

Community Focus All Inclusive Arts

(A Company Limited By Guarantee)

Annual Report & Financial Statements For The Year Ended 31 March 2018

FRIDAY



LD2 *L7LQ09RS* #120
28/12/2018
COMPANIES HOUSE

**Company Registration No. 7442636
Registered Charity No. 1139259**

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Community Focus All Inclusive Arts Report of the trustees for the year ended 31 March 2018

The trustees are pleased to present their annual directors' report together with the financial statements of the charity for the year ended 31 March 2018, which are also prepared to meet the requirements for a director's report and accounts for Companies Act purposes.

The financial statements comply with the Charities act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practices 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 2015).

Chair's Report

The team at CF really do punch above their weight. This year has seen us fully transition to a fully independent charity, delivering our services without the aid of a grant from our local authority.

Standing on our own two feet was a key part of our strategic plan. We have been reliant on a grant from The London Borough of Barnet since we were founded in 1978. We are grateful for their ongoing support and were all too aware that the grant would one day cease. We have had a busy year, which has flown by, and we are seeing more and more new faces joining us at CF.

We are receiving GP referrals, word of mouth recommendations and also referrals from our many partner networks.

We are also posturing to receive clients from the social prescription model, which we believe will gather momentum on a national scale. This is where providers like ours are valued and offered as a 'prescription', less medical and more recreational. We support this notion for we at CF see the benefits our creative programmes bring to our clients and we see lives change for the better on a daily basis.

Whilst the health services decline in a challenging arena, we are perfectly positioned to deliver our programmes to reach an increasing number of clients. Our objective has always remained the same: quality over quantity and also affordability.

We are told that our services are good value for money and we endeavour to cherry pick tutors who are familiar with our ethos whilst having the sensitivity required to work with our clients who have a broad range of needs and requirements.

I want to personally thank all of our friends, supporters and stakeholders for seeing the value in what we deliver and for your generous support,

The Trustee's Report was approved by the Board and signed on its behalf by:



John McCafferty
Chair

Community Focus All Inclusive Arts

Report of the trustees for the year ended 31 March 2018 (continued)

Our purposes and activities

The purposes of the charity is to advance the education and aesthetic taste of members of the public with a non-exclusive focus on the inhabitants of the London Borough of Barnet and the neighbourhoods thereof in the arts and crafts and to provide facilities in the interest of social welfare for the recreation and other leisure-time occupations of said people and in particular those who have need of such facilities by reason of their age, youth, or disability with the object of improving their conditions of life.

Community Focus is a rare entity; a truly 'inclusive' art centre. We have never turned away a single client and always find a solution, which can benefit the needs of our broad client-base. In an ever-evolving 'exclusive' world, we endeavour to offer a service, which makes everyone feel at home, feeling valued and nurtured in our creative bespoke art centre.

Our ethos permeates the culture with all who work with Community Focus and has proved to be a transferable way of operating which has seen us cross into newer key deliverables, e.g. mental health programmes for young people. Our highly trained staff, coupled with effective policies and quality frameworks (we are working towards the London Youth Mark next year), helps ensure that we can provide a valuable service for vulnerable groups in our local community.

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit. We consider that in satisfactorily achieving our objectives during the year we have demonstrated a clear public benefit to those who have used our services and to the community at large. We seek funding from a range of sources to ensure that access to our services is not unreasonably restricted by reason of low income. The activities by which the objectives have been met and the public benefit demonstrated are set out above in the Chairman's Review and in Community Focus projects: 2017-18.



Community Focus All Inclusive Arts

Report of the trustees for the year ended 31 March 2018 (continued)

Programme overview; achievements and performance from April 2017 to March 2018

In house and Outreach Courses

CF run a series of creative workshops targeting some of our community's most vulnerable people CF works with over 300 people a week, delivering our weekly creative projects in various venue's across Barnet; ensuring that our reach extends to those most in need. This outreach programme is partly subsidised by the London Borough of Barnet, whilst we actively fundraise to help ensure we can provide a good –quality low cost service.

We use the arts as a tool to create positive change for our clients. Our clients inform us on a daily basis that CF is very special to them whilst praising our team who are friendly, generous and personable.

The majority of our participants have a disabling life circumstance whilst we also work with adults who have learning/physical disabilities and/or mental health problems. We work with young people with mental health needs as well. The projects take place in various settings including care homes, nursing homes, art centres, sheltered housing and community centres.

Our projects cover a spectrum of creative outputs including: visual arts, textiles, creative writing, photography, ceramics, puppetry, print-making, dance, drama, theatre production and singing.

The CF team expend much in the way of resources to proactively generate funding to reduce the costs of these popular and often over subscribed courses to our clients who have additional needs.

Our clients tell us that we provide a welcoming, supportive and safe learning environment and it's safe to say that we are delighted to hear this especially because we are now operating from a new venue which has a beautiful park outside which improves our clients' well being no end. We offer a regular programme of 12 –week in-house courses, creative outreach courses and additional bespoke arts projects working in collaboration with a range of partners. Our professional artists develop participants' interpersonal skills and facilitate high-quality artwork across a wide spectrum of activities, including photography, music, design, music production, drawing/painting, animation, textiles and digital; art.

CF is a receptive organisation, which values the expertise which partners can bring; and actively seek out new partnerships to effectively provide added value to the programmes, which we deliver.

Moving Forward

We now know we have a successful replicable model. Our culture and training methods are easily transferable and we are aiming to extend our delivery beyond the reach of barnet. Strategically we are well positioned to offer more contracts via our Shortbreak programmes, whilst schools, PRU's and other providers approach us to be their main delivery partner. Applying to trust and foundations has always been a challenge for CF but this year we secured 2 main grants, from Global's Make sSome Noise and also from John Lyon's, both for our ARTiculate programme.

Our objective is to become increasingly popular, self-sustainable and self-sufficient.

**Community Focus All Inclusive Arts
Report of the trustees for the year ended 31 March 2018 (continued)**

ARTiculate

We help tackle the growing issues that are facing children and young people with mental health as well as those with severe educational needs. Our work in Barnet needs to reach to 94,940 children and young people and this figure is predicted to grow to 102,978 by 2018. Data from the Barnet Clinical Commissioning Group reports 4,120 children aged 2 – 5 years and 5,160 aged 5 – 16 years have mental health disorders.

- Nov-Dec 2017- Ran a 6-week Saturday Visual Arts project, which attracted several new participants, particularly students from Woodhouse and Southgate and Barnet College. Generally speaking, the weekend project was fairly successful (high participation), and this was partly down to the timing/day of the project (Saturdays or holiday projects seem to be more convenient for the majority of our service users).
- Feb-Mar 2018- from the consultation we had with the ARTiculate participants, a very high number of them requested a music project, and this is something we are in the process of planning.

Continued work

- Nov-Dec 2017- delivered an 8 week creative arts and wellbeing project in collaboration with the Barnet Wellbeing Hub. Will look in to ways of continuing this partnership.
- Dalo and Northgate- delivering Drama and Visual Arts projects.
- Nov-Dec 2017- delivered a 6-week pilot project for 12-14 year olds at the Pavilion School PRU. The Pavilion school successfully applied for the National Lottery, Award for All to work in partnership with ARTiculate
- Delivered at Barnet and Southgate College. An 8 week Mixed Media project started from 29th Jan 18
- Woodhouse college project will - Wednesday 21st Feb. This was delivered as part of the Woodhouse Plus, Social Issues and Wellbeing enrichment programme.

Inhouse

The strategy to partly overcome our grant loss has been to be as self-sufficient and independent as possible. We have also been focussed regarding debtors and late payers whilst helping clients who cannot afford CF in one large chunk of payment to pay split payments if required. We were charging £11 per hour and £11.66 per hour for our courses. Raising our course fees to £13.50 per hour will bring in an extra £4 per day per client. This would amount to almost £200 per day-increased income (£1,000 per week, £36,000 p.a). We are aware we have been steadily increasing our prices and have consulted sensitively with our clients and partners to ensure the transaction is as easy as possible. We ran 14 classes different running on the in-house program with an 84% attendance.

Outreach

Outreach projects are were delivred with Jewish Care at two different centres:

Clore Manor Residential Home

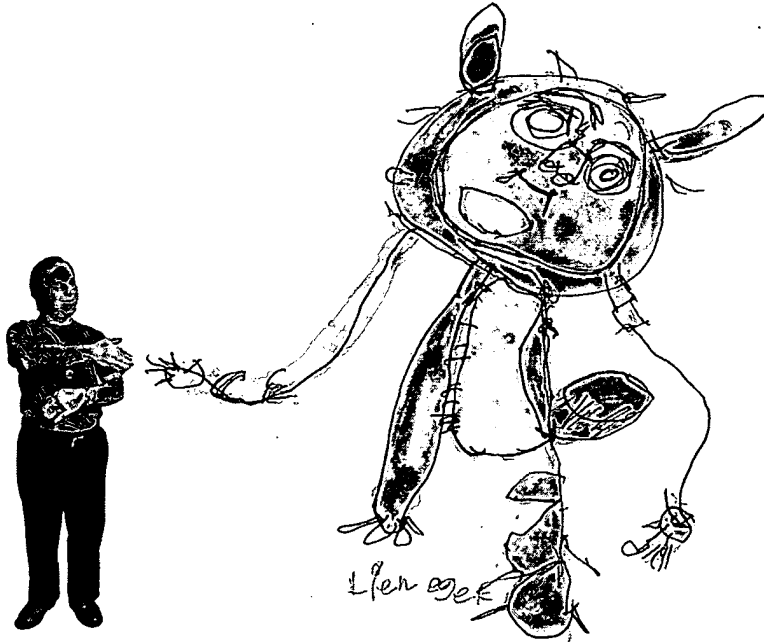
- Literary Arts – Designed for advanced dementia group.
- Singing

Sam Beckman Day Centre

- Drama (6 weeks only)
- Singing

Community Focus All Inclusive Arts

Report of the trustees for the year ended 31 March 2018 (continued)



British legion

The main activities provided a wide range of number exercises which enhanced the participant's mental wellbeing. The number exercises included bingo, group sudoku, numerical crosswords and converting imperial measurements to current measurements with a prize for the most correct responses. We found that the participants were mentally stimulated and enjoyed a prize at the end of the session with a cup of tea. We have got through to the second round of extended funding for this popular programme.

Royal British Legion Case Study – 2017

- *Michael is aged 60 years old. In 2017, he found himself lonely, isolated and homeless sleeping rough in parks in North London. He had no support from his estranged family and lost contact with any support from Social Services or from the army.*
- *Michael served in the Royal Anglian 3rd Battalion from 1974 – 1983. He was highly thought of and served his country to the best of his ability.*
- *Since leaving the army, he struggled with day to day civilian life and disagreements with his family all impacted on his mental wellbeing.*
- *Michael became more withdrawn, which resulted in him being isolated, and finding himself homeless.*
- *Last year he was persuaded to participate in the Magical Numbers and Music Making at the Royal British Legion at Friern Barnet to help with his isolation. Re-engaging with social contact in a welcoming environment led to him opening up about his circumstances. This resulted in additional help and support to get routes to help Michael. He has been given temporary accommodation at Homeless Action Barnet and is now a volunteer at the Royal British Legion helping others that might find them in a similar situation.*
- *Michael has been given an opportunity and he tells us that he wants to 'give back to help his community'.*
- *There are many more Michaels that can be helped.*

Community Focus All Inclusive Arts

Report of the trustees for the year ended 31 March 2018 (continued)



Pearly King's visiting Royal British legion Friern Barnet

Shortbreaks

We suggested a range of Shortbreak's programmes to LBB, which needed structuring. LBB previously accepted our holiday programmes (Easter/Summer/half term) but not our weekend provision. Our proposal ensured CF's programmes were aligned with the necessary policies and procedures to ensure our delivery model are watertight. This year we were asked by LBB to deliver a weekend Shortbreaks Programme. This is excellent news for CF and has a contract value of **£28,000**. This is testament to the CF team's solid Project management skills and CF's ongoing relationship with LBB commissioners.

Key Strategic Partnerships

Our strategy in moving forwards has involved creating and nurturing key partnerships. The third sector (especially Barnet) does not have a great track record re partnership building and or joining forces to maximise efficiencies. CF actively reaches out to prospective partners ensuring that our 'open culture' is recognised and seen as an organisation other orgs want to work with.

New and old Partners include:

1. Barnet Young Adult Carers
2. Rephael House
3. Youth Music Centre
4. Barnet Refugee Service
5. ADDISS
6. Rainbow Head
7. Woodhouse College
8. Barnet and Southgate College
9. Northgate School
10. Oak Lodge School
11. LBB Commissioners

Community Focus All Inclusive Arts Report of the trustees for the year ended 31 March 2018 (continued)

Middlesex Work Placements

Pete Offord came to see us at CF and we interviewed 5 students for a paid work placement at CF. The MDXSU information is:

- *At MDXSU we want our students to have the opportunity to give back into the local community.*
- *We think these opportunities should build our students employability and fit around their studies. We think they should be open to everyone and be available to those who need paid work to support themselves while at University.*
- *All of our Community Placements are paid in line with the Voluntary London Living Wage.*
- *This Academic Year we hope to offer up to 100 opportunities.*
- We had two students working with us to help ensure the CF story is told and circulated via social media – Keytonia and Toby.

Our ethos carries on throughout all areas of our delivery, where 'Everyone's an artist'

Financial review

The financial circumstances during the current period were challenging. Our financial performance indicates a net deficit of £9,067 (2017: Incoming of £24,513).

The momentum from prior year continued to build as a result of series of initiatives to develop strategic plans for growth and sustainability, this will continue during the 2017-18 financial period. We aim to build on the strength of current programs and value generation for our stakeholders and continue to explore corporate sustainability to align with various CF activities going forward.

The balance sheet at the year-end shows net current liabilities of £24,303 and net liabilities of £15,553, the charity is working hard to secure additional funding, building up reserves and reducing deficit. Our deficit position of (£172,813) found in our unrestricted income has accumulated due to legacy issues associated with rent of our current premises. We discussed with the London Borough of Barnet (LBB) and agreed a realistic payment plan over the course of 36 months, which will assist us greatly, with regards to moving forward and factoring in precise cost allocations for future budgeting. We continue to leverage from investment we made in Friary House to expand our activities and funding across various streams.

Reserves policy and going concern

It is the policy of the charity to maintain total reserves equivalent to three months of expenditure. It is considered that this is sufficient to provide a safety net in the event of unanticipated expenditure. The reserves policy was not complied during the year, trustees undertook several initiatives to ensure compliance consistency and alignment with strategic plan for CF described in the financial review section.

The charity has net current liabilities of £24,303 (2017: £15,486) and net liabilities of £15,553 (2017: £6,486). This was driven from various factors including legacy issues around rent of the business premises on and volatility in funding streams. The charity is continuing to work on number of initiatives including leveraging from current fund sources and expanding base with innovative programs along with building our network to explore growth options to assist corporate world in meeting their Corporate Sustainability ambitions. The charity is also working on cost efficiency initiatives and recently negotiated successfully with London Borough of Barnet (LBB) regarding reduction of rent charges for the business premises with Community Programme Manager in conjunction with the Council's CBAT (Community Benefit Assessment Tool), a 100% rent subsidy based on the charity's high level impact within its local community has been confirmed, legacy issues for payment for outstanding rent was agreed.

**Community Focus All Inclusive Arts
Report of the trustees for the year ended 31 March 2018 (continued)**

Reserves policy and going concern (continued)

LBB are supportive of the Charity and will work with the Charity to ensure that this does not have an adverse effect on the Charities ability to operate. The reduction of rent and our strategic initiatives will reduce its net liabilities post year-end and we are aiming to ensure net current assets in early 2018. The Trustees, therefore, consider that the going concern assumption is an appropriate basis on which to prepare these financial statements.

Plans for future periods

Our plans for the future are focussed on two key elements:

- 1) Increasing unrestricted income
- 2) Replicating successful programmes

Unrestricted income is critical to Community Focus's future success and sustainability. Reliance on grant-based income is not compatible with the cuts, which potentially lie ahead in the public health sector.

We have become increasingly self-sustainable by proactively securing project based funding which has helped ensure future delivery. We endeavour to keep our core (in house) costs as low as possible but plan to increase costs in the near future to ensure they are still affordable and in line with our competitors' cost plans.

With regards to replicating our service, we are also considering providing a full-day offer of our services. This would help ensure that our clients can arrive at CF in the morning, safe in the knowledge that a creative and action packed day will be lined up; capitalising on what we do best at CF – *nurture and create*.

Our ARTiculate programme is well respected in other London Borough's and we are in discussion with community leaders regarding the viability of extending the model outside of Barnet. This would give CF a broader geographical footprint; opening up new partnerships and horizons.

Reference and administrative details

Charity number: 1139259
Company number: 7442636
Registered address: Friary House, Friary Park, Friary Road, London, N20 0NR

Other advisers

Auditors: Arram Berlyn Gardner LLP, Chartered Accountants, 30 City Road, London, EC1Y 2AB
Bankers: HSBC Bank PLC, 789 High Road, North Finchley, London, N12 8JX
Solicitors: DLA Piper UK LLP, 3 Noble Street, London, EC2V 7EE

Directors and trustees

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

**Community Focus All Inclusive Arts
Report of the trustees for the year ended 31 March 2018 (continued)**

Key management personnel: Trustees (nominated and elected)

John McCafferty (Chair)
Peter Tarl
Charles O'Toole
Christine Grant
Ajaz Ahmed

Key management personnel: Director

Tim Balogun – Chief Executive Officer

Structure, Governance and Management

Charity is a company limited by guarantee governed by its Memorandum and Articles of Association. It is registered as a charity with the Charity Commission.

Appointment of trustees

Any changes to the board of directors or trustees are made through majority voting in the board meetings.

Trustee induction and training

The Board of Trustees receive a Trustee Induction Pack, along with an annual induction regarding the health and safety requirements of our art centre and are invited to attend various relevant training courses.

Organisation

The board of trustees administers the charity. The board normally meets quarterly and certain members of the board allocated responsibilities including finance and assurance. The director is appointed by the trustees to manage day-to-day operations of the charity. To facilitate effective operations, the director has delegated authority, within terms of delegation approved by the trustees, for operational matters including finance, employment and performance related activity.

Related parties and co-operation with other organisations

None of the trustees receive remuneration or other benefit from their work with the charity. Any connection between a trustee and senior management of charity with its activities must be disclosed to the Chairman and Director.

Pay policy for senior staff

Senior staff (CEO) members are paid in consultation with ACEVO pay policy guidelines.

Community Focus All Inclusive Arts**Report of the trustees for the year ended 31 March 2018 (continued)****Risk management**

The trustees have examined the major strategic, business and operational risks, which the charity faces. They confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks. The trustees have a risk management strategy, which comprises:

- an annual review of the principal risks and uncertainties that the charity face;
- the establishment of policies, systems and procedures to mitigate those risks identified in the annual review; and
- the implantation of procedures designed to minimize or manage any potential impact on the charity should those risks materialise.

This work has identified that the financial sustainability is the major financial risk for charity. A key element in the management of financial risk is regular review of available liquid funding to carry our various arrangements, and active management of debtors and creditors balances to ensure sufficient working capital by charity is maintained.

As part of the overall strategy, attention has been focused on non-financial risks arising from fire, health and safety of staff and associated partners. These risks are managed by ensuring accreditation is up to date, having robust policies and procedures in place and relatively regular awareness training for staff performed in our premises.

Audit of statutory accounts

The annual report and financial statement for the prior period was indepdently audited. However, the board decided to take exemption from the audit as the financies of the charity is below required threshold. The charity obtained indepdent accountants report pursuant to the statutory compliance for the annual report and the financial statements for the charity.

Community Focus All Inclusive Arts
Report of the trustees for the year ended 31 March 2018 (continued)

Trustees' responsibilities in relation to the financial statements

The trustees (who are also directors of Community Focus All Inclusive Arts for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

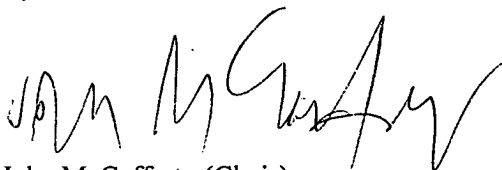
The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the 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 auditor is 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 auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By order of the board of trustees



John McCafferty (Chair)

**Independent Examiner's Report to the Trustees of
Community Focus Inclusive Arts**

Independent examiner's report to the trustees of Community Focus Inclusive Arts

I report to the charity trustees on my examination of the accounts of the Inclusion Barnet (the charitable incorporated organisation) for the year ended 31 March 2018.

Responsibilities and basis of report

As the charity trustees of the charitable incorporated organisation you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').


I report in respect of my examination of the charity's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

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

1. accounting records were not kept in respect of the Charity as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I confirm that there are no other matters to which your attention should be drawn to enable a proper understanding of the accounts to be reached.


27/12/2018
Sufiyan Data
Data & Co.
Grosvenor Way
London
E5 9ND

Community Focus All Inclusive Arts
Statement of financial activities (including income and expenses account)
For the year ended 31 March 2018

	Note	Unrestricted funds Unaudited £	Restricted funds Unaudited £	Total funds Unaudited 2018 £	Total funds Audited 2017 £
INCOME FROM:					
Donations	3	440	-	440	185
Generated funds	3	1,246	-	1,246	775
Charitable activities	4	115,369	118,980	234,349	326,396
Other income	5	-	-	-	-
TOTAL INCOME		<u>117,055</u>	<u>118,980</u>	<u>236,035</u>	<u>327,356</u>
EXPENDITURE ON CHARITABLE ACTIVITIES:					
Expenditure on raising funds	6	147,211	70,002	217,213	240,155
Expenditure on charitable activities	6	26,309	1,580	27,889	62,688
TOTAL EXPENDITURE		<u>173,520</u>	<u>71,582</u>	<u>245,102</u>	<u>302,843</u>
NET INCOME/(EXPENDITURE) FOR THE YEAR		<u>(56,465)</u>	<u>47,398</u>	<u>(9,067)</u>	<u>24,513</u>
RECONCILIATION OF FUNDS:					
Total funds brought forward	12	(116,348)	109,862	(6,486)	(6,486)
Net movement in funds for the year		<u>(56,465)</u>	<u>47,398</u>	<u>(9,067)</u>	<u>24,513</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>(172,813)</u></u>	<u><u>157,260</u></u>	<u><u>(15,553)</u></u>	<u><u>(6,486)</u></u>

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

**Community Focus All Inclusive Arts
Balance Sheet
As at 31 March 2018**

	Note	2018 Unaudited £	2017 Audited £
FIXED ASSETS			
Tangible assets	9	<u>8,750</u>	<u>9,000</u>
CURRENT ASSETS			
Debtors	10	16,921	33,683
Cash and cash equivalents		<u>10,123</u>	<u>20,986</u>
		27,044	54,669
Creditors: amounts falling due within one year	11	<u>(51,347)</u>	<u>(70,155)</u>
NET CURRENT LIABILITIES		<u>(24,303)</u>	<u>(15,486)</u>
NET LIABILITIES		<u>(15,553)</u>	<u>(6,486)</u>
FUNDS			
Unrestricted funds:	12	(172,813)	(116,348)
Restricted funds:	13	<u>157,260</u>	<u>109,862</u>
TOTAL FUNDS		<u>(15,553)</u>	<u>(6,486)</u>

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



John McCafferty (Chair of trustees on behalf of trustees)
Approved by the trustees

Community Focus All Inclusive Arts Notes to the accounts for the year ended 31 March 2018

1. Accounting policies

Community Focus All Inclusive Arts, a public benefit entity, is incorporated in England & Wales as a company limited by guarantee not having a share capital. There are currently five Trustees who are also members of the company. The charity is a registered charity. The registered office is given on page 11 is principal place of business. The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) Basis of accounting

The financial statements are prepared under the historical cost convention, in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities (FRS 102)" 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 2015; and the Companies Act 2006. The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemption available to it in respect of its separate financial statements in relation to presentation of a cash flow statement.

b) Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and Charities SORP FRS 102 the restatement of comparatives items were required. No restatements were required, as none of the items required any changes.

c) Preparation of the accounts on a going concern basis

The charity reported net deficit of £9,067 for the year with net deficit mainly attributed from the unrestricted funds segment. The deficit was attributable to increased pressure on financing due to decline in funding from the London Borough of Barnet. The trustees are of the view that the measures taken subsequent to the year-end to generate increased funding and effective management of operating costs expected to secure balancing position across segments and develop sustainable future especially for the next 12 to 18 months and that on this basis the charity is a going concern. The uncertain economic outlook is a significant area of financial uncertainty, which the trustees have mitigated by reviewing the programmes and driving explicit focus on successful programs including ARTiculate. The trustees remain in regular contact with sponsoring local authorities to secure their on-going financial support and London Borough of Barnet is key in this area, which has widely recognized work performed by the charity.

d) Income

Income is recognised when the Charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

e) Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

Expenditure on raising funds includes the costs incurred in generating fundraising income and Expenditure on charitable activities includes:

- direct costs of delivering services associated with supply of our services to partners
- support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the Trusts artistic programmes and activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities.
- cost of generating funds are those incurred in securing new program funding
- governance costs incurred to cover all associated compliance

Community Focus All Inclusive Arts

Notes to the accounts for the year ended 31 March 2018 (continued)

f) Fund accounting

The charity holds unrestricted and restricted funds, the unrestricted funds, which comprise accumulated surpluses and deficits on general funds. They are available for use at the discretion of the Trustees in furtherance of the general charitable objectives. The restricted funds are funds that are to be used in accordance with specific restrictions imposed by the donors or which have been raised by the charity for specific purpose. The cost of raising and administering such funds is charged against the specific fund.

g) Tangible fixed assets and depreciation

Tangible fixed assets are stated at historical cost, net of depreciation and any provision for impairment. Depreciation is provided at the annual rate in order to write off each asset over its expected useful life with Straight-line method at 30% and Leasehold assets depreciated per the term of lease contract.

h) Cash

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

i) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognized at transaction value and subsequently measured at their settlement value.

j) Leases

The charity classifies the lease of printing as operating leases; the title to the equipment remains with the lessor and the equipment is replaced every 3 years whilst the economic life of such equipment is normally 5 years. Rental charges are charged on a straight-line basis over the term of the lease.

k) Pension/Benefit to employees

The charity operate defined contribution scheme, which deduct agreed deductions from monthly payroll.

l) Transition to FRS 102

No prior period restatements occurred as part of the transition. The transition date was 1 April 2015.

2. Legal status of the charity

The charity is a company limited by guarantee and has no share capital. In the events of the charity being wound up, at any time before, and in expectation of, the winding up or dissolution of the Charity, the Trustees may resolve that any net assets of the Charity after all its debts and liabilities have been paid, or provision made for them, shall on the dissolution or winding up of the Charity be applied or transferred in (a) for purposes similar to the objects of the Charity; or (b) for use for particular purposes that fall within the objects of the Charity. In no circumstances shall the net assets of the Charity be paid to or distributed among the members of the Charity. If no resolution is passed in accordance with the above, the net assets of the Charity shall be applied for such purposes regarded as charitable under the law of every part of the UK as are directed by the Charity Commission.

Community Focus All Inclusive Arts
Notes to the accounts for the year ended 31 March 2018 (continued)

3. Analysis of activities for generating funds

	Unrestricted Unaudited	Restricted Unaudited	2018 Unaudited	2017 Audited
	£	£	£	£
Donations	440	-	440	185
Others	1,246	-	1,246	775
	<u>1,686</u>	<u>-</u>	<u>1,686</u>	<u>960</u>

4. Analysis of income from charitable activities

	Unrestricted Unaudited	Restricted Unaudited	2018 Unaudited	2017 Audited
	£	£	£	£
London Borough of Barnet	-	-	-	47,300
Social Enterprise	-	-	-	2,000
Outreach projects	9,652	-	9,652	6,525
LBB Short Breaks	-	25,589	25,589	34,971
Fees and subscriptions	105,717	-	105,717	83,656
City Bridge Trust	-	-	-	29,660
BBC Children in Need	-	-	-	10,000
Articulate	-	55,500	55,500	45,091
D'Oyly Carte Charitable	-	-	-	3,000
Greggs Foundation	-	1,000	1,000	2,000
Javon Trust	-	-	-	5,000
Jessies Fund	-	-	-	2,150
John Lyon Charity	-	30,000	30,000	5,000
Mrs Smith & Mount Trust	-	-	-	2,500
Royal British Legion	-	-	-	23,160
Freesport Fund	-	-	-	1,420
YBS	-	711	711	2,000
Big Lotto Celebrate	-	-	-	9,535
Global Make Some Noise	-	-	-	11,428
WCC	-	2,680	2,680	-
Redcliff Trust Grant	-	3,500	3,500	-
	<u>115,369</u>	<u>118,980</u>	<u>234,349</u>	<u>326,396</u>

5. Analysis of other income

	Unrestricted Unaudited	Restricted Unaudited	2018 Unaudited	2017 Audited
	£	£	£	£
Insurance claim	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Community Focus All Inclusive Arts
Notes to the accounts for the year ended 31 March 2018 (continued)

6. Analysis of expenditure on management and administration

	Unrestricted Unaudited £	Restricted Unaudited £	2018 Unaudited £	2017 Audited £
Expenditure on Raising funds				
Salaries and wages	43,785	51,400	95,185	120,815
Other costs	103,425	18,602	122,027	119,340
Total	147,210	70,002	217,212	240,155
Expenditure on Charitable activities				
Salaries and wages	-	-	-	-
Other costs	26,310	1,580	27,890	62,688
Total	26,310	1,580	27,890	62,688
Total management and administration	173,520	71,582	245,102	302,843

7. Net expenditures for the year

	2018 Unaudited £	2017 Audited £
Net expenditure is stated after charging:		
Depreciation of owned assets	250	967
Auditor's remuneration:		
Fees payable to the auditor for the audit of the annual financial statements	4,360	3,200

8. Analysis of staff costs, trustee remuneration and the cost of key management personnel

The average number of staff employed during the year was 6 (2017:6). The key management personnel consist of 6 including Chief Executive Officer and Trustees (2017: 6) and accumulated emoluments of £47,500 were paid during current period.

	2018 Unaudited £	2017 Audited £
Salaries and wages	89,453	109,424
Social security costs	5,149	10,585
Pension	583	806
Total staff costs	95,185	120,815

No trustees received remuneration during the current or prior year.

Community Focus All Inclusive Arts
Notes to the accounts for the year ended 31 March 2017 (continued)

9. Tangible fixed assets

	Leasehold £	Restricted equipment £	Other equipment £	Total £
Cost				
At 1 April 2017 (Audited)	10,000	36,073	18,658	64,731
Additions	-	-	-	-
At 31 March 2018 (Unaudited)	10,000	36,073	18,658	64,731
Depreciation				
At 1 April 2017 (Audited)	1,000	36,073	18,658	55,731
Charge for the year	250	-	-	250
At 31 March 2018 (Unaudited)	1,250	36,073	18,658	55,981
Net book value				
At 31 March 2018 (Audited)	8,750	-	-	8,750
At 31 March 2017 (Unaudited)	9,000	-	-	9,000

10. Debtors

	2018 Unaudited £	2017 Audited £
Amounts falling due within one year:		
Trade debtors	-	32,597
Other debtors	-	-
Prepayments and accrued income	16,921	1,086
	<u>16,921</u>	<u>33,683</u>

11. Creditors

	2018 Unaudited £	2017 Audited £
Amounts falling due within one year:		
Trade creditors	45,608	-
Other creditors and accruals	5,739	70,155
	<u>51,347</u>	<u>70,155</u>

Community Focus All Inclusive Arts
Notes to the accounts for the year ended 31 March 2017 (continued)

12. Movement of unrestricted funds

	£
As at 1 April 2017 (Unaudited)	(116,348)
Income from charitable activities	115,369
Income from generating funds	1,686
<i>Sub-total</i>	<u>707</u>
Expenditure on management and administration	(173,520)
As at 31 March 2018 (Audited)	<u>(172,813)</u>

The charity deficit from unrestricted funds are covered through temporary debt from surplus in restricted funds. All these arrangements are monitored as part of the regular financial performance reviews. The charity ensures that funding assigned as restricted as strictly used for the specific nature of the arrangement to ensure compliance with funding organisations.

13. Movement of restricted funds

	Balance at 1 April 2017 Audited £	Incoming resources Unaudited £	Resources expanded Unaudited £	Balance at 31 March 2018 Unaudited £
London Borough of Barnet (a)	20,648	25,589	15,932	30,305
Articulate (b)	45,091	55,500	17,759	82,832
WCC	-	2,680	2,680	-
D'Oyly Carte Charitable Trust	-	-	-	-
Greggs Foundation	-	1,000	1,000	-
Redclif Trust Grant	-	3,500	3,500	-
Jessies Fund	-	-	-	-
John Lyons Charity	-	30,000	30,000	-
Mrs Smith & Mount Trust	-	-	-	-
Royal British Legion ©	23,160	-	-	23,160
YBS	-	711	711	-
Big Lotto Celebrate (d)	9,535	-	-	9,535
Global Make Some Noise (e)	11,428	-	-	11,428
Sheldon Trust	-	-	-	-
Baily Thomas Charitable Trust	-	-	-	-
	<u>109,862</u>	<u>118,980</u>	<u>71,582</u>	<u>157,260</u>

Community Focus All Inclusive Arts
Notes to the accounts for the year ended 31 March 2017 (continued)

13. Movement of restricted funds (continued)

- a) Historically we were funded circa £47k from LBB. This fund was charity's core grant which was terminated on 31 March 2017. It helped to subsidise our in house/outreach courses. We have increased the in house/outreach course in response to this over the period.
- b) A fulltime project manager post has been funded since 2014. The funding was reliant upon match funding from other sources. This title ARTiculate is an amalgamation of smaller funding pots which have been sourced to leverage salary funding.
- c) This funding slot was secured for a one year project in conjunction with requirements from the fund. The charity will be running workshops for old and vulnerable people.
- d) This grant was received for holding summer event for old and vulnerable people.
- e) A grant for running various workshops over the course of next two years for old and vulnerable people

14. Analysis of net debt between funds

	General funds	Restricted funds	Total
	Unaudited	Unaudited	Unaudited
	£	£	£
Tangible assets	8,750	-	8,750
Cash and cash equivalent	10,123	-	10,123
Other net current assets /(liabilities)	(81,823)	47,398	(34,425)
Total	(62,950)	47,398	(15,552)

15. Financial commitments

The charity has only bank accounts and no current borrowing or investments. Only relevance of the financial commitments includes operating lease commitments which relates to building premises with expiry in 24 years. Total future minimum lease payments under non-cancellable operating leases:

	2018	2017
	Unaudited	Audited
	£	£
- Total lease commitment	67,812	84,862

16. Related party transactions

No trustee received payment for professional or other services supplied to the charity during the year (2017: £nil).