Wills

Date: 18 October 2021

THE CREATIVE ART HOUSE
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CREATIVE ART HOUSE

Opinion

We have audited the financial statements of The Creative Art House (the 'charitable company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

THE CREATIVE ART HOUSE
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CREATIVE ART HOUSE (CONTINUED)

Other information

The other information comprises the information included in the Trustees' Report other than the financial statements and our Auditor's report thereon. The Trustees are responsible for the other information contained within the Trustees' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report (incorporating the Directors' Report) for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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

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

THE CREATIVE ART HOUSE
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CREATIVE ART HOUSE (CONTINUED)

Responsibilities of trustees

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CREATIVE ART HOUSE (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charitable company through discussions with directors and other management, and from our commercial knowledge and experiences of the charity's sector;
- we focussed on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including data protection, employment and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence throughout;
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by;

- making enquiries of trustees and management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risks of fraud through management bias and override controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 1 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may

THE CREATIVE ART HOUSE
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CREATIVE ART HOUSE (CONTINUED)

involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%e2%80%99s-responsibilities-for>. This description forms part of our Auditor's report.

Use of our report

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



Jane Marshall (Nov 25, 2021 15:45 GMT)

Jane Marshall (Senior statutory auditor)

for and on behalf of

BHP LLP

Chartered Accountants

Statutory Auditor

Rievaulx House

1 St Mary's Court

Blossom Street

York

YO24 1AH

Date: Nov 25, 2021

THE CREATIVE ART HOUSE
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:					
Donations and legacies	3	265,152	218,506	483,658	443,337
Charitable activities	4	42,963	-	42,963	76,318
Other trading activities	5	81,818	-	81,818	123,633
Investments	6	125	-	125	235
Other income	7	433,127	-	433,127	10,122
Total income		823,185	218,506	1,041,691	653,645
Expenditure on:					
Raising funds	8	155,668	53,340	209,008	190,644
Charitable activities	9	477,139	281,634	758,773	621,868
Total expenditure		632,807	334,974	967,781	812,512
Net income/(expenditure)		190,378	(116,468)	73,910	(158,867)
Transfers between funds	18	23,747	(23,747)	-	-
Net movement in funds		214,125	(140,215)	73,910	(158,867)
Reconciliation of funds:					
Total funds brought forward		62,332	3,589,639	3,651,971	3,810,838
Total funds carried forward		276,457	3,449,424	3,725,881	3,651,971

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 24 to 43 form part of these financial statements.

THE CREATIVE ART HOUSE
(A company limited by guarantee)
REGISTERED NUMBER: 3345162

BALANCE SHEET
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	14	1,583	4,751
Tangible assets	15	3,509,376	3,637,276
		3,510,959	3,642,027
Current assets			
Debtors	16	151,480	43,670
Cash at bank and in hand		227,848	33,275
		379,328	76,945
Creditors: amounts falling due within one year	17	(164,406)	(67,001)
Net current assets		214,922	9,944
Total net assets		3,725,881	3,651,971
Charity funds			
Restricted funds	18	3,449,424	3,589,639
Unrestricted funds	18	276,457	62,332
Total funds		3,725,881	3,651,971


THE CREATIVE ART HOUSE
(A company limited by guarantee)
REGISTERED NUMBER: 3345162

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2021

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



Anamaria Wills

Date: 18 October 2021

The notes on pages 24 to 43 form part of these financial statements.

THE CREATIVE ART HOUSE
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	21	243,452	(60,018)
Cash flows from investing activities			
Bank interest		125	235
Purchase of tangible fixed assets		(49,004)	(44,407)
Net cash used in investing activities		(48,879)	(44,172)
Cash flows from financing activities			
Net cash provided by financing activities		-	-
Change in cash and cash equivalents in the year		194,573	(104,190)
Cash and cash equivalents at the beginning of the year		33,275	137,465
Cash and cash equivalents at the end of the year	22	227,848	33,275

The notes on pages 24 to 43 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. Accounting policies

1.1 Basis of preparation of financial statements

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.

The Creative Art House 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.

The financial statements are prepared under the historical cost convention in £ sterling, which is the functional currency of the charity, and rounded to the nearest £1.

1.2 Going concern

The Trustees have reviewed going concern in light of the current and forecast financial position of the charity. We have prepared a detailed budget to March 2023. We are confident that our application to take up Arts Council England's offer of extending our NPO funding for an additional year (2022-23) will be successful.

In making the going concern assessment the Trustees have also considered the charity's principal financial risks (see Risk Management section - page 12) and the current level of reserves and target reserves as set out in the reserves policy (page 10). As part of our Risk Management & contingency planning we have produced a scenario for the unlikely event that we may have to significantly retract the charity or wind down completely. In either case, we have enough in reserves to cover all redundancies should that be necessary.

After making appropriate enquiries therefore, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

1.3 Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. **Accounting policies (continued)**

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management carried out at headquarters.

Costs of raising funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the charity's objectives, as well as any associated support costs.

1.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.6 Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.7 Intangible assets and amortisation

Intangible assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

The estimated useful lives are as follows:

Amortisation is provided on the following basis:

Website	- 33 % Straight line
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. Accounting policies (continued)

1.8 Tangible fixed assets and depreciation

Tangible fixed assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, .

Depreciation is provided on the following bases:

Long-term leasehold property	- over 35 years straight line
Short-term leasehold property	- over 24 years straight line
Fixtures and fittings	- 15% per annum straight line
Office equipment	- 15% per annum straight line
Computer equipment	- over 3 years straight line
Art work pieces	- 15% per annum straight line

Leasehold land is not depreciated.

In the year of acquisition computer, office equipment, fixtures and fittings are depreciated from the start of the year.

1.9 Debtors

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

1.10 Cash at bank and in hand

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. Accounting policies (continued)

1.11 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

1.12 Financial instruments

The charity only 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.13 Operating leases

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

1.14 Pensions

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

1.15 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.16 Employee benefits

The costs of short term employee benefits are recognised as an expense. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

THE CREATIVE ART HOUSE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. Accounting policies (continued)

1.17 Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

2. General information

The charity is a company limited by guarantee registered in England and Wales. The members of the company are the Trustees. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

THE CREATIVE ART HOUSE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

3. Income from donations and legacies

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations				
Donations including gift aid	2,035	-	2,035	15,246
Grants				
Arts Council England - Core Grant	251,634	-	251,634	247,087
Arts Council England - Culture Recovery and Capital	-	176,655	176,655	25,893
Partnership income	1,425	-	1,425	61,597
Studio of sanctuary	-	35,351	35,351	35,500
Artwalk	-	-	-	17,527
Other grants	9,001	6,500	15,501	38,591
Membership fees	1,057	-	1,057	1,896
Subtotal	10,058	6,500	16,558	40,487
	265,152	218,506	483,658	443,337
Total 2020	337,120	106,217	443,337	

4. Income from charitable activities

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Provision of art facilities	42,963	42,963	76,318
Total 2020	76,318	76,318	

THE CREATIVE ART HOUSE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

	2021 £	2020 £
<i>Provision of art facilities</i>		
Studio rental	37,286	67,954
Studio service charge	5,011	8,364
Studio virtual	666	-
	<u>42,963</u>	<u>76,318</u>

5. Income from other trading activities

Income from fundraising events

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Room hire and flat	853	-	853	17,252
Off-site management	64,775	-	64,775	30,856
Print Room	6,915	-	6,915	21,022
Contracts for services	(3,000)	-	(3,000)	17,079
Other income	12,275	-	12,275	37,424
	<u>81,818</u>	<u>-</u>	<u>81,818</u>	<u>123,633</u>
Total 2020	<u>106,554</u>	<u>17,079</u>	<u>123,633</u>	

THE CREATIVE ART HOUSE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

6. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Interest received	125	125	235
Total 2020	235	235	

7. Other incoming resources

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Coronavirus Job Retention Scheme	56,398	56,398	10,122
Coronavirus-related support funding	376,729	376,729	-
	433,127	433,127	10,122
Total 2020	10,122	10,122	

THE CREATIVE ART HOUSE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

8. Expenditure on raising funds

Costs of raising voluntary income

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Building costs	26,268	-	26,268	30,816
Office costs	38,240	-	38,240	25,344
Catering & room hire expenses	122	-	122	2,839
Other staff costs	5,423	-	5,423	2,569
Staff costs	79,795	-	79,795	68,117
Depreciation	5,820	53,340	59,160	60,959
	<u>155,668</u>	<u>53,340</u>	<u>209,008</u>	<u>190,644</u>
Total 2020	<u>134,110</u>	<u>56,534</u>	<u>190,644</u>	

9. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Provision of art facilities	<u>477,139</u>	<u>281,634</u>	<u>758,773</u>	<u>621,868</u>
Total 2020	<u>432,963</u>	<u>188,905</u>	<u>621,868</u>	

THE CREATIVE ART HOUSE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

10. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £	Total funds 2020 £
Provision of art facilities	648,966	109,807	758,773	621,868
Total 2020	516,927	104,941	621,868	

Analysis of direct costs

	Total funds 2021 £	Total funds 2020 £
Staff costs	81,265	103,610
Depreciation	120,912	113,212
Artistic programme costs	7,723	43,510
Other project costs	70,859	147,426
Building costs	74,044	57,230
Office costs	77,639	47,069
Coronavirus business support	208,099	-
Governance costs (note 11)	8,425	4,870
	648,966	516,927

Analysis of support costs

	Total funds 2021 £	Total funds 2020 £
Staff costs	109,807	104,941

THE CREATIVE ART HOUSE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

11. Auditor's remuneration

	2021 £	2020 £
Fees payable to the charity's auditor for the audit of the charity's annual accounts	<u>8,425</u>	<u>4,870</u>

12. Staff costs

	2021 £	2020 £
Wages and salaries	253,928	259,308
Social security costs	12,623	13,187
Contribution to defined contribution pension schemes	4,316	4,173
	<u>270,867</u>	<u>276,668</u>

The average number of persons employed by the charity during the year was as follows:

	2021 No.	2020 No.
Employees	<u>16</u>	<u>16</u>

No employee received remuneration amounting to more than £60,000 in either year.

The total remuneration including employer's NI and pension attributable to the senior management team for the year was £82,663 (2020: £88,937) and consisted of the CEO & Artistic Director and the Business & Operations Director.

13. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 March 2021, no Trustee expenses have been incurred (2020 - £NIL).

THE CREATIVE ART HOUSE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

14. Intangible assets

	Website £
Cost	
At 1 April 2020	9,503
At 31 March 2021	9,503
Amortisation	
At 1 April 2020	4,752
Charge for the year	3,168
At 31 March 2021	7,920
Net book value	
At 31 March 2021	1,583
At 31 March 2020	4,751

THE CREATIVE ART HOUSE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

15. Tangible fixed assets

	Long-term leasehold property £	Short-term leasehold property £	Fixtures and fittings £	Office equipment £	Computer equipment £	Other fixed assets £	Total £
Cost or valuation							
At 1 April 2020	2,539,904	2,346,768	101,332	38,136	42,322	9,160	5,077,622
Additions	14,672	-	26,054	-	8,278	-	49,004
At 31 March 2021	2,554,576	2,346,768	127,386	38,136	50,600	9,160	5,126,626
Depreciation							
At 1 April 2020	793,195	488,909	86,584	38,136	24,362	9,160	1,440,346
Charge for the year	64,654	97,783	6,410	-	8,057	-	176,904
At 31 March 2021	857,849	586,692	92,994	38,136	32,419	9,160	1,617,250
Net book value							
At 31 March 2021	1,696,727	1,760,076	34,392	-	18,181	-	3,509,376
At 31 March 2020	1,746,709	1,857,859	14,748	-	17,960	-	3,637,276

THE CREATIVE ART HOUSE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

Tangible fixed assets (continued)

Included in long term leasehold property is land at a value of £288,000 which is not depreciated (2020: £288,000).

16. Debtors

	2021 £	2020 £
<i>Due within one year</i>		
Trade debtors	26,680	14,781
Prepayments and accrued income	121,017	28,889
Tax recoverable	3,783	-
	<u>151,480</u>	<u>43,670</u>

17. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	43,452	35,190
Other taxation and social security	2,439	4,098
Other creditors	9,979	8,262
Accruals and deferred income	108,536	19,451
	<u>164,406</u>	<u>67,001</u>

	2021 £	2020 £
<i>Deferred income</i>		
Deferred income at 1 April 2019	2,500	99,800
Resources deferred during the year	-	2,500
Amounts released from previous years	(2,500)	(99,800)
<i>Deferred income at 31 March 2020</i>	<u>-</u>	<u>2,500</u>

Deferred income relates to grants and fees received in advance.

THE CREATIVE ART HOUSE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

18. Statement of funds

Statement of funds - current year

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2021 £
<i>Unrestricted funds</i>					
<i>Designated funds</i>					
Committed programmes	-	-	-	80,000	80,000
<i>General funds</i>					
General Funds	62,332	823,185	(632,807)	(56,253)	196,457
<i>Total Unrestricted funds</i>	62,332	823,185	(632,807)	23,747	276,457
<i>Restricted funds</i>					
Capital Project - Drury Lane	1,719,252	-	(63,428)	-	1,655,824
Capital Project - Carnegie Library	1,758,495	-	(93,001)	-	1,665,494
Library lease	98,960	-	(5,208)	-	93,752
Creative Aging	-	6,820	(5,406)	-	1,414
Infrared hearing system	2,000	-	-	-	2,000
Studio of Sanctuary	31	35,351	(18,181)	-	17,201
Studio of Sanctuary - Individuals	2,500	2,500	-	-	5,000
Community Foundation	4,820	(4,820)	-	-	-
Creative Minds	(25)	-	-	25	-
Capital funding	3,606	28,622	(4,850)	(23,772)	3,606
Tudor Trust - Staff Wellness Programme	-	2,000	-	-	2,000
ACE Culture Recovery Fund	-	148,033	(144,900)	-	3,133
	3,589,639	218,506	(334,974)	(23,747)	3,449,424
<i>Total of funds</i>	3,651,971	1,041,691	(967,781)	-	3,725,881

THE CREATIVE ART HOUSE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

18. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2020 £
Unrestricted funds					
General Funds	62,406	530,349	(567,073)	36,650	62,332
Restricted funds					
Capital Project - Drury Lane	1,782,680	-	(63,428)	-	1,719,252
Capital Project - Carnegie Library	1,851,319	-	(92,824)	-	1,758,495
Library lease	104,168	-	(5,208)	-	98,960
Artwalk	-	37,906	(37,906)	-	-
Creative Aging	4,825	747	(6,143)	571	-
Infrared hearing system	2,000	-	-	-	2,000
Studio of Sanctuary	(1,380)	37,000	(35,589)	-	31
Studio of Sanctuary - Individuals	-	2,500	-	-	2,500
Community Foundation	4,820	-	-	-	4,820
Creative Minds	-	4,250	(4,275)	-	(25)
Capital funding	-	40,893	(66)	(37,221)	3,606
	3,748,432	123,296	(245,439)	(36,650)	3,589,639
Total of funds	3,810,838	653,645	(812,512)	-	3,651,971

THE CREATIVE ART HOUSE

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Capital Project - Drury Lane

Funded by grants from the Arts Council Lottery and others towards the cost of developing a permanent home for the charity. The fund balance represents the cost of initial planning, leasehold land, professional fees, construction and equipment in relation to The Art House Building, less depreciation charged.

Capital Project - Carnegie Library

Funded primarily by grants from the Arts Council Lottery towards the costs of developing the Carnegie Library into an extension to the Art House Building. The initial professional fees and project set up costs ahead of the construction phase have been written off to revenue. £50,000 of the charity's reserves have been put towards the project.

Library lease

This is a 25 year lease from Wakefield Metropolitan District Council for use of the Carnegie Library. The lease was signed in January 2014 and depreciation has commenced from May 2015, on completion of the building.

Artwalk

Funds provided by WMDC to cover the cost of managing and coordinating the "The Art Walk" - a visual arts festival which runs the last Wednesday evening of every other month across multiple venues across the centre of Wakefield.

Creative Aging

Funding provided by Creative Minds to run a bespoke series of art workshops for Dementia Patients and their carers.

Infrared hearing system

Funding from West Riding Masonic Charities Limited towards a new infrared hearing system.

Studio of Sanctuary

This is the fund where we raise money for the Studio Of Sanctuary Residency Programme & Community Engagement Project.

Studio of Sanctuary - individuals

Support for the professional development of individual asylum seekers/refugees who are participating in the Studio of Sanctuary programme.

Community Foundation

Funding from iWill (Leeds Community Foundation) for our forthcoming "Young Associates Programme"

Creative Minds

Grant to support Arts and Health classes.

Capital funding

Amounts received towards capital projects.

Tudor Trust - Staff Wellness Programme

Amounts received to support staff, volunteer and Trustee wellbeing.

ACE Culture Recovery Fund

Grant to support the charity during covid related restrictions.

THE CREATIVE ART HOUSE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

Transfers

Transfers to unrestricted funds are made where the conditions on the restricted funds have been fully met.

19. Summary of funds

Summary of funds - current year

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2021 £
Designated funds	-	-	-	80,000	80,000
General funds	62,332	823,185	(632,807)	(56,253)	196,457
Restricted funds	3,589,639	218,506	(334,974)	(23,747)	3,449,424
	<u>3,651,971</u>	<u>1,041,691</u>	<u>(967,781)</u>	<u>-</u>	<u>3,725,881</u>

Summary of funds - prior year

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2020 £
General funds	62,406	530,349	(567,073)	36,650	62,332
Restricted funds	3,748,432	123,296	(245,439)	(36,650)	3,589,639
	<u>3,810,838</u>	<u>653,645</u>	<u>(812,512)</u>	<u>-</u>	<u>3,651,971</u>

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	94,307	3,415,069	3,509,376
Intangible fixed assets	1,583	-	1,583
Current assets	339,573	39,755	379,328
Creditors due within one year	(159,006)	(5,400)	(164,406)
Total	<u>276,457</u>	<u>3,449,424</u>	<u>3,725,881</u>

THE CREATIVE ART HOUSE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

20. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	60,569	3,576,707	3,637,276
Intangible fixed assets	4,751	-	4,751
Current assets	61,513	15,432	76,945
Creditors due within one year	(64,501)	(2,500)	(67,001)
Total	62,332	3,589,639	3,651,971

21. Reconciliation of net movement in funds to net cash flow from operating activities

	2021 £	2020 £
Net income/expenditure for the year (as per Statement of Financial Activities)	73,910	(158,867)
Adjustments for:		
Depreciation charges	176,904	171,002
Amortisation charges	3,168	3,168
Bank interest	(125)	(235)
(Increase)/decrease in debtors	(107,811)	1,205
Increase/(decrease) in creditors	97,406	(76,291)
Net cash provided by/(used in) operating activities	243,452	(60,018)

THE CREATIVE ART HOUSE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

22. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand	227,848	33,275
Total cash and cash equivalents	227,848	33,275

23. Analysis of changes in net debt

	At 1 April 2020 £	Cash flows £	At 31 March 2021 £
Cash at bank and in hand	33,275	194,573	227,848
	33,275	194,573	227,848

24. Pension commitments

The pension cost charge represents contributions payable by the charity into a defined contribution scheme and amounted to £4,316 (2020 - £4,173). Contributions totalling £NIL (2020 - £355) were payable to the scheme at the balance sheet date.

25. Operating lease commitments

At 31 March 2021 the charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	1,660	1,660
Later than 1 year and not later than 5 years	1,798	3,458
	3,458	5,118

26. Related party transactions

Trustees made donations to the charity totalling £NIL in the year (2020: £500).