

REGISTERED COMPANY NUMBER: 07655709 (England and Wales)

REGISTERED CHARITY NUMBER: 1152377

Report of the Trustees and
Unaudited Financial Statements for the Year Ended 30 June 2022
for
The Arts Emergency Service

THURSDAY



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04/05/2023

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COMPANIES HOUSE

Swindells LLP
Chartered Accountants
Atlantic House
8 Bell Lane
Bellbrook Industrial Estate
Uckfield
East Sussex
TN22 1QL

The Arts Emergency Service

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The Arts Emergency Service

Report of the Trustees for the Year Ended 30 June 2022

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 30 June 2022. The trustees have adopted the provisions of 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 (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The charity's objects are to promote the arts and higher education and to encourage, maintain and develop public education and appreciation of the arts and higher education, to remove barriers to young people who wish to study an arts degree and to promote, improve, develop and maintain the appreciation of the arts.

Public benefit

In planning the charity's activities for the year, the trustees complied with the requirements of s17 of the Charities Act 2011, to have due regard to the public benefit guidance published by the Charity Commission.

STRATEGIC REPORT

Achievement and performance

Main achievements summary

Helping disadvantaged young people aged 16 to 25 years to access information, advice and guidance regarding the arts and humanities in higher education and routes into careers in the cultural and creative industries through a student-led, goal-focused mentoring and networking programme.

Mentoring services

Mentoring lasts up to one year and is focused on achieving and developing relevant goals identified by the young person at the start of the programme. These goals can be personal or academic and all student applicants should be keen to develop an artistic practice or progress academically while focusing on the arts, humanities or social sciences.

The Arts Emergency Service

Report of the Trustees for the Year Ended 30 June 2022

STRATEGIC REPORT

Achievement and performance

Summary of the main activities of the charity during the year

The charity has approximately 6,400 people in our network of creative and cultural practitioners, 420 of whom have actively volunteered with us in 2021. We are currently working with 998 young people aged 16-25 years, with mentoring projects in Greater Manchester, Merseyside and London.

Our full Impact Report can be found at:

<https://www.arts-emergency.org/files/reports/2021-Impact-Report-Digital.pdf>

In 2021-22 we trained 487 new mentors who are creative and cultural practitioners with relevant and substantial experience in an academic, creative or professional field. 51% of these were re-registered mentors from previous years.

We trialled the offer of a second year of mentoring to our young community and saw a large uptake. Overall, we mentored 352 young people, with 291 of those completing the full year of mentoring (a retention rate of 82.7%). Of the 352 young people, 259 were under 18s completing mentoring for the first time, and 93 were over 18s doing their second year.

As a result of going through our under 18s mentoring programme young people are more prepared for the future (95% agreed), more comfortable in cultural spaces (63% agreed), widen their professional networks (78% agreed), and are more informed about future careers (93% agreed). The second-round mentoring offer generated agreement percentages of 87%, 67%, 85% and 93%, respectively.

Our Community team generated 223 creative and cultural opportunities and fulfilled 153 'wish list' requests for training, networking and learning materials (a 61% increase on 2020 - 2021). In all we created 70 new professional connections for our young members. We also launched our Ruby Tickets scheme to help young people without disposable income to access cultural experiences and critical skills by writing reviews. We've so far provided 60 free tickets through the scheme.

Our Youth Collective was launched in 2020. In 2021, they began working on their self-led campaign, Crash Culture. With funding from the University of Edinburgh, the seven Youth Collective members created a podcast exploring inequalities in the arts and how they affect real people struggling to break into the industry. They interviewed exciting guests including author Kit De Waal and produced a fascinating series examining class, race and climate justice.

We continued our work experience programme in 2021-22, placing 40 young people in London, Manchester and Merseyside at organisations including the Royal College of Art, Beano and Kiln Theatre.

We also strengthened our governance by appointing a Head of Operations and Finance, and convening a Finance and Resources sub committee of the board of trustees and an Appointments sub committee who will lead on appointment of trustees. We appointed a lead Safeguarding trustee to the board, and recruited a new Chair and three new trustees who will join the board in September 2022.

We began a strategic review which will inform our business plan for the coming three years. The review will culminate in an updated Theory of Change.

The Arts Emergency Service

Report of the Trustees for the Year Ended 30 June 2022

STRATEGIC REPORT

Financial review

Financial position

At 30 June 2022 the charitable company held free reserves of £369,505 (2021: £426,041), restricted reserves of £25,482 (2021: £19,606). Net income for the year was negative due to use of designated reserves and totalled -£50,660. Reserves had been designated in 2020 for use as follows:

Technology fund (£14,600)

Campaign fund (£5,000)

Service Launch match fund (£43,700)

Arts Emergency made a conscious decision to use the technology fund to make essential upgrades and efficiencies to our database which supports the running of the programme. The campaign fund was used for our 'Break the Glass' campaign which raised awareness of our services.

Our priority was to strengthen the governance and leadership of the organisation by investing in a programme of professional development for our Senior Leadership Team and working with an external recruitment agency to recruit the essential chair position. The decision was therefore made by trustees to re-designate part of our existing designated reserves for this purpose.

Income for this financial year included £49,966 relating to gift aid claims for this financial year. This is compared to the previous year's figure for total net income of £107,284 which included gift aid claims of £47,391 in respect of the year ended 30 June 2021.

The Arts Emergency Service

Report of the Trustees for the Year Ended 30 June 2022

STRATEGIC REPORT

Financial review

Reserves policy

Arts Emergency's policy with regard to reserves is to ensure that the charity, and the services we offer to our beneficiaries, are reasonably secure in the event of significant reduction in income, allowing:

- Time to re-establish income streams
- Time to manage reduction in service levels or restructure of the organisation should this become necessary

The Trustees recognise the need to hold sufficient free reserves to ensure protection of core activities in the event of unforeseen circumstances including any unplanned reduction in funding or an unforeseen need for funds to deliver additional charitable activity.

In light of uncertainty surrounding the Covid-19 pandemic, the trustees had increased the target level of free reserves from 6 months to 8 months. The trustees plan to review this in the next financial year with a view to reducing the target to 6 months when appropriate. As at 30th June 2022 the organisation held just below this target with the equivalent of 7.4 months of free reserves.

Restricted reserve

Some funds are given to the charity to use for specific purposes and where this is the case they are held on trust in a restricted reserve and drawn on as the funds are required for the purposes for which they were given. Where a capital asset is bought with the funds, the reserve is drawn down in line with the depreciation of the asset rather than in totality at the time of purchase.

Designated funds

Arts Emergency had reserves designated to support technological development of systems to support the organisation. These funds were used in this financial year to make essential upgrades to our database system and also support the strengthening of our governance and leadership through recruitment of a new chair of trustees and professional development for our Senior Leadership Team (SLT).

The Arts Emergency CEO and Trustees review the reserves and designated funds policy and levels on a regular basis to ensure it remains fit for purpose and properly underpins our charitable objectives.

The Arts Emergency Service

Report of the Trustees for the Year Ended 30 June 2022

STRATEGIC REPORT

Principal risks and uncertainties

The Trustees continually review:

- o the high and significant risks to which the charity is exposed;
- o the potential impact and probability associated with each risk;
- o existing internal controls and accountability for them; and
- o mitigating actions to reduce each risk to a level that the Board considers to be acceptable.

The relevant findings are set out below:

Economic pressures related to COVID-19 and current financial climate

- o Looking to invest in fundraising and expand the team to further diversify and increase revenue
- o Plan targeted appeals relating to current issues facing our beneficiaries
- o Annual budgeting and ongoing monitoring of financial performance
- o The preparation of financial forecasts aligned to the Arts Emergency strategy to target a diversification of income streams and incorporate an ongoing consideration of market and consumer trends

Incidents that damage reputation and/or negatively impact operations (including cyber security, serious fraud, major health and safety incidents, safeguarding and internal process failures)

- o Safeguarding team in place
- o Safeguarding training programme delivered to all staff and volunteers
- o New Trustee appointed in 21/22 as Safeguarding lead
- o Head of Operations and Finance appointed in 21/22 with responsibility for data protection, IT security and Health and Safety
- o Data review and business continuity review to be undertaken

Changes in Government regulatory requirements and/or Charity Sector guidance (e.g., GDPR, Fundraising Code) negatively impact on Arts Emergency's strategy and activities

- o The team monitors public policy and the regulatory environment on an ongoing basis to ensure potential risks can be proactively managed. This includes a particular focus on developments in fundraising regulation and the requirements of the General Data Protection Regulation (GDPR).
- o Representation at key events and forums to help shape the research agenda.
- o Strategic priorities and programme initiatives which target a diversification of income streams

Arts Emergency's strategy and activities are not properly or sufficiently focused in order for the charity to meet its objectives

- o Charity has a clear vision and a strategy setting out how we play a leading role in achieving significant improvements in access to careers in the arts and humanities
- o We carried out a full strategic review in 21/22 to ensure that our mission is clear. SLT will be working on a three year business plan which aligns with our new theory of change which came out of this review
- o We plan to appoint a Director of Programmes who will lead on strategy and evaluation of our programmes

Attracting, developing and retaining talented staff in a competitive employment market combined with the reliance on significant levels of volunteer support both in fundraising and mentoring

- o Regular benchmarking of compensation and benefits across the sector
- o Ongoing proactive volunteer and employee recruitment programmes

The Arts Emergency Service

Report of the Trustees for the Year Ended 30 June 2022

STRATEGIC REPORT

- o Programme of staff engagement and wellbeing
- o Active communication and training programme in place for volunteer mentors
- o Programme of annual appraisals, development opportunities and individual training budgets provided
- o Staff wellbeing programmes in place including Employee Assistance Programme

Delivering effective change management through major process improvement programmes in support of the charity's strategy

- o Finance and resources committee is in place to review any proposed changes to staff structure, including new roles in order to make recommendations to the wider board
- o All new programmes are reviewed to ensure alignment with mission and strategy and that appropriate governance and resourcing in place

Financial security and threats of fraud or misuse of company expenses

- o Limits set on expenditure via all channels (expenses cards, bank account)
- o Authorisation process in place for any payments made over £500
- o Processes in place to check all new payees or payees who request payment to new a new bank account
- o Bank account reviewed regularly and management accounts reviewed monthly to ensure any unexpected expenditure is picked up immediately

Future plans

In 2022-23 we plan to introduce coaching opportunities for 18 - 25 year olds. This will offer shorter focussed support to achieve a specific goal set by the young person. This is in response to evaluation of our mentoring programme for over 18s.

We will continue to put the voices of young people at the heart of what we do, and plan to appoint two trustees from our Youth Collective, alongside the appointment of our new chair and trustees.

To ensure the sustainability of our programmes and to build on our mission we will appoint a Director of Programmes to oversee this activity.

To ensure diversity of income and sustainability we will appoint a Fundraising Manager dedicated to Trust and Foundations.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Arts Emergency Service is a registered charity (Registered Charity number 1152377) and a company limited by guarantee as defined by the Companies Act 2006, number 07655709, governed by its Memorandum and Articles of Association and incorporated on 2 June 2011.

The company was granted charitable status on 11 June 2013.

Organisational structure

The charitable company is administered by the Trustees comprising of the individuals who are the Trustees of the charity at any given time, including the first Trustees and their successors. In selecting individuals for appointment as Trustees, the Trustees have regard to the skills, knowledge and experience required for the effective administration of the charitable company.

The Arts Emergency Service

Report of the Trustees for the Year Ended 30 June 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT

Decision making

In 2021 we undertook a governance review which clearly lays out designated the decision-making process for the charity.

The Board of Trustees has overarching responsibility for the approval and monitoring of the organisation's strategic plan. This includes:

- Overall approval of annual budgets and annual accounts
- Approval of charity's approach to risk and monitoring of risk register
- Development and implementation of board development plan
- Approving the Fundraising Policy and ensuring fundraising activity falls in line with this

The board has two subcommittees to support with key strategic and operational decisions. The Finance and Resources sub-committee oversees in detail the financial plans and performance of the charity and reviews the charity's risk management processes. The Appointments sub-committee leads the process for appointments and election to the Board of Trustees.

The charity is led by the CEO who is responsible for the day-to-day management of the organisation. This includes:

- Development, monitoring and implementation of strategic plan
- Identifying and pursuing opportunities for fundraising and business development
- Arranging preparation of budgets and forecasts for presentation to the board
- Administrative decisions regarding finance, HR, health and safety, project evaluation, management
- information systems, marketing and communications

The CEO works with a Senior Leadership Team who support in these areas.

The Arts Emergency Service

Report of the Trustees for the Year Ended 30 June 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT

Induction and training of new trustees

When new trustees are appointed to the Board, they receive an induction pack which includes information on trustee duties, a copy of our governing document and Charity Commission guidelines for trustees. We provide an overview of the charity's finances, our Safeguarding policy and a guide to the decisions that will need to be made as part of the role. We also give training on Safeguarding, what to do if things go wrong and have a code of conduct which trustees sign up to when they join.

Trustee terms are four years each, with a maximum of 9 years served in total. After four years, should the trustee wish to remain they are re-elected onto the Board by the remaining trustees. If the trustee is considering stepping down, we ask trustees to continue for one year in order to induct a replacement trustee, or to give a minimum 6 months' notice.

When recruiting new trustees, the charity will create a recruitment pack including a person specification. We regularly undertake a skills audit to identify any gaps in knowledge or expertise that would be useful to the charity. When recruiting we will outline any skills we are particularly looking for. We advertise on our own website and social media channels, alongside industry recruitment sites and publications. In some cases, we will engage a charity trustee recruiter to support this process.

In all of our recruitment, we are committed to being a welcoming and inclusive organisation. It is important to us that our Board is representative of the young people we serve. We particularly welcome applications from disabled people, LGBTQIA+ people, Black, Asian and minority ethnic candidates. We believe that a diverse board will have the best range of talents to work effectively, and we encourage applications from people under the age of 30. For all roles we guarantee to interview anyone with a disability whose application meets the essential criteria for a post.

From next year we plan to hold two spaces on the board of trustees for representatives from our Youth Collective. They will undergo the same recruitment process as all trustees and serve a term of one or two years.

Key management remuneration

Within the organisation we have salary bandings for the different levels of role and take into consideration the seniority of the role and the skills required when setting the salary. When recruiting for any paid role, we benchmark against comparable roles within similar organisations, taking into account our salary bands, budgets, and current financial position.

We run an annual appraisal process where performance related pay rises can be discussed and considered. When budgeting for future years we take into account a cost of living adjustment.

The Arts Emergency Service

Report of the Trustees for the Year Ended 30 June 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT

Related parties

We offer consultancy and support to set up mentoring schemes for young people within other organisations such as the the British Museum, Westminster Council and Jerwood Arts. This consultancy is chargeable and therefore supplements our income. We also work with organisations such as the London Transport Museum to support young people (employees and freelancers) with places on our programme. In these instances the organisations cover the associated costs (mentor training, support for the mentees).

We also work with various arts organisations to offer work experience to young people to help further their access to careers in this area. We coordinate this to ensure that safeguarding considerations are taken into account and that the work experience is fit for purpose. We require unpaid work experience placements to be less than a week and advocate for young people to be paid expenses. Our network also offers ad-hoc opportunities which support our aims (such as free theatre tickets or museum passes for our beneficiaries). There are no financial transactions between Arts Emergency and the partner organisations in relation to these work experience placements or opportunities.

Management

The management of the charitable company is vested in the trustees who are directors for the purposes of company law.

The trustees delegate the day to day administration of the charity to the Chief Executive Officer.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

07655709 (England and Wales)

Registered Charity number

1152377

Registered office

Unit W3
8 Woodberry Down
London
N4 2TG

The Arts Emergency Service

Report of the Trustees for the Year Ended 30 June 2022

Trustees

Mr S Glanville (resigned 6/9/2022)
Ms M T O'Hara (resigned 21/2/2022)
Mr D W Stewart (resigned 21/2/2023)
Mr J M Wakeham (resigned 16/10/2021)
Ms F Woodrow (Treasurer)
Mr J J Burke
Ms K J A Edwards
Ms E O Adegoke
Ms E J Tapping
Ms A Keramidas (appointed 16/11/2021)
Miss C L Heywood (appointed 13/12/2022)
Miss J Dotiwala (appointed 13/12/2022)
Ms P K Mann (Chair) (appointed 6/9/2022)
Mr S J Oddie (appointed 13/12/2022)
Ms B V Patel (appointed 13/12/2022)

Company Secretary

Mr T D Fletcher

Independent Examiner

Melanie Richardson BA(Hons) FCA
ICAEW
Swindells LLP
Chartered Accountants
Atlantic House
8 Bell Lane
Bellbrook Industrial Estate
Uckfield
East Sussex
TN22 1QL

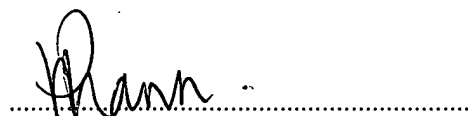
Support team of the trustees

Chief Executive Officer: Mr Neil Griffiths
Administration support: Wendy Gundry, ASL Consultancy

Other information

Website: www.arts-emergency.org
Social Media: Facebook, Twitter and LinkedIn Accounts: Visit website

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 24/04/23 and signed on the board's behalf by:



Ms P K Mann - Trustee

**Independent Examiner's Report to the Trustees of
The Arts Emergency Service**

Independent examiner's report to the trustees of The Arts Emergency Service ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 30 June 2022.

Responsibilities and basis of report

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

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

**Independent Examiner's Report to the Trustees of
The Arts Emergency Service**

Independent examiner's statement

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a registered member of ICAEW which is one of the listed bodies.

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

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

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

M Richardson

Melanie Richardson BA(Hons) FCA
ICAEW
Swindells LLP
Chartered Accountants
Atlantic House
8 Bell Lane
Bellbrook Industrial Estate
Uckfield
East Sussex
TN22 1QL

Date: 26 April 2023

The Arts Emergency Service

Statement of Financial Activities
for the Year Ended 30 June 2022

	Notes	Unrestricted fund £	Restricted funds £	2022 Total funds £	2021 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	525,784	45,000	570,784	523,783
Other income		-	-	-	128
Total		<u>525,784</u>	<u>45,000</u>	<u>570,784</u>	<u>523,911</u>
 EXPENDITURE ON					
Charitable activities	3				
Charitable activities		<u>582,310</u>	<u>39,134</u>	<u>621,444</u>	<u>416,627</u>
 NET INCOME/(EXPENDITURE)					
Transfers between funds	13	(56,526) <u>(10)</u>	5,866 <u>10</u>	(50,660) <u>-</u>	107,284 <u>-</u>
Net movement in funds		(56,536)	5,876	(50,660)	107,284
 RECONCILIATION OF FUNDS					
Total funds brought forward		<u>426,041</u>	<u>19,606</u>	<u>445,647</u>	<u>338,363</u>
 TOTAL FUNDS CARRIED FORWARD		<u>369,505</u>	<u>25,482</u>	<u>394,987</u>	<u>445,647</u>

The notes form part of these financial statements

The Arts Emergency Service

Balance Sheet 30 June 2022

	Notes	Unrestricted fund £	Restricted funds £	2022 Total funds £	2021 Total funds £
FIXED ASSETS					
Tangible assets	10	10,055	-	10,055	5,393
CURRENT ASSETS					
Debtors	11	52,324	-	52,324	49,609
Cash at bank		<u>331,692</u>	<u>25,482</u>	<u>357,174</u>	<u>411,417</u>
		384,016	25,482	409,498	461,026
CREDITORS					
Amounts falling due within one year	12	(24,566)	-	(24,566)	(20,772)
NET CURRENT ASSETS		<u>359,450</u>	<u>25,482</u>	<u>384,932</u>	<u>440,254</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>369,505</u>	<u>25,482</u>	<u>394,987</u>	<u>445,647</u>
NET ASSETS		<u>369,505</u>	<u>25,482</u>	<u>394,987</u>	<u>445,647</u>
FUNDS	13				
Unrestricted funds				369,505	426,041
Restricted funds				<u>25,482</u>	<u>19,606</u>
TOTAL FUNDS				<u>394,987</u>	<u>445,647</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30 June 2022.

The members have not required the company to obtain an audit of its financial statements for the year ended 30 June 2022 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

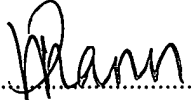
- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

The notes form part of these financial statements

The Arts Emergency Service

Balance Sheet - continued
30 June 2022

The financial statements were approved by the Board of Trustees and authorised for issue on
24/04/23..... and were signed on its behalf by:


.....
Ms P K Mann - Trustee

The notes form part of these financial statements

The Arts Emergency Service

**Cash Flow Statement
for the Year Ended 30 June 2022**

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	<u>(47,148)</u>	<u>100,532</u>
Net cash (used in)/provided by operating activities		<u>(47,148)</u>	<u>100,532</u>
 Cash flows from investing activities			
Purchase of tangible fixed assets		(7,095)	(3,553)
Sale of tangible fixed assets		<u>-</u>	<u>360</u>
Net cash used in investing activities		<u>(7,095)</u>	<u>(3,193)</u>
		<u> </u>	<u> </u>
 Change in cash and cash equivalents in the reporting period		(54,243)	97,339
Cash and cash equivalents at the beginning of the reporting period		<u>411,417</u>	<u>314,078</u>
 Cash and cash equivalents at the end of the reporting period		<u><u>357,174</u></u>	<u><u>411,417</u></u>

The notes form part of these financial statements

The Arts Emergency Service

**Notes to the Cash Flow Statement
for the Year Ended 30 June 2022**

1. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022 £	2021 £
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(50,660)	107,284
Adjustments for:		
Depreciation charges	2,433	1,037
Profit on disposal of fixed assets	-	(128)
Increase in debtors	(2,715)	(16,773)
Increase in creditors	<u>3,794</u>	<u>9,112</u>
Net cash (used in)/provided by operations	<u>(47,148)</u>	<u>100,532</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.7.21 £	Cash flow £	At 30.6.22 £
Net cash			
Cash at bank	<u>411,417</u>	<u>(54,243)</u>	<u>357,174</u>
	<u>411,417</u>	<u>(54,243)</u>	<u>357,174</u>
Total	<u>411,417</u>	<u>(54,243)</u>	<u>357,174</u>

The notes form part of these financial statements

The Arts Emergency Service

Notes to the Financial Statements for the Year Ended 30 June 2022

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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 (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The presentation currency in the financial statements is the Pound Sterling (£).

Income

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

The charity receives donations from members of the public. These donations are deposited into the charity's bank account and are recognised when the funds are received.

Grant income is recognised when the charity has entitlement to the funds, and any performance conditions attached to the grants have been met.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Expenditure on charitable activities includes administering mentoring schemes and other projects associated with the charity's aims. All support costs are allocated to expenditure on charitable activities.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Office equipment - 25% on reducing balance

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

The Arts Emergency Service

Notes to the Financial Statements - continued for the Year Ended 30 June 2022

1. ACCOUNTING POLICIES - continued

Fund accounting

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The charitable company contributes towards employee's defined contribution pension schemes. Contributions payable to the pension schemes are charged to the Statement of Financial Activities in the period to which they relate.

Going concern

The trustees have reviewed the circumstances of The Arts Emergency Service and consider that adequate resources continue to be available to fund the activities of the charity for the foreseeable future. As such, the trustees are of the view that the charity is a going concern.

Grants

Government grants in respect of capital expenditure are credited to a deferred income account and released to profit over the expected useful lives of the relevant assets in equal annual instalments.

Government grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate.

2. DONATIONS AND LEGACIES

	2022	2021
	£	£
Donations	450,818	431,246
Gift aid	49,966	47,931
Grants	<u>70,000</u>	<u>44,606</u>
	<u>570,784</u>	<u>523,783</u>

Grants received, included in the above, are as follows:

	2022	2021
	£	£
Grants	<u>70,000</u>	<u>44,606</u>

The Arts Emergency Service

Notes to the Financial Statements - continued for the Year Ended 30 June 2022

3. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 4) £	Support costs (see note 5) £	Totals £
Charitable activities	<u>595,608</u>	<u>25,836</u>	<u>621,444</u>

4. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2022 £	2021 £
Staff costs	399,075	281,610
Rent and rates	22,337	13,675
Insurance	676	522
Telephone	1,953	1,791
Postage, stationery and printing of materials	16,818	7,706
Service support	9,792	8,836
Staff training	9,252	3,085
Subscriptions	206	-
Office	20,259	5,936
IT costs	52,091	56,640
Travel	6,709	109
DBS checks	1,946	1,501
Event costs	15,477	4,238
Consultancy	34,659	5,650
Hospitality	1,925	-
Depreciation	<u>2,433</u>	<u>1,037</u>
	<u>595,608</u>	<u>392,336</u>

5. SUPPORT COSTS

	Finance £	Governance costs £	Totals £
Charitable activities	<u>4,738</u>	<u>21,098</u>	<u>25,836</u>

The Arts Emergency Service

**Notes to the Financial Statements - continued
for the Year Ended 30 June 2022**

5. SUPPORT COSTS - continued

Governance costs include £2,000 (2021: £2,000) in respect of the independent examination of these financial statements.

6. NET INCOME/(EXPENDITURE)

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

	2022	2021
	£	£
Depreciation - owned assets	2,433	1,036
Surplus on disposal of fixed assets	<u>-</u>	<u>(128)</u>

7. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 30 June 2022 nor for the year ended 30 June 2021.

Trustees' expenses

There were no trustees' expenses paid for the year ended 30 June 2022 nor for the year ended 30 June 2021.

8. STAFF COSTS

	2022	2021
	£	£
Wages and salaries	358,197	255,068
Social security costs	32,694	21,161
Other pension costs	<u>8,184</u>	<u>5,381</u>
	<u>399,075</u>	<u>281,610</u>

The average monthly number of employees during the year was as follows:

	2022	2021
	<u>16</u>	<u>12</u>
Charitable activities and administration		

No employees received emoluments in excess of £60,000.

The Arts Emergency Service

**Notes to the Financial Statements - continued
for the Year Ended 30 June 2022**

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	504,176	19,607	523,783
Other income	<u>128</u>	<u>-</u>	<u>128</u>
Total	<u>504,304</u>	<u>19,607</u>	<u>523,911</u>
 EXPENDITURE ON			
Charitable activities			
Charitable activities	<u>406,626</u>	<u>10,001</u>	<u>416,627</u>
 NET INCOME	97,678	9,606	107,284
 RECONCILIATION OF FUNDS			
Total funds brought forward	<u>328,363</u>	<u>10,000</u>	<u>338,363</u>
 TOTAL FUNDS CARRIED FORWARD	<u>426,041</u>	<u>19,606</u>	<u>445,647</u>

10. TANGIBLE FIXED ASSETS

	Office equipment £
COST	
At 1 July 2021	7,901
Additions	<u>7,095</u>
At 30 June 2022	<u>14,996</u>
 DEPRECIATION	
At 1 July 2021	2,508
Charge for year	<u>2,433</u>
At 30 June 2022	<u>4,941</u>
 NET BOOK VALUE	
At 30 June 2022	<u>10,055</u>
At 30 June 2021	<u>5,393</u>

The Arts Emergency Service

Notes to the Financial Statements - continued
for the Year Ended 30 June 2022

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Other debtors	50,466	47,931
Prepayments and accrued income	<u>1,858</u>	<u>1,678</u>
	<u>52,324</u>	<u>49,609</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Social security and other taxes	9,798	11,561
Other creditors	1,749	1,076
Accruals and deferred income	<u>13,019</u>	<u>8,135</u>
	<u>24,566</u>	<u>20,772</u>

13. MOVEMENT IN FUNDS

	At 1.7.21	Net movement in funds	Transfers between funds	At 30.6.22
	£	£	£	£
Unrestricted funds				
General fund	426,041	(56,526)	(10)	369,505
Restricted funds				
Magenta Living	-	(2)	2	-
Postcode Neighbourhood Trust	18,406	(14,279)	-	4,127
Girdlers Trust	1,200	(1,208)	8	-
John Lyon's Charity	-	11,355	-	11,355
Creative Mentoring in Westminster	-	10,000	-	10,000
	<u>19,606</u>	<u>5,866</u>	<u>10</u>	<u>25,482</u>
TOTAL FUNDS	<u>445,647</u>	<u>(50,660)</u>	<u>-</u>	<u>394,987</u>

The Arts Emergency Service

Notes to the Financial Statements - continued
for the Year Ended 30 June 2022

13. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	525,784	(582,310)	(56,526)
Restricted funds			
Magenta Living	10,000	(10,002)	(2)
Postcode Neighbourhood Trust	-	(14,279)	(14,279)
Girdlers Trust	-	(1,208)	(1,208)
John Lyon's Charity	25,000	(13,645)	11,355
Creative Mentoring in Westminster	<u>10,000</u>	<u>-</u>	<u>10,000</u>
	<u>45,000</u>	<u>(39,134)</u>	<u>5,866</u>
TOTAL FUNDS	<u>570,784</u>	<u>(621,444)</u>	<u>(50,660)</u>

Comparatives for movement in funds

	At 1.7.20 £	Net movement in funds £	At 30.6.21 £
Unrestricted funds			
General fund	328,363	97,678	426,041
Restricted funds			
Magenta Living	10,000	(10,000)	-
Postcode Neighbourhood Trust	-	18,406	18,406
Girdlers Trust	<u>-</u>	<u>1,200</u>	<u>1,200</u>
	<u>10,000</u>	<u>9,606</u>	<u>19,606</u>
TOTAL FUNDS	<u>338,363</u>	<u>107,284</u>	<u>445,647</u>

The Arts Emergency Service

Notes to the Financial Statements - continued for the Year Ended 30 June 2022

13. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	504,304	(406,626)	97,678
Restricted funds			
Magenta Living	1	(10,001)	(10,000)
Postcode Neighbourhood Trust	18,406	-	18,406
Girdlers Trust	<u>1,200</u>	<u>-</u>	<u>1,200</u>
	<u>19,607</u>	<u>(10,001)</u>	<u>9,606</u>
TOTAL FUNDS	<u><u>523,911</u></u>	<u><u>(416,627)</u></u>	<u><u>107,284</u></u>

Magenta Living

Magenta Living (restricted fund) - an amount of £10,000 was donated in May 2020 and a further £10,000 was received in September 2021. These funds were used to fund 20 places on Arts Emergency's 8 year programme for young Magenta Living residents in Wirral across 2020 and 2021. All funds were spent in the year.

Postcode Lottery

Postcode Lottery (restricted fund) - an amount of £18,406 was received last year from the Postcode Neighbourhood Trust. These funds were used to fund mentoring and opportunities for 50 marginalised young people in Merseyside, for the Merseyside project. The Merseyside project commenced in September 2021 with almost all funds spent in the year being on the employees involved in the project. There is a small balance remaining in the fund, this is on track to be spent in the 2023 year end.

Girdlers Trust

Girdlers Trust (restricted fund) - an amount of £1,200 was received from the Girdlers Trust last year to fund a community freelancer event for 20 people to develop their creative and practical skills as artists. The event was held in November 2021, with funds spent on salaries, art supplies and some travel expenditure. A small balance was transferred from the general fund to offset against the deficit on the fund, there are therefore no funds carried forward.

John Lyon's Charity

John Lyon's Charity (restricted fund) - £25,000 was received from the John Lyon's Charity in December 2021. These funds were used to fund a mentoring programme in London specifically targeted at young people from a range of London areas. Funds were spent on the salaries of 7 employees who are involved in the mentoring project. Two further donations of £25,000 each are set to be received over the following two years to continue to fund the project.

The Arts Emergency Service

**Notes to the Financial Statements - continued
for the Year Ended 30 June 2022**

13. MOVEMENT IN FUNDS - continued

Creative Mentoring in Westminster

Creative Mentoring in Westminster (restricted fund) - £10,000 was received from the Westminster Foundation in June 2022 to fund the Westminster mentoring programme. This project commenced at the end of June 2022, therefore no funds were spent in the year and are being carried forward.

14. RELATED PARTY DISCLOSURES

The total amount of employee benefits received by key management personnel was £47,742 (2021: £47,655).

During the year donations were received from trustees totalling £1,235 (2021: £700).

There were no further related party transactions for the year ended 30 June 2022.

15. COMPANY LIMITED BY GUARANTEE

The company is limited by guarantee with the liability of its members limited to £10, being the amount each member is required to contribute towards any outstanding debts and liabilities upon the winding up of the company.