

Charity Registration No. SC023779 (Scotland)

Company Registration No. SC373771 (Scotland)

**REACHOUT WITH ARTS IN MIND**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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# REACHOUT WITH ARTS IN MIND

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Mr C A Machan (Chair)	
	Mrs A Matthews	
	Mr G Samson (Treasurer)	(Appointed 4 August 2020)
	Ms J Parkinson	(Appointed 5 February 2021)
<b>Executive Artistic Director</b>	Lesley Arthur	
<b>Charity number (Scotland)</b>	SC023779	
<b>Company number</b>	SC373771	
<b>Registered office and principal address</b>	Unit 27 & 28 Lime Tree House North Castle Street Alloa FK10 1EX	
<b>Independent examiner</b>	John Anderson CA French Duncan LLP Macfarlane Gray House Castlecraig Business Park Springbank Road Scotland FK7 7WT	

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# REACHOUT WITH ARTS IN MIND

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# **REACHOUT WITH ARTS IN MIND**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)**

### **FOR THE YEAR ENDED 31 MARCH 2021**

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The trustees present their report and financial statements for the year ended 31 March 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006 and "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)" (second edition - October 2019) (effective 1 January 2019).

#### **Objectives and activities**

Charitable Purposes: To promote mental health and wellbeing through a variety of art forms.

- To enable therapeutic activity and encourage opportunity for exploration of members views and needs.
- To examine attitudes and improve understanding of members experience thereby contributing to better service provision.
- To engender collective decisions/involvement in the project thus generating a sense of equal participation and ownership.
- To raise through expressive arts, increased awareness of broad and specific mental health issues and to promote mental health and wellbeing through the work of the project in the local and wider community.

#### **The Organisation**

Reachout with Arts in Mind is an innovative and inclusive award winning charity which has been delivering creative opportunities, education and wellbeing since 1993, to local communities aged 16-80 years, who have been experiencing life's challenges, mental ill health and disability.

Using expressive arts as the vehicle, the service delivery model promotes informed choices and mental health awareness to maintain wellbeing and prevent relapse. Reachout ensures a safe and friendly environment for local people to get involved in a wide range of expressive arts and wellbeing activities, experience creativity, meet new people and discover hidden talent.

#### **Our Values**

Integrity                  Equality                  Trust

Reachout advocates a strengths based approach which starts with the premise that we all have something to offer, including people who need support to participate fully in the community. Reachout is self-managed by members, giving them a sense of ownership and commitment, which are significant factors in the success of Reachout.

#### **The Service**

Access to expressive and creative arts and wellbeing opportunities, delivered by professional artists, volunteers and fellow members for adults aged 16+.

Our service removes isolation, and mutual support enables individuals to learn better ways to handle common problems such as anxiety, depression, low self-esteem, low self-confidence, poor sleep and panic attacks through participation in expressive creative workshops.

Reachout promotes improved self-acceptance, a structured day and aspirations to enable a route to recovery and for some, an eventual return to the workplace.

# **REACHOUT WITH ARTS IN MIND**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021**

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Creative Communities is a highly successful, inspiring and inclusive multi art form project working with people from neighbouring communities across Forth Valley (Clackmannanshire, Stirling and Falkirk). The project develops inclusive practices, knowledge and learning, to ensure that people experiencing mental ill health, learning and physical disabilities have active and influential roles in arts and culture - as leaders, artists, participants and audiences working with 163 local people. By promoting great art and practice through structured creative arts programming, we better suit the needs of our membership.

### **Service Delivery Model**

Reachout provides a member-led, self-help model where members are encouraged to participate in the day to day planning, delivery and management of the organisation. Supported by a core staff team and volunteers, members of the community offer their skills, services and talents in exchange for opportunities to take part in activities, have new experiences and learn different skills. Reachout's ambition is to put local people with strong community connections in the lead to identify and build relationships with others needing support, and then help them find ways to build on their strengths and skills to turn their lives around.

Through working with professional artists and sessional artists, members gain creative confidence and skills to lead and mentor others.

### **Beneficiaries**

'INSPIRE' - Young people aged 16+ experiencing challenging circumstances, mental ill-health and barriers to employment

'INSPIRE Outreach' - Young People, engaging with Primary and Secondary Schools and external health and wellbeing services

'CHANGE' - Adults experiencing mental ill health e.g. unemployed, single parents, carers and volunteers

'MAKE' - Supported adults aged 16+ with mild learning or physical difficulties

### **Activities**

- High quality art practice for adults experiencing mental ill health and or disability
- Skills and artistic practice for both beneficiaries and professional sessional artists
- Structured Programming - 3 specific programmes 'Inspire' young people, 'Change' mental health & wellbeing and 'Make' supported adults with mild learning or physical disability enabling appropriate activities to each group
- Creative Journeys - Person centred development & wellbeing plans to establish goals and ambitions
- Multi-artform expressive & creative arts, crafts & music workshops delivered by professional sessional artists and musicians
- Opportunities to exhibit and sell artwork both locally and further afield through community pop up galleries
- Confidence building workshops
- Mutual aid from members
- Practical and emotional support
- Exhibitions & outreach events to inform the wider communities

### **Achievements and performance**

The Organisation focuses on the following priorities:

- Creativity
- Improving health and wellbeing through informed choices
- Identifying & engaging with those most vulnerable in society
- Anti-stigma campaigning
- Education, progression & employability
- Enterprise in the creative industries

# REACHOUT WITH ARTS IN MIND

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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Due to Covid, the Reachout studio was closed to members from April to October 2020, and from January to May 2021. This has obviously had a significant impact on our charitable activities, and the service provision that we were able to offer our members. However, we were able to adapt many of our workshops to offer remote workshops for members and partner organisations. We also sent out art packs to members on a regular basis, and bespoke materials for those members who requested them. We kept in regular contact with our members through monthly newsletters, social media and email, encouraging them to send photographs of artwork on social media that could be shared with the Reachout community.

### Charitable activities

- 70 Members aged 16 - 75 years
- We worked with 1 sessional artist and 1 volunteer who delivered workshops in the studio
- 457 attendances/engagements were made with Reachout activities either in the studio or remotely via art packs and online zoom workshops
- 69 workshops/activities took place
- 1 online music event in partnership with Chamber Music Scotland
- Our 'Inspire Programme' worked with 93 children aged 9-15 years through partnerships with Young Carers groups in Clackmannanshire and Falkirk via online workshops, in-studio workshops and remote projects
- 2 online exhibitions took place including 1 member solo show and a collaborative exhibition to mark Mental Health Awareness Week 2020

### Financial review

There is a deficit to report for the year ending 31 March 2021 of £87,234. Last year there was a surplus of £7,240. The deficit is largely driven by a significant decrease in the financial year of grant funding, however two grant applications were paid out in April 2021, thus falling in the next financial year. The studio was closed for 9 months during the financial year ending March 2021, so there were no membership fees paid during this time, contributing to the deficit. Indeed, we offered reimbursements to those members who had paid annual membership fees for 2020. There were also no donations during the year as teas and coffees were not available for the three months that the studio was open. The financial impact will continue to be felt in the financial year ending March 2022 as membership slowly grows and attendance returns to pre Covid-19 levels.

On a positive note, however, we were successful in being awarded several Covid-19 grants to support us through the pandemic – the Business Restriction Fund and Clackmannanshire Business Support grant. These grants have been invaluable in covering core costs such as rent and salary costs during the pandemic, as well as allowing us to invest in some much needed IT to future proof the organisation and allow us to offer more remote project work.

A feasibility study is currently underway to determine the viability of a social enterprise to generate more income in the longer term for the organisation, as it is anticipated that Covid will have a detrimental impact on funding available from grant bodies in the future.

### Reserves Policy

The general reserves at the year end were £132,123. The Board of Directors maintains a level of reserves to ensure that sufficient resources are available should the organisation be faced with reduced funding support, and for future projects within the organisation.

Reachout has reviewed the reserves policy and identified three projects which would be funded by the unrestricted fund – Emergency & Equipment Failure to improve IT resources, Workload Changes & Staff Cover, and Short Term Trading i.e. three months of costs in the event of reduced funding support.

The reserves include designated funds which were initially held within Reachout as a result of the closure of Art'n'Mind to fund the relocation costs to new premises at Lime Tree House, although additional funding was eventually secured to cover this cost.

# REACHOUT WITH ARTS IN MIND

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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The Board have also agreed that the designated funds will be ring-fenced for costs associated with closing the organisation if the need arises - this cost includes all redundancy payments. In addition, the designated funds will also be used for match funding against future grant applications, and for the creation of a social enterprise as a means of generating additional income. £30,000 of reserves was drawn down in March 2021 to match fund against the BL grant application, which was one of the agreed conditions of the grant.

Funding and reserves are monitored on an ongoing basis at board meetings.

### Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details are given in the accounting policy 1.2.

### Future plans

The vision for Reachout is to become a 'Centre for Excellence in Creativity & Wellbeing, Inclusive to All'

Reachout strategy focuses on short, medium and long term activity.

Reachout can evidence a proven track record in delivering quality time-based programmes. However, no proposal is devoid of risk. Where there is community benefit required as well as income generation, these two motivators inevitably increase risk. The job of the Board of Directors is to estimate the facts both within our strategy and those gathered in previous research and proceed with as many safeguards in place as possible.

An outdoor garden plan has been created through discussions during 2019, and a funding strategy accompanies this.

### Short Term - Rebuild Reachout post Covid-19 Pandemic

- Create a comprehensive and varied schedule of studio workshops to attract new and existing members back to the studio
- Streamline policies and automated procedures post Covid-19 pandemic
- Online social programmes
- Self-directed study programmes

### Medium Term – Evidence we are a Covid resilient organisation

- To learn from the short term
- Digital upskilling for members
- Engagement through isolation
- Ongoing creative activities
- Online social programmes
- Registered studio programmes
- Self-directed study programmes
- Stakeholder Engagement Plan

### Long Term – Develop longer term funding through commercial initiatives

- Increased partnerships
- Outdoor garden developments
- Build long lasting collaborations
- Secure funding in an ever changing funding landscape
- Generate income through studio and garden activities

# REACHOUT WITH ARTS IN MIND

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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A feasibility study is currently underway to determine the viability of a social enterprise. The establishment and development of a social enterprise fee for service model aims to support the long term core costs attached to delivering the charity, enabling the provision of creative experiences and social interaction targeted at those living in isolation or missing regular companionship. The social enterprise could also engage on an outreach basis with care homes, respite provision and those on self-directed payments although workshops will predominantly be more open and available to those on higher disposable incomes. Reachout would initiate the project through investment from the existing reserves, and longer-term funding will be via income generation and project specific third party grants and tendering. The results of the feasibility study are expected in late 2021.

### **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.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Ms M Herriot Dunlop	(Resigned 13 August 2020)
Mr C A Machan (Chair)	
Mrs A Matthews	
Mr G Samson (Treasurer)	(Appointed 4 August 2020)
Ms J Parkinson	(Appointed 5 February 2021)

#### **Recruitment and appointment of trustees**

Reachout has an ongoing recruitment process for trustees and is subject to current numbers in post. Reachout will aim to operate, as a minimum, with all core positions filled (Chair, Vice Chair, Treasurer, Secretary and Member Representative) or a quorate plus two. A maximum of 10 trustees will be in post. For recruitment, advertisements are posted - where and when the adverts are posted is dependent on the role being recruited. Application packs are distributed to all applicants. All applicants to the board must complete a Board of Voluntary Directors application form. The recruitment panel will meet to discuss all applicants, and record reasons for accepting/rejecting candidates. Interview packs are distributed to potential candidates, while unsuccessful candidates are notified and given feedback. An informal meeting takes place with the Executive Artistic Director prior to meeting with the Chair and Board. The candidate is then invited to attend a Board Meeting before being offered/accepting the role. All new Directors are sent the Directors' Handbook before accepting the position. On acceptance of the role, a request for references is then made by Reachout. All directors undertake PVG Disclosure checks on joining the Board.



# REACHOUT WITH ARTS IN MIND

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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### Statement of trustees' responsibilities

The trustees, who are also the directors of Reachout With Arts in Mind for the purpose of company law, are responsible for preparing the Trustees' Report 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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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 judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees' report was approved by the Board of Trustees.



**Mr C A Machan (Chair)**

Trustee

Dated: 11 August 2021

# REACHOUT WITH ARTS IN MIND

## INDEPENDENT EXAMINER'S REPORT

### TO THE TRUSTEES OF REACHOUT WITH ARTS IN MIND

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I report on the financial statements of the charity for the year ended 31 March 2021, which are set out on pages 8 to 20.

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

The charity's trustees, who are also the directors of Reachout With Arts in Mind for the purposes of company law, are responsible for the preparation of the financial statements in accordance with the terms of the Charities and Trustee Investments (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). The trustees consider that the audit requirement of Regulation 10(1)(a) to (c) of the 2006 Accounts Regulations does not apply. It is my responsibility to examine the financial statements as required under section 44(1)(c) of the Act and to state whether particular matters have come to my attention.

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

My examination is carried out in accordance with Regulation 11 of the 2006 Accounts Regulations. An examination includes a review of the accounting records kept by the charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeks 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 I do not express an audit opinion on the view given by the financial statements.

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

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

- (a) which gives me reasonable cause to believe that in any material respect the requirements:
  - (i) to keep accounting records in accordance with section 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations; and
  - (ii) to prepare financial statements which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations;have not been met or
- (b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.



John Anderson CA  
French Duncan LLP  
Macfarlane Gray House  
Castlecraig Business Park  
Springbank Road  
Stirling  
FK7 7WT  
Scotland

Dated: 11 August 2021

# REACHOUT WITH ARTS IN MIND

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Total 2020 £
<b><u>Income from:</u></b>					
Donations and legacies	2	18,675	33,140	51,815	2,217
Charitable activities	3	-	11,441	11,441	134,710
Other trading activities	4	2,230	-	2,230	6,139
Investments	5	112	-	112	924
<b>Total income</b>		<b>21,017</b>	<b>44,581</b>	<b>65,598</b>	<b>143,990</b>
<b><u>Expenditure on:</u></b>					
Raising funds	6	-	-	-	134
Charitable activities	7	18,522	134,310	152,832	136,616
<b>Total resources expended</b>		<b>18,522</b>	<b>134,310</b>	<b>152,832</b>	<b>136,750</b>
<b>Net incoming/(outgoing) resources before transfers</b>		<b>2,495</b>	<b>(89,729)</b>	<b>(87,234)</b>	<b>7,240</b>
Gross transfers between funds		1,963	(1,963)	-	-
<b>Net income/(expenditure) for the year/ Net movement in funds</b>		<b>4,458</b>	<b>(91,692)</b>	<b>(87,234)</b>	<b>7,240</b>
Fund balances at 1 April 2020		218,038	134,175	352,213	344,973
<b>Fund balances at 31 March 2021</b>		<b>222,496</b>	<b>42,483</b>	<b>264,979</b>	<b>352,213</b>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# REACHOUT WITH ARTS IN MIND

## BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Tangible assets	12		7,868		9,423
<b>Current assets</b>					
Debtors	13	658		754	
Cash at bank and in hand		258,915		345,709	
		259,573		346,463	
<b>Creditors: amounts falling due within one year</b>	14	(2,462)		(3,673)	
Net current assets			257,111		342,790
<b>Total assets less current liabilities</b>			264,979		352,213
<b>Income funds</b>					
Restricted funds	17		42,483		134,175
<u>Unrestricted funds</u>					
Designated funds	16	90,373		120,364	
General unrestricted funds		132,123		97,674	
			222,496		218,038
			264,979		352,213

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2021.

The trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved by the Trustees on 11 August 2021



Mr C A Machan (Chair)  
Trustee

Company Registration No. SC373771

# REACHOUT WITH ARTS IN MIND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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### 1 Accounting policies

#### Charity information

Reachout With Arts in Mind is a private company limited by guarantee incorporated in Scotland. The registered office is Unit 27 & 28, Lime Tree House, North Castle Street, Alloa, FK10 1EX.

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006 and "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)" (second edition - October 2019) (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

At the time of approving the financial statements, the trustees have reviewed the future funding and activities of the charity including the impact of the Covid-19 pandemic. The trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

# REACHOUT WITH ARTS IN MIND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

### 1 Accounting policies

(Continued)

#### 1.4 Incoming resources

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

##### Donations and similar income

Donations and similar income are included in the year in which they are receivable, which is when the charity becomes entitled to the resource and receipt is probable.

##### Grants receivable

Grants receivable are credited to the SOFA in the year in which they accrue and are treated as restricted funds.

##### Income from charitable activities

Income from charitable activities includes income from activities or where entitlement is subject to specific performance conditions is recognised as earned (as the related service is provided).

##### Investment income, rental income and similar income

Income from investments and from rental income and similar sources is included in the Statement of Financial Activities in the year in which it is 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.

#### 1.5 Resources expended

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.

Charitable activities and governance costs are costs incurred on the charity's educational operations, including support costs and costs relating to the governance of the charity apportioned to charitable activities. Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs are those costs associated with meeting constitutional and statutory requirements of the charity.

#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and equipment	25% reducing balance
Fixtures and fittings	25% reducing balance
Computers	33% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

# REACHOUT WITH ARTS IN MIND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

### 1 Accounting policies

(Continued)

#### 1.7 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 recognised at transaction value and subsequently measured at their settlement value.

#### 1.8 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.9 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### 1.10 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

### 2 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Total
	2021 £	2021 £	2021 £	2020 £
Donations and gifts	644	-	644	2,217
Grants receivable	18,031	33,140	51,171	-
	<u>18,675</u>	<u>33,140</u>	<u>51,815</u>	<u>2,217</u>
<b>For the year ended 31 March 2020</b>	<u>2,217</u>	<u>-</u>		<u>2,217</u>
<b>Grants receivable for core activities</b>				
SCVO	-	11,140	11,140	-
Clackmannanshire Council	10,000	12,000	22,000	-
HMRC	7,731	-	7,731	-
Community Jobs Scotland	-	5,000	5,000	-
William Syson Foundation	-	5,000	5,000	-
Other	300	-	300	-
	<u>18,031</u>	<u>33,140</u>	<u>51,171</u>	<u>-</u>

# REACHOUT WITH ARTS IN MIND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

### 3 Charitable activities

	2021 £	2020 £
Performance related grants	11,441	134,710
Analysis by fund		
Restricted funds	11,441	134,710
<b>Performance related grants</b>		
Big Lottery	-	61,487
Creative Scotland	10,941	42,823
Scottish Government - PCF	-	30,000
NHS	500	400
Other	-	-
	11,441	134,710

### 4 Other trading activities

	Unrestricted funds	Unrestricted funds
	2021 £	2020 £
Workshops	1,480	1,300
Membership subscriptions	750	2,779
Venue hire	-	2,060
Other trading activities	2,230	6,139

### 5 Investments

	Unrestricted funds	Unrestricted funds
	2021 £	2020 £
Interest receivable	112	924



# REACHOUT WITH ARTS IN MIND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

### 6 Raising funds

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
<u>Trading costs</u>		
Other trading activities	-	134
	-	134

### 7 Charitable activities

	2021	2020
	£	£
Art materials	2,813	2,291
Sessional artists	480	3,336
	3,293	5,627
Share of support costs (see note 8)	147,594	129,530
Share of governance costs (see note 8)	1,945	1,459
	152,832	136,616
<b>Analysis by fund</b>		
Unrestricted funds	18,522	40,142
Restricted funds	134,310	96,474
	152,832	136,616

# REACHOUT WITH ARTS IN MIND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

### 8 Support costs

	Support costs	Governance costs	2021	2020
	£	£	£	£
Staff costs	116,763	-	116,763	99,730
Depreciation	3,519	-	3,519	3,443
Rent, rates, water and insurance	15,788	-	15,788	16,392
Telephone	1,080	-	1,080	803
Advertising, printing, postage and stationery	2,582	-	2,582	1,418
Computer expenses	2,868	-	2,868	2,523
Repairs and maintenance	2,993	-	2,993	1,692
Travel expenses	-	-	-	170
Staff and volunteer expenses	1,618	-	1,618	2,354
Sundries	383	-	383	1,005
Accountancy	-	1,932	1,932	1,446
Professional fees	-	13	13	13
	<u>147,594</u>	<u>1,945</u>	<u>149,539</u>	<u>130,989</u>
Analysed between				
Charitable activities	<u>147,594</u>	<u>1,945</u>	<u>149,539</u>	<u>130,989</u>

Governance costs includes payments to the independent examiner of £1,428 (2020- £1,446).

### 9 Net movement in funds

	2021	2020
	£	£
Net movement in funds is stated after charging/(crediting)		
Depreciation of owned tangible fixed assets	<u>3,519</u>	<u>3,444</u>

### 10 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits or expenses from the charity during the year.

# REACHOUT WITH ARTS IN MIND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

### 11 Employees

#### Number of employees

The average monthly number of full-time equivalent employees (including casual and part-time staff) during the year was:

	2021 Number	2020 Number
	6	5
<b>Employment costs</b>	<b>2021 £</b>	<b>2020 £</b>
Wages and salaries	109,861	93,094
Social security costs	4,689	4,899
Other pension costs	2,213	1,737
	116,763	99,730

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

The charity considers its key management personnel to comprise of the trustees' and the Executive Artistic Director.

### 12 Tangible fixed assets

	Plant and equipment £	Fixtures and fittings £	Computers £	Total £
<b>Cost</b>				
At 1 April 2020	2,913	16,054	2,700	21,667
Additions	-	-	1,963	1,963
At 31 March 2021	2,913	16,054	4,663	23,630
<b>Depreciation and impairment</b>				
At 1 April 2020	2,488	8,235	1,520	12,243
Depreciation charged in the year	106	1,955	1,458	3,519
At 31 March 2021	2,594	10,190	2,978	15,762
<b>Carrying amount</b>				
At 31 March 2021	319	5,864	1,685	7,868
At 31 March 2020	424	7,819	1,180	9,423

# REACHOUT WITH ARTS IN MIND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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### 13 Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
Prepayments and accrued income	658	754
	<u>658</u>	<u>754</u>

### 14 Creditors: amounts falling due within one year

	2021	2020
	£	£
Other taxation and social security	-	2,227
Other creditors	512	-
Accruals and deferred income	1,950	1,446
	<u>2,462</u>	<u>3,673</u>

## REACHOUT WITH ARTS IN MIND

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

#### 15 Unrestricted funds

	Movement in funds					Movement in funds				
	Balance at 1 April 2019 £	Incoming resources £	Resources expended £	Transfers £	Gains and losses £	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2021 £
General fund	125,601	9,280	(37,207)	-	-	97,674	20,001	(15,552)	30,000	132,123

#### 16 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Movement in funds							
	Balance at 1 April 2019	Resources expended	Transfers	Balance at 1 April 2020	Incoming resources	Resources expended	Transfers	Balance at 31 March 2021
	£	£	£	£	£	£	£	£
Art 'n' Mind Surplus	112,103	(117)	-	111,986	1,015	-	(30,000)	83,001
Capital fund	7,368	(2,952)	3,962	8,379	-	(2,970)	1,963	7,372
	119,471	(3,069)	3,962	120,365	1,015	(2,970)	(28,037)	90,373

##### Art n Mind Surplus

This funding was initially acquired when the trading subsidiary Art 'n' Mind closed on 31 March 2018. It has been set aside to cover staff salaries, executive training and workshop delivery costs due to staff shortages. During the year, the board agreed to release some of the reserve to the general funds.

##### Capital Fund

This represents the NBV of the charities assets which were purchased using capital grants.

## REACHOUT WITH ARTS IN MIND

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

#### 17 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds				Movement in funds				Balance at 31 March 2021
	Balance at 1 April 2019	Incoming resources	Resources expended	Transfers	Balance at 1 April 2020	Incoming resources	Resources expended	Transfers	
	£	£	£	£	£	£	£	£	£
Creative Scotland	1,358	42,823	(17,404)	-	26,777	10,941	(37,718)	-	-
Big Lottery - improving lives	77,707	51,487	(48,003)	(1,087)	80,104	-	(72,246)	-	7,858
PCF	3,942	30,000	(31,067)	(2,875)	-	-	-	-	-
Big Lottery Underspend	16,894	-	-	-	16,894	-	(16,894)	-	-
Big Lottery - Awards For All	-	10,000	-	-	10,000	-	(560)	-	9,440
NHS	-	400	-	-	400	500	(500)	-	400
Community Jobs Scotland	-	-	-	-	-	5,000	(5,000)	-	-
SCVO	-	-	-	-	-	11,140	(1,392)	(1,963)	7,785
Clackmannanshire Council	-	-	-	-	-	12,000	-	-	12,000
William Syson Foundation	-	-	-	-	-	5,000	-	-	5,000
	<u>99,901</u>	<u>134,710</u>	<u>(96,474)</u>	<u>(3,962)</u>	<u>134,175</u>	<u>44,581</u>	<u>(134,310)</u>	<u>(1,963)</u>	<u>42,483</u>

Creative Scotland/Big Lottery/Awards For All/NHS/William Syson Foundation - the funding is towards the cost of the Creative Communities Expressive Art Programme.

Big Lottery Underspend – there was an underspend of the Big Lottery Grant for the running costs of The Makers Gallery and Bistro which Reachout has been permitted to spend on the re-location of the charity office and core running costs.

The Community Jobs Scotland funding was toward the cost of a studio assistant.

SCVO/Clackmannanshire Council - this funding is towards the costs associated with the recovery from the COVID pandemic. The fund transfers represent capital expenditure.

# REACHOUT WITH ARTS IN MIND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

### 18 Analysis of net assets between funds

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Total 2020 £
Fund balances at 31 March 2021 are represented by:				
Tangible assets	7,868	-	7,868	9,423
Current assets/(liabilities)	214,628	42,483	257,111	342,790
	<u>222,496</u>	<u>42,483</u>	<u>264,979</u>	<u>352,213</u>

### 19 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £	2020 £
Within one year	6,790	13,580
Between two and five years	-	6,790
	<u>6,790</u>	<u>20,370</u>

### 20 Related party transactions

There were no disclosable related party transactions during the year.