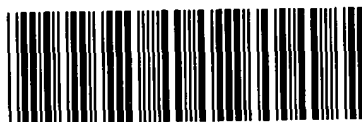

SOLA ARTS

ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE YEAR ENDED 29TH MARCH 2020

Company No. 06655438
Charity No. 1128459

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SOLA ARTS

CHAIR'S REPORT FOR THE YEAR ENDED 29TH MARCH 2020

Welcome to SOLA ARTS 2019-20 Annual Report and Accounts.

This year has seen SOLA grow in new and wonderful ways, forge new friendships and projects, meet core needs and be face with the unexpected challenges that COVID-19 pandemic has brought. We have pushed into new realms of delivery and ways of supporting each other and those most vulnerable in our community, and to answer this call again we have been innovative and committed to best support people most vulnerable in our communities.

We continue to have core focus of journeying alongside the beneficiary from point of need/crisis through to self-agency, independence and moving on; incorporating options of support from Art Psychotherapy and core skills through psychodynamic, psycho-social and empowerment focused approaches as well as social & development support, asylum process navigation, resettlement, creative skills, social skills, social opportunity and employability.

We couldn't have delivered our work and survived over the past sixteen years without everyone who has been involved from staff to volunteers, participants, to partners, contributors to funders and all the other supporters who follow us or spread the word about our work. So amazingly moving into our 17th year, I'd like to finish by saying a big THANKS to every single person who has made this project happen and looking forward to the next twelve months; a year of stable income and lots and lots of new and growing opportunity to support those most in need in our community!

A Spiers

Trustee – Chair

Date:



SOLA ARTS

TRUSTEES' REPORT FOR THE YEAR ENDED 29TH MARCH 2020

The trustees are pleased to present their report for the year ended 29th March 2020.

The financial statements comply with the Charities Act 2011, Companies Act 2006, Accounting and Reporting by Charities; Statement of Recommended Practice (Sorp 2015) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1st January 2015).

OBJECTIVES AND ACTIVITIES

The objects of the charitable company are:

- 1) The advancement of public education by the provision of arts projects.
- 2) The relief of persons who have become displaced persons or refugees from the countries of their origin or domicile by reasons of hostilities, persecution, oppression, discrimination, natural distress or other like causes, and their families and dependents who are in conditions or need, hardship and distress.
- 3) The relief of persons who experience mental distress and their families and dependents who are in conditions or need, hardship and distress, by the provision of Art Therapy (also known as Art Psychotherapy).
- 4) Any other purposes charitable by law for the benefit of the community.

In considering the objectives and activities, the trustees have considered Charity Commission guidance on public benefit to ensure that Sola Arts is meeting its public benefit requirements.

ACHIEVEMENTS AND PERFORMANCE

Our team has continued to evolve, expand and encompass people with more skills and expertise to enhance our delivery for vulnerable people. This includes new volunteers and being able to support people to move roles from being participants to becoming volunteers to now into part-time staffing. This year's team consisted in total of one full-time (3.5 days/week) and 9 part-time and sessional staff, and 12 volunteers at any one time.

Trustees have continued supporting our vital work and we have gained and lost people from these roles over the year, with now having 5 Trustees who are all active and representative of the people we support, interests of the charity and expertise that we strive for or hold.

We have supported 260 plus people through core focused intensive support and engaged with 3,000 plus individuals through Festival31 to have meaningful dialogue and personal change to address racism, xenophobia and social stigma of asylum seekers, refugees, other people of diverse backgrounds and of the impact of mental health challenges.

The importance of art psychotherapy and social support being the underlying foundation for our delivery continues to be fundamental to beneficiary needs.

Donations and contract/commissioned income focused on our key aims and objectives for vulnerable people have been the key sustainability focus this year. We had developed good reserves potential by the end of the year until COVID- 19 hit and this significantly impacted on our donations-based income, financial needs for delivery, and commissioned activities. I note more about this to follow.

Activities

Our grant income has continued through ongoing support, partnership projects and new programme grants. Whilst, this year has been a surprise in many ways including the philanthropic support by The Estate of the Late Fanchon Frohlich donation and Voluntary Aid club donation these generous gifts to our vital work have enabled us to ensure delivery throughout the year.

Simultaneously, our income generation for unrestricted has significantly expanded through personal therapy donations supporting people outside of grant programmes, and commissioned services such as art therapist supervision, activities for Rare Studios and Therapy interventions for adopted or looked after children and their families/carers units.

In addition, the 2019 FESTIVAL 31 (F31) worked with over 80 volunteers through daily events during the festival delivery month before and beyond. Again, many grassroots, statutory and public services supported the programme and we were able to reflect to move forward for future years. A large part of support came from our Liverpool funding which recognised the significance of the festival and brought us closer to National Portfolio Organisations to facilitate a strategic arts & cultural network for the benefit of people who are displaced and vulnerable as migrant. The F31 2019 audience was over 25,000 and we thank key organisations such as Tate Liverpool, BBC Radio Merseyside and Africa Oye for enabling the programme through in-kind support as well as various grassroots and public organisations who got involved, artists who were committed and local residents who made this happen. We look forward to the 2020 programme and to see stronger relationships with NPOs and Culture Liverpool to move the dialogue held in the festival forward including legacy making for social change through the arts for the benefit of exiled and displaced people.

In our grants-based programmes, we have completed the European funded partner with UK, Ireland, France, Germany, Italy and Sicily partners focusing on arts therapies and creative expression for the benefit of mental health of people who are displaced and vulnerable migrants. This led to our first art therapy conference held with Merseyside Expanding Horizons in Liverpool, to share our learning and research and support the wide art therapy infrastructure in the region.

Whilst, this year we have begun significant dialogue with Fostering and Adoption Agencies in the region and took on our first piece of work supported young people and families through art therapy and parenting support. The conference was very successful with 45 delegates and delivery both face to face but also via zoom. We await our case studies and the programme to be held online and for future working relationships where possible with other arts therapists at an international level to support this field from a global context in order to enhance our capacity and learning.

This year has enabled Sola to work in a women's employment programme called GAIA alongside of Liverpool John Moore's University students and through this begin our first growing space. The women mainly from refugee backgrounds, have developed a social enterprise plan and are the first step on their way through a small commission to make tea for a Liverpool City Council event, commissioned by Culture Liverpool and celebrating a piece for public art for the River Festival that the women were involved with alongside many other groups from the community. The GAIA project has supported the women in many ways including language and maths skills and vital social confidence through which they can have greater independence and opportunity.

This year we continued the men's art therapy programme and worked with Anfield Sports Centre and Toxteth TV to ensure outreach venues, and were able to gain continued funding through Our Liverpool Grant, alongside of funding already achieved from Big Lottery Fund Grant and the Swan Mountain Trust. We recognised that in order to support the mental health of men there is often a need to work with the whole family or partner unit where the man is not living as a single person. As such, this programme has incorporated this approach at a holistic level.

We have been supported once again by Workers Educational Association through funding from ESF and Department for Skills to support moves towards employment opportunities for people who are vulnerable.

SOLA ARTS

TRUSTEES' REPORT FOR THE YEAR ENDED 29TH MARCH 2020

This has supported a range of activities including mental health support, social support, language development and development of the women's gardening and enterprise planning and skills development.

We have delivered a 12-month project commissioned by and working with Rare Studios to support children and families who vulnerable predominantly from the refugee community through creative activity and play. This has been really successful supporting 10 families and 22 children. Parents have got involved and the children have been able to use animation, painting, play, soundscaping and other creative approaches to create stories or share their personal story, work through difficult experiences and memories, find a healing through creative expression, make new friends and have lots and lots of fun.

Core activities such as Art Group, Creative Skills programme, supporting of start-ups and employment achievement continue. As does the vital Transitions programme once again supported by John Moore's Foundation, Pilkington Trust, Woodward Trust through which essential social & welfare support has been provided, as well as sign-posting to education opportunities, social activity outside of SOLA and vital interventions including resettlement and intervention at times of destitution or key points in a person's asylum claim.

This year has seen SOLA for the first time join a medium-sized consortium of local organisations and charities facilitated and managed by The Women's Organisation and for the first time undertake a contract over 3 years which match funds our core delivery. Funded by the DWP and ESF, the Directions project enables us to deliver therapy through to employability and employment for vulnerable people. The programme is match funded through the support we receive and the programme incorporates much of the activity highlighted in this report. This is a fantastic new development of our funding income and has enabled SOLA to employ new staff including employment & business start-up support, Art Therapist, and Social & Digital Mentor. This funding being match but longer-term has lifted our capacity to feel slightly more stable in the foreseeable future although there is a risk related to the funding in that match has to be achieved and spend happen before reimbursement, which we know has implications for us as a small charity financially. We have chosen to take this calculated risk in order to maintain our programmes and embed a new funding strategy focused on collaborative projects, joint funding bids, consortia projects and moving away from mainly grant funding.

A new programme supported by LCVS Community Impact Fund, Ping England and Table Tennis England has been the start of a table tennis project enabling women's session and mixed gender adult as well as family sessions. This project enables people to access free table tennis activity, improve physical health and socially connect. We have worked closely with Toxteth Town Hall in partnership and families have loved this activity in the holidays too!

Finally, we thank the continued support from Liverpool Play Partnership, Mpac and LCVS Community Impact Funds for grants towards our school holiday programmes for families from refugee, asylum seeker communities and other families who are in financial and social difficulties. The children always love the creative activities and this year we started a mural in Toxteth Town Hall community garden that we share, which we look forward to continue working on in the coming year.

We continue to see an intensity of need for people we support, with their personal and emotional circumstances being increasingly more complex and simultaneously our resources and capacity ever more tested. However, we continue to respond in a considered way, exploring our strengths, expertise and expanding partnership work where best suited for service delivery. However, as the result and impact of COVID-19 and moving into lockdown at the end of this financial year our delivery shifted significantly to remote working, emergency support and supporting even more people with new relationships in the community for this.

SOLA ARTS

TRUSTEES' REPORT FOR THE YEAR ENDED 29TH MARCH 2020

This is testimony of the significant and vital work SOLA is doing to support Arts Therapies in the region and specialist services through this as a foundation to support infrastructure for and needs of people who are displaced.

Zuki our resident therapy dog has continued to visit and support people's emotional wellbeing through joining therapy sessions, continuing to create a relaxing addition to the space for all of us!

FINANCIAL REVIEW

Total income in the year was £107,739 (period to 29th March 2019: £72,196) of which £39,578 (period to 29th March 2019: £43,732) related to funding for projects upon which restrictions are placed.

Total expenditure in the year was £89,889 (period to 29th March 2019: £72,017), leaving a surplus for the year of £17,850 (period to 29th March 2019: surplus £179).

At 29th March 2020 the charitable company's reserves stood at £26,830 (2019: £8,980) of which £7,263 (2019: £7,074) represented restricted funds

RISK MANAGEMENT

The main risks to which the charitable company is exposed as identified by the Trustees have been considered and systems have been established to mitigate those risks.

It is important to recognise in this report the significance and impact of COVID 19 on our delivery and activities, financial sustainability and capacity to continue.

This financial unknown situation we now enter means that we have chosen to use our reserves to ensure project delivery for the coming months and step up to the needs in the community that are becoming increasingly evident.

We currently have funds with which we can continue delivery of activities over the coming three months and we will also be working in a voluntary capacity. However it is essential that we achieve emergency funding and a key focus of management and development staff time is now being dedicated to this.

RESERVES POLICY

It is the policy of the charitable company to maintain unrestricted funds, which are free reserves; at a level which will allow the charity to cover redundancy costs, lease commitments and continue its activities for three months should no further funding be received.

As at the end of the financial year the unrestricted funds totaled £19,567. The charitable company requires £3,584 for redundancy provision, £396 lease commitments and £12,625 for three months' running costs (Total £16,605).

PLANS FOR FUTURE

SOLA has taken the pandemic and threat on people's life very seriously. We moved into remote working as of 6th March 2020 and have begun the arduous and time-consuming job of shifting to home-based working; the impact of this on family life, staff and volunteer mental health and of course our beneficiaries has already become evident.

We have begun applying for COVID-19 Emergency funding, as donations and commissions-income is expected to reduce by half over the next financial year, whilst the demand for our support for vulnerable and isolated people has increased.

SOLA ARTS

TRUSTEES' REPORT FOR THE YEAR ENDED 29TH MARCH 2020

The intensity of support and time that this investment takes has doubled and referrals have increased as we are one of the few charities choosing to continue working throughout this period.

We have begun to explore providing digital and online access for beneficiaries which has further funding needs we had not planned for, and have also started doing day and night time food and medication emergency deliveries and door to door visits for people we are most concerned about. We have developed a new collaborative relationship with La mutual aid group Love Liverpool Food comprising of support from Lodge Lane Coffee and Humanitarian Aid Relief through which we have accessed Tesco based Food Bank, Mpac and Liverpool Play Partnership support and been able to support over 150 people through this as well as by hot meals and creative packs to families without access to funds to pay for such activities whilst socially isolating. This is very time consuming and we have needed to adapt our service delivery to incorporate this vital support alongside of enable beneficiaries, staff and volunteers to work digitally from home.

This is already and we have no doubt will continue to be a worrying and challenging time, but we have chosen not to stop, to rise to the challenge and adapt to continue providing vital support.

During lockdown we moved to remote working and door step support, and as we easing in lower COVID-19 tiers we have begun to resume face to face therapy support and outdoor group activities where possible.

Since March 2020 up to April 19th 2021, we have received £78,640 funding for COVID Emergency Relief and related grant support from;

- National Lottery Community Fund £40,000
- Barrow Cadbury Trust £18,040
- P H Holt Trust £5,000
- Albert Hunt £2,000
- LCR Cares City Region Mayoral Fund £5,000
- Liverpool City Council Discretionary Grant £5,000
- Steve Morgan Foundation £3,600

This funding has enabled us to continue delivery and expand to support the increase in referrals and staffing hours required for this. As a result, we have been able to employ an ESOL Tutor, commission partner Liverpool World Centre to develop and delivery our ESOL programme with us, employ our first ever administrator & project support, and employ a creative growing and mentor post.

We have also been able to renovate a van gifted to us by Merseyside Play Action Council in September 2020, which we intend to use for outreach and outdoor activity. The van has been a focus of activity already, where consideration for a mobile therapy space and an activity space if needed in the current COVID-19 climate can be facilitated.

During the pandemic we needed to address budget that was unexpected such as remote working equipment costs, data access costs for beneficiaries and purchasing of digital tablets for beneficiaries to be able to be online and access our programmes. We also need to purchase essential food and medication, art materials and equipment for beneficiaries and have funds for transport costs to distributing all of this. We were fortunate to get emergency funding for this.

In March 2020, SOLA was extremely concerned that we would have to consider putting staff on furlough which would affect our grant income guarantee, or would even not have funds to continue delivering or running. However, thankfully this has far from been the case due to the

SOLA ARTS

TRUSTEES' REPORT FOR THE YEAR ENDED 29TH MARCH 2020

dedication of staff and volunteers and focus on grant applications strategically for emergency support.

We have moved to socially distanced working in our project base, which has led to us needing to explore further room hire in order to accommodate a growing number of staff including freelancer activity; 11 staff compared with 2019-20 year's 6 staff.

We currently have several funding applications which we are awaiting outcome from local and national grant funders and can only hope that our services can get through this period. We have got through recessions and other challenges and have a commitment not to give up.

Moving forward and in the current COVID-19 situation, we have found ourselves to be in a position to have funding coming through which is enabling our core and wider activities to continue and flourish. Our unrestricted income through commissions has begun to pick up again through fostering and adoption therapy work and delivery through our core expertise of working with people of diverse backgrounds and people who are displaced or vulnerable as a migrant

Through COVID-19 Emergency funding, unrestricted commissions and grants, and donations, we have found ourselves the most financially sustainable than we have been since establishing and hold reserves which cover a 2-3 months period of delivery. Our current outgoings monthly have become in the region of £12,000 plus. This is quite remarkable, being the first time ever we have had such reserves and ability to look forward positively. In order to sustain this, we are working with several more consortia and partnership collaborations to achieve continued funding as well as exploring funding for 3-5 year delivery through such as Arts Council England and The National Lottery.

Although this has been a very bleak year in many ways, SOLA has risen to this challenge extremely well and with gusto and so we find ourselves in a fortunate position to be able to continue our vital work.

We look forward to seeing the end of the pandemic and moving more into face-to-face delivery.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Sola Arts is a charitable company limited by guarantee (registered in England and Wales, No. 06655438) incorporated on 24th July 2008 and registered as a charity (number 1128459) on 6th March 2009.

The company was established under a Memorandum of Association which established the objects and powers of the company and is governed by its Articles of Association. The Memorandum and Articles of Association were amended by Special Resolution on 13th February 2009 and again 20th October 2015.

Any one over the age of 18 can become a member. It is managed by an Executive Committee of trustees. Executive committee meetings are held monthly and agenda items include finance, health & safety and staff reports.

SOLA ARTS

TRUSTEES' REPORT FOR THE YEAR ENDED 29TH MARCH 2020

REFERENCE AND ADMINISTRATIVE DETAILS

Name	Sola Arts.
Company Number	06655438
Charity Number	1128459
Registered Office	Room 19, Toxteth Town Hall 15 High Park Street Liverpool Merseyside, L8 8DX
Board of Trustees	The Board of Trustees are also its Directors. Members are elected by Annual General Meetings of the members of the council in accordance with the Articles of Association.
Trustees	G Al Kalash A Bressans Martins (Appointed 30 th October 2019) (Resigned 8 th June 2020) L Omar C Petersen A Spiers - Chair N Yousef (Appointed 30 th October 2019)
Independent Examiner	Graham Wright B A (Hons), FCA DChA, c/o LCVS 151 Dale Street, Liverpool, L2 2AH
Bankers	The Co-operative Bank, Lyceum Building, 1 Bold Street, Liverpool L1 4NW

Signed on behalf of the Board of Trustees,


.....
A Spiers
Director – Chair

Date: 29/04/2021
.....

SOLA ARTS

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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 as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year. In preparing those financial statements, the trustees should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principle in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue as a going concern;
- State whether applicable accounting standards have been followed, subject to any material departure disclosed and explained in the financial statements.

The Trustees are responsible for maintaining 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.

This report has been prepared in accordance with the Charities Act 2011, Companies Act 2006, Accounting and Reporting by Charities; Statement of Recommended Practice (Sorp 2015) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1st January 2015).

By Order of the Board

.....

A Spiers
Director

Room 19, Toxteth Town Hall
15 High Park Street
Toxteth
Liverpool
Merseyside
L8 8DX

Date: 29/04/2021.....

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF SOLA ARTS

I report on the accounts of the charitable company for the year ended 29th March 2020, which are set out on pages 12 to 22

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 ended under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

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

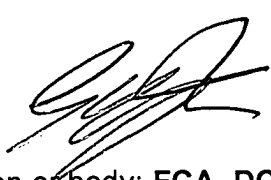
Basis of independent examiner's statement

My examination was carried out in accordance with 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 the 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 section 386 of the Companies Act 2006; and
 - to prepare accounts which accord with the accounting records and 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 Charities 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.

Name: **Mr. Graham Wright** 
Relevant professional qualification or body: **FCA DChA**
Address: **c/o LCVS 151, Dale Street, Liverpool, L2 2AH**
Dated: **29 April 2021**

SOLA ARTS**STATEMENT OF FINANCIAL ACTIVITIES (including Income & Expenditure)
FOR THE YEAR ENDED 29TH MARCH 2020**

	Notes	Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
		Year to 29 th March 2020	Year to 29 th March 2020	Year to 29 th March 2020	Period to 29 th March 2019
Income and endowments from:		£	£	£	£
Donations and legacies	3a	22,258	-	22,258	6,554
Charitable activities	3b	45,903	39,578	85,481	65,642
Total income		68,161	39,578	107,739	72,196
Expenditure on:					
Charitable Activities	4	50,500	39,389	89,889	72,017
Total expenditure		50,500	39,389	89,889	72,017
Net income, net movement in funds		17,661	189	17,850	179
 Total funds brought forward	9, 10	 1,906	 7,074	 8,980	 8,801
Total funds carried forward	8-10	19,567	7,263	26,830	8,980
		=====	=====	=====	=====

The notes on pages 14 to 22 form part of these accounts.

All the above amounts relate to continuing activities of the charitable company.

BALANCE SHEET AS AT 29TH MARCH 2020

	Notes	29th March 2020		29th March 2019	
		£	£	£	£
Fixed assets					
Tangible fixed assets	5		1,230		-
Current assets					
Debtors	6	22,986		1,187	
Cash at bank and in hand		4,164		8,518	
		-----		-----	
		27,150		9,705	
Current liabilities					
Creditors: amounts falling due within one year	7	(1,550)		(725)	
		-----		-----	
Net current assets			25,600		8,980
			-----		-----
Total assets less current liabilities			26,830		8,980
			=====		=====
Reserves					
Unrestricted funds	8, 9		19,567		1,906
Restricted funds	8,10		7,263		7,074
			-----		-----
			26,830		8,980
			=====		=====

These financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

These accounts have been prepared in accordance with the provisions applicable to small companies subject to the small companies' regime and in accordance with FRS102 SORP.

For the period covered by these accounts the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The trustees, who are the directors of the company, acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

Approved by the Board on: 29/04/2021

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Adele Spiers - Director

SOLA ARTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29TH MARCH 2020

1. Limited Liability

The charity is a company limited by guarantee. Each member's liability is limited to £10.

2. Accounting Policies

Basis of accounting

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (SORP 2015) (effective 1st January 2015), Charities Act 2011 and the Companies Act 2006.

The accounts are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The Charity has taken advantage of the provisions in the SORP for Charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

Going concern

The Charitable Company has not been significantly impacted financially by Covid-19, due to receiving emergency funding from seven funders. At the time of approving the accounts, the Trustees have a reasonable expectation that the Charitable Company has adequate resources to continue in operational existence for the foreseeable future. The Trustees have therefore adopted the going concern basis of accounting in preparing the accounts

Fund accounting

Unrestricted funds are the charity's free reserves available for the trustees to apply in accordance with the charitable company's charitable objectives.

Restricted funds are subject to specific restrictive conditions imposed by the donor. All restricted funds are accounted for as restricted income and expenditure for the purposes is charged to the fund.

Income recognition

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

Donations and legacies comprise of monetary donations and general grants which are recognised in the accounts when received, with the exception of known legacies which are accounted for when their receipt is certain.

Income from charitable activities is recognised on an accruals basis except for grants receivable, which are recognised on the date on which their unconditional payment is confirmed by the donor.

SOLA ARTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29TH MARCH 2020

Expenditure recognition

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charitable company to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses, including support costs and governance costs, are allocated or apportioned to the applicable expenditure headings in the Statement of Financial Activities. Support and governance costs are applied to unrestricted funds unless specifically included in the restrictions, as specified by the donor.

Expenditure on charitable activities relate to the operation of the charity comprising of direct charitable expenditure to meet the objectives of the charitable company. Support and governance costs relate to the management and operation of the organisation and also compliance with constitutional and statutory requirements in producing the annual report. These are dealt with in the Statement of Financial Activities when payment has been approved by the charitable company.

Fixed Assets

Capital expenditure of £250 and above is stated in the balance sheet at cost less accumulated depreciation. Depreciation is provided to write off the cost of each asset over its expected useful life as below:

Office Equipment:	33% per annum straight line basis.
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Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

SOLA ARTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29TH MARCH 2020

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

Taxation

Income and gains are exempt from taxation as they are received and applied for charitable purposes only. The charitable company benefits from various exemptions from taxation afforded by tax legislation and is not liable to corporation tax on income or gains falling within those exemptions.

Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3. Income and endowments from

	Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
	Year to 29 th March 2020	Year to 29 th March 2020	Year to 29 th March 2020	Period to 29 th March 2019
	£	£	£	£
a. Donations and legacies				
Donations	22,258	-	22,258	6,554
	=====	=====	=====	=====

SOLA ARTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29TH MARCH 2020

	Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
	Year to 29 th March 2020	Year to 29 th March 2020	Year to 29 th March 2020	Period to 29 th March 2019
	£	£	£	£
b. Charitable activities				
Arts Council England Festival	-	-	-	1,500
Big Lottery Fund Grant	-	-	-	10,000
Contract and commission income	39,298	-	39,298	14,792
Elizabeth Rathbone Charitable Trust	-	-	-	1,000
ESF Community Grant – Workers' Education Association	-	14,875	14,875	21,050
Grow Wild Community Project Funding	-	4,000	4,000	-
John Moores Foundation	-	5,000	5,000	-
LCVS – Community Impact Fund	-	2,000	2,000	-
Mpac	-	1,383	1,383	682
Our Liverpool Grant	-	11,870	11,870	-
Pilkington Charitable Trust	-	-	-	5,000
Rushworth Trust	-	-	-	500
Swan Mountain Trust	-	-	-	4,000
Therapy income	6,605	-	6,605	7,118
Woodward Charitable Trust	-	450	450	-
	45,903	39,578	85,481	65,642

4. Expenditure on Charitable Activities

	Direct Charitable Expenditure	Support & Governance Costs	Total	Total
	Year to 29 th March 2020	Year to 29 th March 2020	Year to 29 th March 2020	Period to 29 th March 2019
	£	£	£	£
The advancement of public education and help families and dependents who have experienced mental distress by the provision of arts therapy	78,577	11,312	89,889	72,017
	=====	=====	=====	=====

SOLA ARTS**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29TH MARCH 2020****a. Analysed as follows:**

	Year to 29th March 2020	Period to 29th March 2019
<i>Direct charitable expenditure:</i>	£	£
Staff salary costs	43,193	27,706
Pension	491	-
Project facilitator fees	25,058	25,650
Travel expenses	4,860	3,706
Activities expenses	1,034	1,204
Equipment	626	348
Interpreting charges	-	110
Room hire	260	401
Donations	-	20
Volunteer expenses	3,055	4,213
	78,577	63,358

	Year to 29th March 2020	Period to 29th March 2019
<i>Support & Governance costs:</i>	£	£
Insurance	956	516
Office costs	1,586	1,079
Rent	6,153	4,749
Computer and website expenses	657	514
Subscriptions	56	-
Bank charges	-	5
Legal & Professional	13	13
Training	-	56
Payroll fees	451	384
Accountancy	825	750
Depreciation	615	593
	11,312	8,659

Total expenditure on charitable activities	89,889	72,017
	=====	=====

£39,389 (2019: £48,357) of the above expenditure relates to restricted funding.

SOLA ARTS**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29TH MARCH 2020**

b. Staff Costs	Year to 29th March 2020	Period to 29th March 2019
	£	£
Gross wages and salaries	43,193	27,248
Social security costs	-	458
Pension Costs	491	-
	-----	-----
	43,684	27,706
	=====	=====

The above staff costs figure includes director's remuneration of £7,665 (2019: £3,664).

c. Particulars of employee numbers:

The average number of employees during the year, calculated on the basis of full time equivalents, was as follows:

	Total Year to 29th March 2020	Total Period to 29th March 2019
Charitable activities	2.5	1.6
	=====	=====

No employee received emoluments of more than £60,000 during the year. (period to 29th March 2019: £none). No out of pocket expenses were reimbursed to trustees in the year (period to 29th March 2019: £nil).

5. Tangible fixed assets

	Office Equipment	Total
Cost:	£	£
Balance at 30th ¹ March 2019	13,430	13,430
Additions during the year	1,845	1,845
Disposals during the year	(330)	(330)
	-----	-----
Balance at 29th March 2020	14,945	14,945
	=====	=====
Depreciation:		
Balance at 30th ¹ March 2019	13,430	13,430
Charge during the year	615	615
Disposals during the year	(330)	(330)
	-----	-----
Balance at 29th March 2020	13,715	13,715
	=====	=====
Net Book Value at 29th March 2020	1,230	1,230
	=====	=====
Net Book Value at 30th March 2019	-	-
	=====	=====

SOLA ARTS**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29TH MARCH 2020**

There were no material capital commitments at the period end. All fixed assets were used in the direct charitable activities of the charity.

6. Debtors

	29 th March 2020 £	29 th March 2019 £
Debtors	22,986	-
Prepayments	-	1,187
	-----	-----
	22,986	1,187
	=====	=====

7. Creditors: amounts falling due within one year:

	29 th March 2020 £	29 th March 2019 £
Accruals	1,550	725
	=====	=====

8. Analysis of net assets between funds

	Tangible Fixed Assets £	Net Current Assets £	Total £
Unrestricted Funds			
General Fund	640	18,927	19,567
	-----	-----	-----
Restricted Funds			
Big Lottery Fund Grant	-	490	490
Grow Wild Community Project Funding	-	546	546
John Moores Foundation	-	3,076	3,076
LCVS – Community Impact Fund	-	535	535
Mpac	-	610	610
Our Liverpool Grant	590	1,265	1,855
Swan Mountain Trust	-	151	151
	-----	-----	-----
	590	6,673	7,263
	-----	-----	-----
Total Funds	1,230	25,600	26,830
	=====	=====	=====

SOLA ARTS**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29TH MARCH 2020****9. Unrestricted Funds**

	Resources at beginning of Year £	<u>Movements in the Year</u>		Resources at end of Year £
		Income £	Expenditure £	
General Fund	1,906	68,161	(50,500)	19,567
	=====	=====	=====	=====

General Fund is used to finance the charitable company's general activities as outlined in the Trustees' Report.

10. Restricted Funds

	Resources at beginning of Year £	<u>Movements in the Year</u>		Resources at end of Year £
		Income £	Expenditure £	
Big Lottery Fund Grant	6,686	-	(6,196)	490
ESF Community Grant – Workers' Education Association	-	14,875	(14,875)	-
Grow Wild Community Project Funding	-	4,000	(3,454)	546
John Moores Foundation	-	5,000	(1,924)	3,076
LCVS – Community Impact Fund	-	2,000	(1,465)	535
Mpac	-	1,383	(773)	610
Our Liverpool Grant	-	11,870	(10,015)	1,855
Pilkington Charitable Trust	237	-	(237)	-
Swan Mountain Trust	151	-	(-)	151
Woodward Charitable Trust	-	450	(450)	-
	-----	-----	-----	-----
Totals	7,074	39,578	(39,389)	7,263
	=====	=====	=====	=====

These are monies given to the charitable company to be spent at the discretion of the Board of Trustees for specific charitable purposes, as below

Arts Council England Festival – Support to cover artists commissions and coordination of activity and envoys for Festival 31(2018).

Big Lottery Fund Grant – Contribution towards 'Art therapy or Man Chat' project

Elizabeth Rathbone Charitable Trust – Contribution towards 'Transitions Social & Development Support' activities

SOLA ARTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29TH MARCH 2020

ESF Community Grant - Workers' Education Association - Development of employability skills and social skills through creative activity and skills development, graphic arts skills, cooperative working and exploring set up of a studio run by volunteers

Grow Wild Community Project Funding – Contribution towards gardening project

John Moores Foundation – Contribution towards salary costs

LCVS – Community Impact Fund - Contribution towards salary costs

Mpac- Contribution towards the purchase of art and craft materials.

Our Liverpool Grant- Contribution towards 'Male Art Therapy' project

Pilkington Charitable Trust - Contribution towards 'Transitions Social & Development Support' activities

Swan Mountain Trust- Contribution towards 'Male Art Therapy' project

Woodward Charitable Trust – Contribution towards core costs

11. Operating Lease Commitments

The organisation has a lease commitment (one month notice period) of £396 (2019: £1,187).

12. Related Parties

Adele Spiers, a director was paid £15,434 (period to 29th March 2019: £19,663) as a facilitator on a self- employed basis during the year ended 29th March 2020.

13. Contingent Liabilities

The charitable company did not have any contingent liabilities at 29th March 2020 or 29th March 2019.

14. Guarantees

As at 29th March 2020, 6 members had given a guarantee of £10 each in the event of the company winding-up, total: £60 (2019: 6 members £60).