

# **LIFE WITH ART**

*(A company limited by guarantee)*

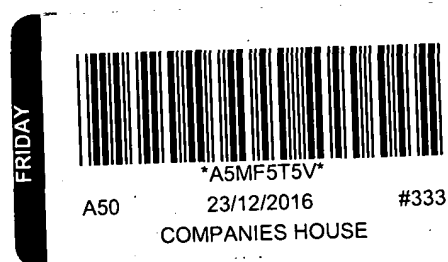
Report and Financial Statements

Year ending 31<sup>st</sup> March 2016

Registered Charity Number: 1138836

Registered Charity (Scotland) Number: SC042755

Registered Company Number: 07351786



## **Report of the trustees for the year ending 31<sup>st</sup> March 2016**

The trustees are pleased to present their annual trustees' report together with the consolidated financial statements of the charity and its subsidiary for the year ending 31<sup>st</sup> March 2016 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standards for Smaller Entities.

### Reference and administrative details

Charity name: Life With Art

Charity registration number: 1138836

Company registration number: 07351786

Registered office: 6<sup>th</sup> Floor  
One Redcliff Street  
Bristol  
BS1 6NP

Principal office: St Brandons House  
29 Great George Street  
Bristol  
BS1 5QT

### Our advisers

Independent Examiner: Mrs S R Jenkins  
Milsted-Langdon LLP  
One Redcliff Street  
Bristol  
BS1 6NP

Bankers: Handelsbanken  
66 Queen Square, Bristol BS1 4JP

### Directors and trustees

The directors of the charitable company (the charity) are its trustees for the purpose of charity law.  
The Trustees and officers during the year and since the year end were as follows:

D N S Pigott (*Chairman*)  
D G Gidney  
I A M Reid

## **Structure, Governance and Management**

### **Governing Document**

Life With Art is a company limited by guarantee, as defined by the Companies Act 2006, and governed by its Memorandum and Articles of Association dated 20<sup>th</sup> August 2010. It is registered as a charity with both the Charity Commission and the Office of the Scottish Charity Regulator.

### **Organisation**

The board of trustees administers the charity and meets quarterly. The current chairman is appointed by the trustees to manage the day-to-day operations of the charity. To facilitate effective operations the chairman has delegated authority, within terms of delegation approved by the Trustees, for operational matters including finance, employment and all other related activities.

#### **Appointment of trustees**

As set out in the Articles of Association there must be at least 3 trustees at all times. None of the trustees are obliged to serve fixed terms nor retire on rotation. When considering co-opting trustees, the board has regard to the requirement of any specialist skills needed.

#### **Trustee induction and training**

New trustees undergo an orientation day to brief them on their legal obligations under charity and company law, the Charity Commission guidance on public benefit and inform them of the content of the Memorandum and Articles of Association, the committee and decision-making processes, the business plan and recent financial performance of the charity. During the induction day they will meet key employees and other trustees. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

### **Related parties**

None of our trustees receive remuneration or other benefit from their work with the charity. The charity's wholly owned subsidiary, Life With Art Trading Limited was established to operate those activities which are outside the scope of the charity's objectives.

### **Risk management**

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. The major risks identified by the trustees have been reviewed and systems established to mitigate these risks.

### **Objectives and Activities**

The purposes of the charity are:

- To advance the education of the public in the arts, including (but not limited to) young people and disabled people;
- To promote the relief of disabled people;
- To advance for the benefit of the public such other exclusively charitable purposes (in accordance with the laws of England and Wales) as the trustees of the charity shall from time to time select.

## **Summary of the main activities undertaken for the public benefit in relation to these objectives**

The trustees have taken account of the Charity Commission's guidance on public benefit in making their decisions their activities. The charity's aims are broad and we are confident therefore the charity's activities are for the public benefit. Any private benefit arising would be incidental and insignificant.

Over 400 art workshops have been undertaken with local groups, with a range of differing disabilities and special needs, throughout the UK. Drama, music, art and film workshops have been equally popular and therapeutic for the participants.

We continue to support a number of national charities and sponsor the Myaware and Riding for the Disabled Annual Art Competitions whose work is then displayed in our art centres. Working with Teenage Cancer Trust we provide jewellery making and art workshops at their annual 'Find Your Sense Of Tumour' conference and continue to work with local schools to help their students develop their skills in the Arts.

Major grants in the last financial year have been made to Mind the Gap Theatre Company to assist with training young people with disabilities for a career in acting and secondly to Circus Starr to fund the development of a new android app to prepare autistic children for the new experiences, such as visiting a circus or museum.

## **Reserves Policy**

It is the policy of the trustees to maintain unrestricted funds, which are the free reserves of the Charity, at a level to enable the Charity to meet its regular grant commitments for four months (£32,000) in the event of a substantial fall in the Charity's income, free reserves as at 31<sup>st</sup> March 2016 £197,645 (2015: £273,842).

## **Investment Powers and Policy**

The trustees, having regard to the liquidity requirements of operating the charity, have kept available funds in an interest-bearing account and would, in normal circumstance, seek to achieve a rate of interest which matches or exceeds inflation as measured by the retail prices index. Due to wider economic circumstances interest rates have been depressed and so this aim was not achieved in the year.

## **Financial Review**

The trustees have continued their policy of supporting other charities through grants totalling £98,700 (2015: £89,000). During the year, the Charity Group received total incoming resources of £459,549 (2015: £715,905). After taking into account donations and other expenses of £536,102 (2015: £538,013) the funds of the Charity decreased during the year by £76,553 (2015: increased by £117,892). The trustees consider the financial position of the funds of the group to be satisfactory.

In terms of the financial position of the Charity itself, it has received a gift from the subsidiary in the year of £136,619 (2015: £363,139). After donations and expenses of £216,816 (2015: £189,234), there were net incoming resources of £ (76,197) (2015: £173,913).

In terms of the subsidiary, Life With Art Trading, its income during the year was £459,549 (2015: £715,897). After making a gift to the parent Charity of £136,619 during the year (2015: £363,139) and additional expenses of £323,286 (2015: £348,779), the subsidiary made a loss of £356 in the year (2015: profit of £3,979), leaving net assets of £3,647 at year-end (2015: £4,003).

### Plans for Future Periods

The trustees plan to open more charitable centres as well as continue to assist young and disabled individuals.

### Trustees' Responsibilities in relation to the Financial Statements

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

Company law and the law applicable to charities in England and Wales requires the charity trustees to prepare financial statements each year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing the financial statements, the trustees are required to:


- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business;
- the trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable group and to 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 taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Small Company Provisions

This report has been prepared in accordance with the small Companies regime under the Companies Act 2006.

By order of the Trustees

  
.....  
D N S Pigott – Chairman

.....  
Date

21/12/2016

## **Independent examiner's report to the trustees of Life with Art**

I report on the accounts of the charitable company for the year ended 31 March 2016, which are set out on pages 9 to 19.

### **Respective responsibilities of trustees and examiner**

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 114(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of ICEAW.

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

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

### **Basis of independent examiner's report**

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

### **Independent examiner's statement**

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

- (1) which gives me reasonable cause to believe that in any material respect the requirements:
  - to keep accounting records in accordance with the section 386 of the Companies Act 2006; and
  - to prepare accounts which accord with the accounting records comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities (revised 2015)

Have not been met; or  
(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Mrs S R Jenkins ACA  
Milsted Langdon LLP  
Chartered Accountants  
Bristol

23/12/16



**Life With Art**  
**Consolidated Statement of Financial Activities**  
**(including income and expenditure accounts)**  
**For the year ending 31<sup>st</sup> March 2016**

	Notes	Unrestricted Funds 2016 £	Restricted Funds 2016 £	Total Funds 2016 £	Total Funds 2015 £
<b>Income:</b>					
Donations and legacies		-	-	-	-
<i>Income from trading activities:</i>					
Commercial trading operations	4	459,264	-	459,264	715,384
Income from investments	5	285	-	285	521
<b>Total income and endowments</b>		<b>459,549</b>	<b>-</b>	<b>459,549</b>	<b>715,905</b>
<b>Expenditure:</b>					
<i>Costs of raising funds</i>					
Commercial trading operations		(312,461)	-	(312,461)	(271,652)
<i>Expenditure on charitable activities</i>					
Charitable Expenditure	6	(223,641)	-	(223,641)	(266,361)
Other expenditure		-	-	-	-
<b>Total expenditure</b>		<b>(536,102)</b>	<b>-</b>	<b>(536,102)</b>	<b>(538,013)</b>
<b>Net income/(expenditure) and net movement in funds for the year</b>	8	<b>(76,553)</b>	<b>-</b>	<b>(76,553)</b>	<b>177,892</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		281,542	-	281,542	103,650
<b>Total funds carried forward</b>		<b>204,989</b>	<b>-</b>	<b>204,989</b>	<b>281,542</b>

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

**Life With Art**  
**Consolidated Balance Sheet**  
**As at 31<sup>st</sup> March 2016**

	Note	Group 2016 £	Group 2015 £	Charity 2016 £	Charity 2015 £
<b>Fixed Assets</b>					
Tangible assets	12	2,714	3,619	-	-
Investments	13	-	-	1	1
<b>Total Fixed Assets</b>		<b>2,714</b>	<b>3,619</b>	<b>1</b>	<b>1</b>
<b>Current assets</b>					
Debtors	14	28,903	81,091	198,390	281,696
Cash at bank and in hand		384,671	316,985	13,836	14,781
<b>Total Current Assets</b>		<b>413,574</b>	<b>398,076</b>	<b>212,226</b>	<b>296,477</b>
<b>Liabilities</b>					
Creditors falling due within one year	15	(211,299)	(120,153)	(14,582)	(22,636)
<b>Net Current Assets</b>		<b>202,275</b>	<b>277,923</b>	<b>197,644</b>	<b>273,841</b>
<b>Total assets less current liabilities</b>		<b>204,989</b>	<b>281,542</b>	<b>197,645</b>	<b>273,842</b>
<b>Net Assets</b>		<b>204,989</b>	<b>281,542</b>	<b>197,645</b>	<b>273,842</b>
<b>The funds of the charity</b>					
Unrestricted income funds	16	204,989	281,542	197,645	273,842
Restricted income funds		-	-	-	-
<b>Total Charity Funds</b>		<b>204,989</b>	<b>281,542</b>	<b>197,645</b>	<b>273,842</b>

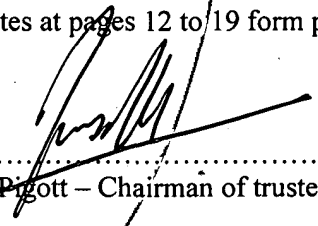
For the year ended 31<sup>st</sup> March 2016, the charity and group were entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476 of the act.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and preparation of the accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small Companies regime and with the Financial Reporting Standard for Small Entities (effective January 2015).

The notes at pages 12 to 19 form part of these accounts.

  
.....  
D N S Pigott – Chairman of trustees on behalf of the trustees

Approved by the trustees on ..... 21/12/2016 .....

## Notes on the accounts

### 1. Accounting Policies

The principal accounting policies adopted in the preparation of the financial statements are as follows:

#### a) Basis of preparation

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 for Smaller Entities (effective January 2015) and the Companies Act 2006. Assets and liabilities are initially recorded at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

#### b) Group financial statements

The financial statements consolidate the results of the charity and its wholly owned subsidiary Life With Art Trading Limited on a line-by-line basis. A separate Statement of Financial Activities, and income and expenditure account for the charity itself has not presented because the charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

#### c) Incoming resources

Items of income from donations and charitable activities are recognised and included in the accounts when all of the following requirements are met:

- the charity has entitlement to the funds;
- any performance conditions attached to the item(s) of income have been met or are fully within the control of the charity;
- there is sufficient certainty that receipt of the income is considered probable; and
- the amount can be measured reliably.

#### d) Interest receivable

Interest on funds held on deposit is included when receivable by the charity.

#### e) Fund accounting

Unrestricted funds are available to use to further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which have been set aside to fund particular future activities of the charity at the discretion of the trustees. Restricted funds are donated for particular areas of the charity work or specific projects undertaken.

#### f) Expenditure and irrecoverable VAT

Expenditure is recognised as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Costs of raising funds comprise the costs of commercial trading

Charitable expenditure includes the costs of all those activities incurred to further the purposes of the charity. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs represent those costs of the strategic management of the charity and of complying with constitutional and statutory requirements.

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

g) **Tangible fixed assets**

Individual assets costing £100 or more are capitalised at cost.

h) **Support costs**

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, payroll and governance costs which support the trust's artistic programmes and activities.

i) **Operating leases**

Rental charges are charged on a straight line basis over the terms of the lease (*note 17*).

j) **Financial instruments**

The trust only has financial assets and liabilities of a kind that qualify as 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 the carrying value plus accrued interest less repayments. The financing charge to expenditure is at a constant rate calculated using the effective interest method.

## **2. Legal status of the Charity**

The Trust is a company limited by guarantee and has no share capital. 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.

### 3. Financial Performance of the Charity

The consolidated statement of financial activities includes the results of the charity's wholly owned subsidiary, Life With Art Trading Limited, which operates art exhibitions.

The summary financial performance of the charity alone is:

	2016	2015
	£	£
Income	-	8
Gift aid from subsidiary company	136,619	363,139
	<hr/>	<hr/>
	136,619	363,147
Expenditure on charitable activities	(212,816)	(189,234)
	<hr/>	<hr/>
Net incoming resources	(76,197)	173,913
Total funds brought forward	273,842	99,929
	<hr/>	<hr/>
Total funds carried forward	<b>197,645</b>	<b>273,842</b>
	<hr/>	<hr/>

#### 4. Income earned from other activities

The wholly owned trading subsidiary Life With Art Trading Limited is incorporated in the United Kingdom (company number 07351786) and pays all of its profits to the charity by gift aid. Life With Art Trading Limited operates the workshops, exhibitions and all commercial trading operations. The charity owns the entire share capital of 1 ordinary £1 share. A summary of the trading results is shown below.

The summary financial performance of the subsidiary alone is:

	2016 £	2015 £
Turnover	459,264	715,384
Cost of sales & administrative costs	(323,286)	(348,779)
Interest receivable	285	513
	<hr/>	<hr/>
Net profit	136,263	367,118
Amount gift aided to the charity	(136,619)	(363,139)
	<hr/>	<hr/>
Retained in subsidiary	(356)	3,979
	<hr/>	<hr/>
The assets and liabilities of the subsidiary were:		
Fixed assets	2,714	3,619
Current assets	398,348	351,644
Current liabilities	(397,415)	(351,260)
	<hr/>	<hr/>
Total net assets	3,647	4,003
	<hr/>	<hr/>
Aggregate share capital and reserves	3,647	4,003
	<hr/>	<hr/>

#### 5. Investment Income

All of the group's investment income arises from money held in interest bearing deposit accounts.

## 6. Analysis of expenditure on charitable activities

	£
Artists' fees and expenses	69,538
Artists' materials	9,040
Workshops	1,512
Artists' motor and travel costs	25,450
Exhibitions and promotions	14,516
DBS, Health & Safety, fire training	429
Competition prizes	1,956
Governance costs	2,500
Donations ( <i>note 7</i> )	98,700
<b>Total</b>	<b>223,641</b>

Governance costs relate to the independent examination fee.

## 7. Analysis of donations

	2016 £	2015 £
Riding for the Disabled	11,700	16,500
Myasthenia Gravis Association	40,000	33,000
Teenage Cancer Trust	-	26,000
ME North East	-	1,500
Circus Star	31,000	-
Mind The Gap	15,000	10,000
Bristol Area Stroke Foundation	-	1,000
MENCAP	1,000	1,000
	<b>98,700</b>	<b>89,000</b>

## 8. Net incoming/(expenditure) for the year

	2016 £	2015 £
Is stated after charging:		
Depreciation	905	1,206
	<b>905</b>	<b>1,206</b>



## 9. Trustees' remuneration and expenses

No trustees received any remuneration during the year (2015 - £nil). No trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity during the year (2015 - £nil).

## 10. Analysis of staff costs

The average number of persons employed by the charity (including trustees) during the year was as follows:

	2016	2015
Full time employees	1	1
Part time employees	1	1
Trustees	3	3
	<hr/>	<hr/>
Total	5	5
	<hr/>	<hr/>

The aggregated payroll costs of the persons were as follows:

	2016 £	2015 £
<i>Employees (including casual and part time staff)</i>		
Salaries and wages	31,591	32,876
Social security costs	227	291
	<hr/>	<hr/>
	31,818	33,167
	<hr/>	<hr/>

## 11. Taxation

The charity is exempt from tax on income and gains falling within section 256 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. The trading income of its subsidiary is subject to corporation tax, however the surplus for the year is covenanted to the charity so no taxation liability arises.

## 12. Tangible fixed assets – group and charity

	<b>Plant &amp; Machinery</b>	<b>Fixtures &amp; Fittings</b>	<b>Computer Equipment</b>	<b>Total</b>
	£	£	£	£
Cost				
As at 1 <sup>st</sup> April 2015	1,285	8,419	499	10,203
As at 31 <sup>st</sup> March 2016	1,285	8,419	499	10,203
Depreciation				
As at 1 <sup>st</sup> April 2015	(608)	(5,636)	(340)	(6,584)
Charge for the year	(169)	(696)	(40)	(905)
As at 31 <sup>st</sup> March 2016	(777)	(6,332)	(380)	(7,489)
Net book value				
As at 1 <sup>st</sup> April 2015	677	2,783	159	3,619
As at 31 <sup>st</sup> March 2016	508	2,087	119	2,714

## 13. Investments

The charity holds 1 share of £1 in its wholly owned trading subsidiary company Life With Art Trading Limited which is incorporated in the United Kingdom. The activities and results of this company are summarised in note 4.

## 14. Debtors

	<b>Group</b>	<b>Group</b>	<b>Charity</b>	<b>Charity</b>
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	£	£	£	£
Trade debtors	27,830	61,670	1,390	13,967
Prepayments & accrued income	1,073	19,421	197,000	267,729
	<b>28,903</b>	<b>81,091</b>	<b>198,390</b>	<b>281,696</b>

## 15. Creditors

	Group	Group	Charity	Charity
	2016	2015	2016	2015
	£	£	£	£
Trade creditors	148,924	39,905	14,582	22,270
Other taxes & social security	42,291	42,367	-	-
Other creditors & accruals	20,084	37,881	-	366
	<u>211,299</u>	<u>120,153</u>	<u>14,582</u>	<u>22,636</u>

## 16. Analysis of funds

All funds in the year were unrestricted.

## 17. Operating lease – group and charity

	2016	2015
	£	£
<b>Expiry date:</b>		
Within 1 year	3,200	3,200
Between 2 and 5 years	-	-
	<u>3,200</u>	<u>3,200</u>
<b>Total</b>	<b>3,200</b>	<b>3,200</b>

## 18. Related party transactions

We confirm that the charity has taken advantage of the exemption under Financial Reporting Standard Number 8 not to disclose transactions with the charities.