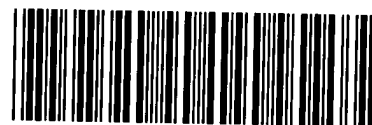


REGISTERED COMPANY NUMBER: 03177640 (England and Wales)  
REGISTERED CHARITY NUMBER: 1054793

Report of the Trustees and  
Financial Statements  
for the Year Ended 31 March 2021  
for  
STUDIO 3 ARTS

WEDNESDAY



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26/01/2022

#293

COMPANIES HOUSE

Haines Watts Essex LLP  
Coopers House  
65a Wingletye Lane  
Hornchurch  
Essex  
RM11 3AT

STUDIO 3 ARTS

Contents of the Financial Statements  
for the year ended 31 March 2021

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## STUDIO 3 ARTS

### Report of the Trustees for the year ended 31 March 2021

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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 31 March 2021. 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).

#### **Weathering the Storm: Studio 3 Arts as a beacon for thousands in a Pandemic**

As I reflect on what was surely the most difficult year on record for the arts, communities and the global society as a whole, I am proud and humbled by the lengths to which our staff and volunteers went to ensure that Barking and Dagenham was still a connected and creative place, through lockdowns, distancing and beyond.

We transformed our usual in-person offer into an online/postal offer called 'S3A at Home' and explored new ways to keep people connected and positive during the most turbulent of times.

Here's some highlights:

- We created and delivered more than 5000 art packs to local families and a further 5000 to food banks and community groups. Artist Del Taylor curated the packs and made videos and instruction manuals for early years, families, young people and older people.
- Our older people's project, Guild of Experience went digital, with an online series of masterclasses, performances, and even the establishment of a dance company, in partnership with Green Candle Dance.
- Big Deal Young Actors Company really flourished in lockdown under the leadership of award-winning actor Valentine Olukoga with a focus on monologue writing, showreel development and performance, with masterclasses from actors, directors, casting agents and critics.
- We commissioned poet Dauda Ladejobi to create a collaborative community poem with local poets, which can be seen here: <https://www.youtube.com/watch?v=Stn344j5JCI>
- Our brand new LGBTQIA community project led by local artists Grace Duggan and Matty May, Be&Do created an online social space for LGBTQIA people to get together, with a book club, watch parties and two incredible online Queer Cabaret nights
- Windows In, our visual arts programme blazed a trail for socially distanced art by creating a series of stunningly diverse installations in the windows of our currently-closed venue in Vicarage Field Shopping Centre
- In partnership with Eastbury Manor House we presented a socially-distanced and completely magical family Christmas show, The Princess and The Pea, adapted from the original by writer Ashley J.
- Creative Barking and Dagenham took the spirit of their acclaimed light festival 'GLOW' on tour with beautiful installations across the borough, including a laser-powered rainbow that could be seen for miles and miles.

Outside of the creative programme, planning was formally approved for 'Changing the Boundary', our capital project to refurbish and extend our home on Boundary Road in Barking - we can't wait to get started on building a new home for creativity in our borough.

This has been a testing year for everyone and we are by no means out of the woods yet. The tenacity, commitment and hard work of the S3A team has been tested in innumerable ways this year. Unsurprisingly they've risen to the challenge in their trademark way, with good humour, insight and palpable love and care for people in Barking and Dagenham and beyond.

This year we are particularly grateful to the funders who supported our work via emergency Covid funding. You have helped ensure our ongoing sustainability and enabled us to reach more than 50,000 people when they needed it the most.

As ever, the strength and impact of our work is in the commitment and passion of our Artists, Partners, Funders, Volunteers, Cultural Connectors, Trustees, Staff, Participants and Audiences. We are hugely inspired by their support and dedication. Finally last but by no means least a special thank you to our Artistic Director/CEO Liza Vallance who has continued to inspire, support and nurture creative talent in the most difficult of times. On behalf of the whole board - thank you.

## STUDIO 3 ARTS

### Report of the Trustees for the year ended 31 March 2021

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#### **Strategic report Reserves Policy**

The Trustees have developed this reserves policy based on the following assumptions:

- In the event of a significant drop in direct programming income to fund project activity, the project expenditure would reduce in line with income.
- Agreed long-term funding from Arts Council England would continue for at least 4 months in the event of a drop in project income, whilst alternative direct funding for projects is sought.

The Trustees have assessed and allocated reserves on the basis of principal risks identified through the Company Risk Assessment, and upon review of the previous policy and funds available.

Funds have been Designated to cover the following liabilities, in the unlikely event of organisational liquidation:

- 3 months staff salaries
- 3 months organisational overheads
- Redundancy obligations to long-serving staff

These liabilities have been assessed on the basis of the revised staff headcount as £70,000.

The trustees have also decided to designate the net book value of the leasehold property in order to present a clearer picture of their liquid assets held in the General Fund

#### **Annual Finance Report 2020-21**

##### **Budgeted**

Income: £2,255k + £315k (CBD) = £2,570k  
Expenditure: £2,438k + £168k (CBD) = £2,606k  
Deficit: £36k

##### **Actual**

Income: £834k + £308k (CBD) = £1,142k  
Expenditure: £531k + £214k (CBD) = £745k  
Surplus: £397k

The Surplus of £397k will be added to the organisation's reserves and allocated between restricted and unrestricted funds as agreed by the Trustees.

##### **Reserves**

Reserves at 31st March 2021 were £647k, represented by:

Restricted funds were £198k (increased by £185k compared to 2020).  
Unrestricted funds were £191k (increased by £130k compared to 2020).  
Designated funds were £258k (increased by £81k compared to 2020).

#### **Comments on Actual performance vs Budgeted 2020-21**

In 20-21, a challenging year for all (including Studio 3 Arts) due to the Covid-19 Pandemic. Due to this, we purposefully kept our staff team lean and roles were filled with freelancers to increase capacity where needed. The average FTE for the year has been calculated to include the staff working on the Creative Barking & Dagenham project for which, whilst consortium led, Studio 3 Arts is the lead and accountable body.

Considering the covid situation, we had successful year in terms of fundraising and managed to secure a number of emergency funds (including the Cultural Recovery Fund) to allow us to deliver work especially with the most vulnerable and at risk during this time. Where our existing programme could not be delivered as originally planned, funds will be rolled forward with agreement from with funders.

## STUDIO 3 ARTS

### Report of the Trustees for the year ended 31 March 2021

Our capital project delay also highlights why our surplus is higher than budgeted, and income and expenditure will match this programme moving forward, allowing for Covid-19 restrictions to be factored in to the delivery of this.

#### Analysis

	2020-21	2019-20
Major commissions delivered	6	14
Project total costs	£715k	£653k
Core Costs	£29k	£41k
Core Costs as % of total cost	4%	6%
Salary Costs	£283k	£272k
Staff Numbers (full-time equivalent)	6	8
Total Expenditure	£745k	£695k
Total Income	£1,142k	£709k
Income less Expenditure/Surplus	£397k	£14k

In addition, the % is inflated slightly due to the capitalisation of building improvement works (thus reducing Total Costs accordingly).

Year	SLA	CBD	Trusts	Core	Total income	Project costs	CBD costs	Core costs	Total costs	Outcome
10/11	192k	276k	120k	102k	690k	231k	276k	102k	609k	+81k
11/12	193k	-	23k	151k	367k	123k	-	258k	381k	-14k
12/13	78k	34k	65k	125k	302k	85k	34k	183k	302k	+1k
13/14	39k	99k	81k	111k	330k	89k	99k	139k	327k	+3k
14/15	31k	316k	42k	108k	497k	73k	316k	104k	493k	+4k
15/16	101k	425k	90k	95k	711k	425k	425k	85k	702k	+9k
16/17	224k	275k	83k	113k	666k	289k	275k	92k	655k	+11k
17/18	118k	307k	214k	52k	691k	442k	162k	6k	610k	+81k
18/19	47k	344k	284k	33k	708k	424k	179k	11k	614k	+94k
19/20	38k	182k	465k	24k	709k	426k	228k	41k	695k	+14k
20/21	179k	308k	405k	250k	1,142k	502k	214k	29k	745k	+397k

#### The Future

We are pleased to share that the following funding is confirmed going forward:

- 1. Arts Council England - National Portfolio Funding** - Four year agreement with a significant uplift of £30k per year on the previous agreement, specifically ring-fenced for venue programming. Starting April 2018 to March 2022. We also have extension of this funding for 22/23.
- 2. Arts Council England - Small Capital Grants** - We are delighted to have been awarded £500k to re-develop the Galleon Centre
- 3. Arts Council England/DCMS - Kickstart Capital**
- 4. Arts Council England - Loneliness Fund (CBD)**
- 5. Arts Council England - Thriving Communities (CBD)**
- 6. Arts Council England/LBBD - Creative People & Places** - Creative Barking & Dagenham will continue to be funded to 2023 for Phase 3, and new funding has been secured to take this programme to 2026.
- 7. GLA - Good Growth Fund** - We are delighted to have been awarded £500k to redevelop the Galleon Centre.
- 8. Youth Investment Fund - 2nd year funding** - £24k for Big Deal (completed August 2021)
- 9. Children In Need - Big Art, Little People** - A Creative family learning programme £20k (yr 1 end of 21, picks again in 2022 completes 20230).
- 10. Celebrating Age - Guild of Experience** - originally £100k over 18 months from Nov 2018. Completed (due to covid) October 21.
- 11. Clothworkers Foundation** - Capital Funding - £75k
- 12. Theatre's Trust** - £5k - Capital Funding
- 13. Young Londoners Fund - Groundbreakers** - £63k a year for three years, finishing Feb 2023
- 14. Veolia Environmental Trust** £75,000 for Capital Works

## STUDIO 3 ARTS

### Report of the Trustees for the year ended 31 March 2021

---

**15. Violence Reduction Unit - £20,000**

**16. Barking & Dagenham Music Education Hub - Youth Voices - £4,000**

**17. Neighbourhood Convening - £9,900**

**18. HAF winter 21/22 - £15,530 (potential for funding in 2022 - Easter, Summer and Winter.)**

Emergency funding for 20/21 was secured from:

- DCMS - Cultural Recovery Fund
- Children in Need
- London Response Fund - City Bridge Trust
- D'Oyly Carte Foundation
- National Lottery Reaching Communities

Fundraising is well underway for projects in 2022 and beyond including applications to:

- National Lottery Reaching Communities
- Youth Music Fund
- Volunteering Futures
- Arts Council England National Portfolio 2023-2026

The agreed amount which is included in the project's income towards the indirect costs of the Project Manager and core office costs is monitored against the estimated core costs.

As ever, it is essential for Studio 3 Arts to secure income not only for direct costs of running projects but also to fund the indirect costs of running the organisation.

As many funders cap the amount allocated to core/management and overhead costs, these are reduced to an absolute functional minimum.

Studio 3 Arts can be stated as an "ongoing concern" with confidence for 21/22.

#### **Structure, governance and management**

##### **Governing document**

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

##### **Reference and administrative details**

###### **Registered Company number**

03177640 (England and Wales)

###### **Registered Charity number**

1054793

###### **Registered office**

The Galleon Centre  
Boundary Road  
Barking  
Essex  
IG11 7JR

## STUDIO 3 ARTS

### Report of the Trustees for the year ended 31 March 2021

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#### Trustees

Miss S Lees Chartered Accountant (resigned 1/1/2021)  
Ms S Murray Manager  
Miss L L Cox Consultant  
Mr F McDonagh Engineer  
Miss C R S N Meaby Director  
Mr S W D Abaka-Wood Freelancer  
Ms K M West-Whyllie Chief Officer  
Ms E A Baker (appointed 2/6/2021)  
Ms E Doran (appointed 2/6/2021)  
Mr S A Durham (appointed 2/6/2021)

#### Auditors

Haines Watts Essex LLP  
Coopers House  
65a Wingletye Lane  
Hornchurch  
Essex  
RM11 3AT

#### Statement of trustees' responsibilities

The trustees (who are also the directors of Studio 3 Arts for the purposes of company law) are responsible for preparing the Report of the Trustees 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 year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 charitable company will continue in business.

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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

#### Auditors

The auditors, Haines Watts Essex LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 23 December 2021 and signed on the board's behalf by:

.....  
  
Ms K M West-Whyllie - Trustee

Report of the Independent Auditors to the Members of  
Studio 3 Arts

---

**Opinion**

We have audited the financial statements of Studio 3 Arts (the 'charitable company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, 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 (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 Auditors' 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 UK, including the FRC'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 trustees' 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.

However, not all future events or conditions can be predicted. The COVID-19 viral pandemic is one of the most significant economic events for the UK with unprecedented levels of uncertainty of outcomes. It is therefore difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and wider economy. The Trustees' view on the impact of COVID-19 is disclosed within the accounting policies.

**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

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.

In connection with our audit of the financial statements, 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 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the 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 Report of the Trustees.

We have nothing to report in respect of the following matters where the 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities, 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.

#### **Our 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 a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the charity and the environment in which it operates, and considered the risk of acts by the charity that were contrary to applicable laws and regulations. We discussed amongst the audit team the identified laws and regulation, and remained alert to any indications of non-compliance.

During the audit we focussed on laws and regulations which could reasonably be expected to give rise to a material misstatement in the financial statements, including, but not limited to, the Charities Act 2016 and where applicable, Companies Act 2006. Our tests included agreeing the financial statement disclosure to underlying supporting documentation and enquiries with management.

Our procedures in relation to fraud included but were not limited to: enquiries of management whether they have any knowledge of any actual, suspected or alleged fraud, and discussions amongst the audit team regarding risk of fraud such as opportunities for fraudulent manipulation of financial statements. We determined that the principal risks related to posting manual journal entries to manipulate financial performance and management bias through judgements in accounting estimates. We also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the trustees that represented a risk of material misstatement due to fraud.

Based on the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statement, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than errors, as fraud involves intentional concealment, forgery, collusion, omission or miscegenation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

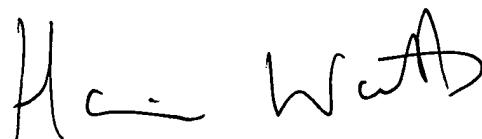
Report of the Independent Auditors to the Members of  
Studio 3 Arts

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**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 auditors' 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ian Gorsuch (Senior Statutory Auditor)  
for and on behalf of Haines Watts Essex LLP  
Coopers House  
65a Wingletye Lane  
Hornchurch  
Essex  
RM11 3AT



Date: ..... 23 December 2021

STUDIO 3 ARTS

Statement of Financial Activities  
for the year ended 31 March 2021

	Notes	Unrestricted funds £	Restricted fund £	2021 Total funds £	2020 Total funds £
<b>Income and endowments from</b>					
Donations and legacies	2	375,547	738,581	1,114,128	708,834
Investment income	3	150	-	150	140
Other income		27,643	-	27,643	-
<b>Total</b>		<b>403,340</b>	<b>738,581</b>	<b>1,141,921</b>	<b>708,974</b>
<b>Expenditure on</b>					
<b>Charitable activities</b>	4				
Project costs		156,186	559,620	715,806	653,398
Audit fees		7,500	-	7,500	7,500
Other support costs		21,607	-	21,607	33,960
<b>Total</b>		<b>185,293</b>	<b>559,620</b>	<b>744,913</b>	<b>694,858</b>
<b>NET INCOME</b>		<b>218,047</b>	<b>178,961</b>	<b>397,008</b>	<b>14,116</b>
<b>Transfers between funds</b>	13	48,465	(48,465)	-	-
<b>Net movement in funds</b>		<b>266,512</b>	<b>130,496</b>	<b>397,008</b>	<b>14,116</b>
<b>Reconciliation of funds</b>					
<b>Total funds brought forward</b>		<b>182,347</b>	<b>67,818</b>	<b>250,165</b>	<b>236,049</b>
<b>Total funds carried forward</b>		<b>448,859</b>	<b>198,314</b>	<b>647,173</b>	<b>250,165</b>

The notes form part of these financial statements

## STUDIO 3 ARTS

Balance Sheet  
31 March 2021

	Notes	Unrestricted funds £	Restricted fund £	2021 Total funds £	2020 Total funds £
<b>Fixed assets</b>					
Tangible assets	10	195,562	-	195,562	122,407
<b>Current assets</b>					
Debtors	11	320,479	-	320,479	217,684
Cash at bank		172,537	198,314	370,851	235,258
		493,016	198,314	691,330	452,942
<b>Creditors</b>					
Amounts falling due within one year	12	(239,719)	-	(239,719)	(325,184)
<b>Net current assets</b>		253,297	198,314	451,611	127,758
<b>Total assets less current liabilities</b>		448,859	198,314	647,173	250,165
<b>NET ASSETS</b>		448,859	198,314	647,173	250,165
<b>Funds</b>	13				
Unrestricted funds:					
General fund				191,168	5,978
Designated fund				257,691	176,369
				448,859	182,347
Restricted funds:					
Restricted fund				198,314	67,818
<b>Total funds</b>				647,173	250,165

The financial statements were approved by the Board of Trustees and authorised for issue on 23 December 21 and were signed on its behalf by:

  
Ms K M West-Whyte - Trustee

The notes form part of these financial statements

STUDIO 3 ARTS

Cash Flow Statement  
for the year ended 31 March 2021

	Notes	2021 £	2020 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	225,383	63,874
Net cash provided by operating activities		225,383	63,874
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(89,940)	(92,988)
Interest received		150	140
Net cash used in investing activities		(89,790)	(92,848)
<b>Change in cash and cash equivalents in the reporting period</b>		135,593	(28,974)
<b>Cash and cash equivalents at the beginning of the reporting period</b>		235,258	264,232
<b>Cash and cash equivalents at the end of the reporting period</b>		370,851	235,258

The notes form part of these financial statements

# STUDIO 3 ARTS

## Notes to the Cash Flow Statement for the year ended 31 March 2021

### 1. Reconciliation of net income to net cash flow from operating activities

	2021 £	2020 £
<b>Net income for the reporting period (as per the Statement of Financial Activities)</b>	397,008	14,116
<b>Adjustments for:</b>		
Depreciation charges	16,784	19,204
Interest received	(150)	(140)
Increase in debtors	(102,795)	(132,932)
(Decrease)/increase in creditors	(85,464)	163,626
<b>Net cash provided by operations</b>	<u>225,383</u>	<u>63,874</u>

### 2. Analysis of changes in net funds

	At 1/4/20 £	Cash flow £	At 31/3/21 £
<b>Net cash</b>			
Cash at bank	235,258	135,593	370,851
	<u>235,258</u>	<u>135,593</u>	<u>370,851</u>
<b>Total</b>	<u>235,258</u>	<u>135,593</u>	<u>370,851</u>

The notes form part of these financial statements

## STUDIO 3 ARTS

### Notes to the Financial Statements for the year ended 31 March 2021

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#### 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.

##### **Company status**

The charity is a company limited by guarantee, registered in the UK. The members of the company are the Trustees.

##### **Going concern**

The financial statements have been prepared on a going concern basis. The Trustees have reviewed and considered relevant information, including future cash flows in making their assessment. In particular, in response to the COVID-19 pandemic, the Trustees have tested their cash flow analysis to take into account the impact on their activities of the challenges brought on by COVID-19, alongside the measures taken to mitigate the impact. Based on these assessments the Trustees have concluded that they can continue to adopt the going concern basis in preparing the annual report and accounts.

##### **Critical accounting judgements and key sources of estimation uncertainty**

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgement that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period.

The annual depreciation charge for tangible fixed assets is considered a key accounting estimate as it is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates and the physical condition of the assets.

##### **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.

##### **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.

##### **Tangible fixed assets**

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

Long leasehold	-	4-10% on cost
Fixtures and fittings	-	20% on cost

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment.

##### **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.

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.

## STUDIO 3 ARTS

### Notes to the Financial Statements - continued for the year ended 31 March 2021

#### 1. Accounting policies - continued

##### Fund accounting

Designated funds are unrestricted funds that the trustees have set aside for a particular purpose.

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 charity operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

##### 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 bank.

##### 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.

##### 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.

##### 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.

#### 2. Donations and legacies

	2021	2020
	£	£
Grants	1,090,966	681,854
Other income	23,162	26,980
	<u>1,114,128</u>	<u>708,834</u>

#### 3. Investment income

	2021	2020
	£	£
Deposit account interest	150	140
	<u>150</u>	<u>140</u>

# STUDIO 3 ARTS

## Notes to the Financial Statements - continued for the year ended 31 March 2021

### 4. Charitable activities costs

	Direct Costs £	Support costs (see note 5) £	Totals £
Project costs	715,806	-	715,806
Audit fees	-	7,500	7,500
Other support costs	-	21,607	21,607
	<u>715,806</u>	<u>29,107</u>	<u>744,913</u>

### 5. Support costs

	Finance £	Governance costs £	Totals £
Audit fees	-	7,500	7,500
Other support costs	21,607	-	21,607
	<u>21,607</u>	<u>7,500</u>	<u>29,107</u>

### 6. Net income/(expenditure)

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

	2021 £	2020 £
Auditors remuneration	7,500	7,500
Depreciation - owned assets	<u>16,785</u>	<u>19,204</u>

### 7. Trustees' remuneration and benefits

There were no trustees' remuneration or other benefits for the year ended 31 March 2021 nor for the year ended 31 March 2020.

#### Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2021 nor for the year ended 31 March 2020.

### 8. Staff costs

	2021 £	2020 £
Wages and salaries	252,822	268,509
Social security costs	26,376	25,262
Other pension costs	4,117	3,413
	<u>283,315</u>	<u>297,184</u>

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

	2021	2020
Charitable activities	<u>6</u>	<u>8</u>

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

# STUDIO 3 ARTS

## Notes to the Financial Statements - continued for the year ended 31 March 2021

### 9. Comparatives for the statement of financial activities

	Unrestricted funds £	Restricted fund £	Total funds £
<b>Income and endowments from</b>			
Donations and legacies	258,867	449,967	708,834
Investment income	140	-	140
<b>Total</b>	<b>259,007</b>	<b>449,967</b>	<b>708,974</b>
<b>Expenditure on</b>			
<b>Charitable activities</b>			
Project costs	151,263	502,135	653,398
Audit fees	7,500	-	7,500
Other support costs	33,960	-	33,960
<b>Total</b>	<b>192,723</b>	<b>502,135</b>	<b>694,858</b>
<b>NET INCOME/(EXPENDITURE)</b>	<b>66,284</b>	<b>(52,168)</b>	<b>14,116</b>
<b>Reconciliation of funds</b>			
<b>Total funds brought forward</b>	<b>116,063</b>	<b>119,986</b>	<b>236,049</b>
<b>Total funds carried forward</b>	<b>182,347</b>	<b>67,818</b>	<b>250,165</b>

### 10. Tangible fixed assets

	Long leasehold £	Fixtures and fittings £	Totals £
<b>Cost</b>			
At 1 April 2020	119,864	175,364	295,228
Additions	89,940	-	89,940
At 31 March 2021	209,804	175,364	385,168
<b>Depreciation</b>			
At 1 April 2020	13,495	159,326	172,821
Charge for year	8,618	8,167	16,785
At 31 March 2021	22,113	167,493	189,606
<b>Net book value</b>			
At 31 March 2021	187,691	7,871	195,562
At 31 March 2020	106,369	16,038	122,407

The trustees have designated the net book value of the leasehold property in order to present a clearer picture of the liquid assets held in the General Fund.

STUDIO 3 ARTS

Notes to the Financial Statements - continued  
for the year ended 31 March 2021

11. Debtors: amounts falling due within one year

	2021 £	2020 £
Trade debtors	138,602	35,323
Prepayments and accrued income	181,877	182,361
	<u>320,479</u>	<u>217,684</u>

12. Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	45,405	15,121
Other creditors	1,670	27,510
Accruals and deferred income	192,644	282,553
	<u>239,719</u>	<u>325,184</u>

13. Movement in funds

	At 1/4/20 £	Net movement in funds £	Transfers between funds £	At 31/3/21 £
<b>Unrestricted funds</b>				
General fund	5,978	218,047	(32,857)	191,168
Designated fund	176,369	-	81,322	257,691
	<u>182,347</u>	<u>218,047</u>	<u>48,465</u>	<u>448,859</u>
<b>Restricted funds</b>				
Restricted fund	67,818	178,961	(48,465)	198,314
	<u>250,165</u>	<u>397,008</u>	<u>-</u>	<u>647,173</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	403,340	(185,293)	218,047
<b>Restricted funds</b>			
Restricted fund	738,581	(559,620)	178,961
	<u>1,141,921</u>	<u>(744,913)</u>	<u>397,008</u>

# STUDIO 3 ARTS

Notes to the Financial Statements - continued  
for the year ended 31 March 2021

## 13. Movement in funds - continued

### Comparatives for movement in funds

	At 1/4/19 £	Net movement in funds £	Transfers between funds £	At 31/3/20 £
<b>Unrestricted funds</b>				
General fund	56,063	66,284	(116,369)	5,978
Designated fund	60,000	-	116,369	176,369
	<u>116,063</u>	<u>66,284</u>	<u>-</u>	<u>182,347</u>
<b>Restricted funds</b>				
Restricted fund	119,986	(52,168)	-	67,818
	<u>119,986</u>	<u>(52,168)</u>	<u>-</u>	<u>67,818</u>
<b>TOTAL FUNDS</b>	<u>236,049</u>	<u>14,116</u>	<u>-</u>	<u>250,165</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	259,007	(192,723)	66,284
<b>Restricted funds</b>			
Restricted fund	449,967	(502,135)	(52,168)
	<u>708,974</u>	<u>(694,858)</u>	<u>14,116</u>
<b>TOTAL FUNDS</b>	<u>708,974</u>	<u>(694,858)</u>	<u>14,116</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1/4/19 £	Net movement in funds £	Transfers between funds £	At 31/3/21 £
<b>Unrestricted funds</b>				
General fund	56,063	284,331	(149,226)	191,168
Designated fund	60,000	-	197,691	257,691
	<u>116,063</u>	<u>284,331</u>	<u>48,465</u>	<u>448,859</u>
<b>Restricted funds</b>				
Restricted fund	119,986	126,793	(48,465)	198,314
	<u>119,986</u>	<u>126,793</u>	<u>(48,465)</u>	<u>198,314</u>
<b>TOTAL FUNDS</b>	<u>236,049</u>	<u>411,124</u>	<u>-</u>	<u>647,173</u>

## STUDIO 3 ARTS

### Notes to the Financial Statements - continued for the year ended 31 March 2021

#### 13. Movement in funds - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	662,347	(378,016)	284,331
<b>Restricted funds</b>			
Restricted fund	1,188,548	(1,061,755)	126,793
<b>TOTAL FUNDS</b>	<u>1,850,895</u>	<u>(1,439,771)</u>	<u>411,124</u>

#### Designated funds

The trustees have decided to designate the net book value of the leasehold property in order to present a clearer picture of their liquid assets held in the General Fund.

They have also designated £70k of funds to cover the following liabilities, in the unlikely event of organisational liquidation:

- 3 months staff salaries
- 3 months organisational overheads
- Redundancy obligations to long-serving staff

These liabilities have been assessed on the basis of the revised staff headcount.

#### Restricted funds

Restricted funds carried forward at the year end are made up as follows:

Creative Barking & Dagenham Project	£162,108
Cultural Recovery Fund	£19,706
City of London Corporate Response Fund	£16,500

All restricted funds carried forward are restricted by nature of the funding agreements.

The Creative Barking & Dagenham project (CBD) is a separate division of the charity, with Studio 3 as the accountable body, any funds received in relation to CBD must be spent on CBD projects, staff costs and overheads. CBD is a project for people living, working and socialising in Barking and Dagenham and its mission is to enable local people to create, commission and curate outstanding arts and creative activities in their areas.

Both the Cultural Recovery Fund and City of London Corporate Response Fund are restricted for activities to help the charity's return from Covid.

STUDIO 3 ARTS

Notes to the Financial Statements - continued  
for the year ended 31 March 2021

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**14. Related party disclosures**

There were no related party transactions for the year ended 31 March 2021.

# STUDIO 3 ARTS

## Detailed Statement of Financial Activities for the year ended 31 March 2021

	2021 £	2020 £
<b>Income and endowments</b>		
<b>Donations and legacies</b>		
Grants	1,090,966	681,854
Other income	23,162	26,980
	<u>1,114,128</u>	<u>708,834</u>
<b>Investment income</b>		
Deposit account interest	150	140
<b>Other income</b>		
Furlough income	27,643	-
	<u>1,141,921</u>	<u>708,974</u>
<b>Total incoming resources</b>		
<b>Expenditure</b>		
<b>Charitable activities</b>		
Wages	252,822	268,509
Social security	26,376	25,262
Pensions	4,117	3,413
Insurance	3,624	3,438
Telephone	8,006	9,041
Postage and stationery	4,212	10,687
Advertising	18,462	5,253
Sundries	5,080	15,721
Travel	21,462	5,192
Property costs	6,251	4,668
Galleon Centre Overheads	288,974	178,778
Artist fees	32,540	83,373
Computer costs	25,476	20,185
Bank charges	1,620	674
Short leasehold	8,618	7,882
Fixtures and fittings	8,166	11,322
	<u>715,806</u>	<u>653,398</u>
<b>Support costs</b>		
<b>Finance</b>		
Accountancy and legal fees	21,607	33,960
<b>Governance costs</b>		
Auditors' remuneration	7,500	7,500
	<u>744,913</u>	<u>694,858</u>
<b>Total resources expended</b>		
<b>Net income</b>	<u>397,008</u>	<u>14,116</u>

This page does not form part of the statutory financial statements