

Digswell Arts Trust

Directors Report & Accounts 31 March 2020

Digswell Arts Trust
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Legal and Administrative Information

DIRECTORS:	Caryl Beach Phillippa Brown Alistair Covell Howard Cropp Judy Glasman Kailas Elmer Anton Psak Stephen Rogers Michael Shaw
REGISTERED OFFICE:	The Forge, Hertford Road, Digswell, Welwyn, Hertfordshire, AL6 0BU
REGISTERED CHARITY NUMBER:	1150915
COMPANY REGISTRATION No.:	8282859
BANKERS:	CAF Bank plc 25 Kings Hill Avenue, Kings Hill, West Malling, Kent ME19 4JQ
INDEPENDENT EXAMINER:	Roy Pinnock & Co LLP Wren House, 68 London Road, St Albans, Hertfordshire, AL1 1NG

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Introduction

The Trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2020. The Trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard 102 (effective 1 January 2015). The responsibility for preparing this report rests with the Trustees and has been approved by them at a meeting of the board on 28th October 2020.

The Digswell Arts Trust was founded 60 years ago by Henry Morris, the revolutionary educationalist, and inaugurated by Lady Mountbatten on 29th May 1959. Morris passionately believed in art for people and maintained that artists were vital for the well-being of society. Through his energy, dedication and influence he persuaded the Government and the Welwyn Garden City Development Corporation to establish a Trust for professional artists at Digswell House, a regency mansion with cottages and outbuildings on the edge of Welwyn Garden City. That commitment to supporting emerging artists and Art in the community continues through the Trust's activities at The Forge (Welwyn/Hatfield) and Fenner's Building (Letchworth).

Structure, Governance and Management

Governing document

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

Governance & Management

The directors of the Company at the time of this report were as listed on Page 3. Phillippa Brown was appointed a director on 22 July 2019, Allistair Covell on 20 January 2020, and Kailas Elmer on 14 May 2020. Sarah Breeden was appointed on 1 April 2019 and resigned on 14 May 2020. Ruth Harding resigned as a director on 1 April 2019, Amanda Bloom and Lawrence Born resigned on 22 July 2019 and Susan Lines on 14 May 2020.

The Trustees are grateful for the support of our volunteers who provide guidance and support in mentoring, community, technical and building matters.

New trustees are introduced to the charity and voted on to the board by the current trustees. New trustees are selected to a diverse range of skills to the board.

Objectives and Activities

The objects of the Company as set out in the articles of association are:

1. The assistance of persons who intend to or have become artists or craftsmen and who are in need of financial assistance, in particular but not exclusively by the provision of materials, the payment of fees, travelling or maintenance allowances and the provision of low cost studio accommodation to enable them to earn their living.
2. The promotion of education and training in art and allied subjects.

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3. The promotion of the appreciation of art.

The principal activity of the company has been the provision of studios for artists and craft persons at The Forge, Digswell, and Fenners Building, Letchworth.

Fellowships are granted for up to five years. Fellows make an affordable contribution to the costs of running the studios and are expected to participate in the studio and local communities. A Printmakers group allows print artists to have access to the excellent facilities available in the print room at the Forge. The Trust sponsors 'open studio' events at all venues, encourages Fellows to involve themselves in local community events and activities, and supports Fellows professional development.

Public Benefit

The trustees have given due consideration to the charity commissioners published guidance on public benefit.

The benefits for our Fellows, Print members and Ceramics Community as individuals in the community and the artistic life of the communities we serve particularly in Letchworth and Welwyn are listed below:

Achievements & Performance

- **Development of emerging artists.** 26 Fellows enjoyed the benefits of reasonably priced studios from which to develop themselves towards making a living from their practice. Many received grants towards exhibitions and other aspects of their personal development. The annual University Day at UH remains a first class networking and development opportunity. Fellows have been enabled to develop their careers regionally, nationally and with some getting international exposure during the period of their Fellowships.
- **Public Art Tuition.** Classes, open to the public, were held in Ceramics, Printmaking, Textiles, Weaving, Life drawing and general Art classes at our premises in Fenners, Letchworth and the Forge, Digswell. Regular print making classes continue at the Forge under the guidance of long term print member Sally Tyrie.
- **Art for the Community.** Regular Open Studios, activities in support of the Letchworth Festival, continued as in previous years. Trustee engagement with Letchworth Arts organisations continues as Trustees and Fellows work with the Community Museum, Broadway Gallery, Arts Forum and create partnerships with other local charities. In Welwyn the Trust is supporting activities towards Welwyn 2020, the Garden City's centenary.

The Trust acknowledges the support of the boroughs in which we operate and particularly the contribution of Letchworth Heritage Foundation and Welwyn Hatfield and North Herts District Councils.

Ceramics

Problems with classes being taught at Fenners surfaced in mid 2019. Concerns mainly around practice differences caused a situation where tutors and Ceramics Fellows became divided

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creating safeguarding concerns. Richard Lander, former Technical head of UH Arts working with Trustees and Fellows reviewed the situation and made several recommendations to improve the management of Ceramics going forward. The Board took the decision to stop all Ceramics classes at Fenners until further notice. The Fenners Ceramics has found new Letchworth premises and the Trust will focus more on our Ceramics Fellows and potentially masterclasses.

Coronavirus

The Covid-19 crisis has had a major impact on the activities of the Trust and its Fellows. These activities will be reported in more depth in the next financial year as the Trust works to continue to deliver its objects during a difficult time for the arts and the communities we serve.

Even though delayed, the Trust will continue to participate in the celebration of the Centenary of the foundation of Welwyn Garden City and Hertfordshire Project 2020. The Trust will continue to support art in schools particularly within the community to the extent that resources permit.

Financial review

A loss on long term investments of £8,930 (2018/19 gain of £2600) meant that overall there was a £13,505 decrease in funds in the year (2018/19 decrease £2,000). There was an 11% plunge in the value of our investment funds at the outset of the Covid-19 crisis which at the time of writing has now recovered.

However, it was the continuance of significant operational losses which has caused Trustees greater concern. The Trustees budgeting policy is for expenditure on studios, grants and administration to be matched by Fellow's contributions for the use of their studios. In 2019/20 there was an operational deficit of £4,575, very similar to the 2018/19 deficit of £4,600.

The environment of increasing compliance, the demands of our online presence, community and stakeholder expectations continue to grow. In addition to our Board Meetings we now hold regular Management Meetings and have taken on an administrator to support our challenges. Administration and particularly the Trust's online presence will require higher levels of spend and therefore higher levels of income. Fellows contribution rates were revised in 2019/20 and again from September.

Otherwise, Fellows debts outstanding were less than two per cent of studio income in 2019/20 with only a small number of Fellows given terms to get back on track. The Trust follows a policy of paying suppliers on invoice.

Budgets for studio expense and administration remain tightly managed although costs are rising. The Trust has 2 year contracts for Utilities which account for about half of studio expenses.

Balance sheet.

Net Assets at 31 March 2020 were £48,054 down £13,505. These accounts reflect the Trust's continued conservative approach to accounting as befits an organisation, founded in 1957, mainly living within its own resources. With this in mind the Trust reserves policy is:

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Reserves Policy. The reserves the Trust holds are consistent with the environment in which the Trust operates, and its charitable objects. That environment over the past several decades has meant that the Trust has looked first to itself for the funding of its activities with grants sought before commitment to special events and projects.

The Trust's studios are not run for profit. Studio charges are set at levels which help emerging artists and craftsmen to find their feet during their maximum 5 years. Surpluses are invested to support their development.

The Trust is fortunate to have financial support from the boroughs in which its studios are located. The Trust's buildings have been provided on favourable terms. Building provisions to cover long term maintenance and reparations have been provided for and stand at £17,381.

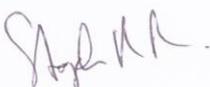
The Trust continues to develop its ceramics facility at Fenners, (generously part funded by Letchworth Heritage Foundation). There is an exhibition programme at Fenners which continues to require investment in equipment and other support. The Trust continues to improve its IT infrastructure beyond its web presence and much of this will need to be funded internally.

The Trust's insurance policies cover potential liabilities related to Trustees, Fellows, volunteers, the general public and property. Beyond this, reserves contain a reasonable "margin of safety" for any uninsured or unknown risks. Accounting (which is on an accruals basis) includes provisions for eventual repairs, replacement and refurbishment of equipment and property as required by our leases.

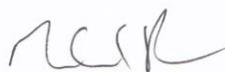
The Trust is aware that the demand for the support it provides to emerging artists and to local communities extends across Eastern Region, well beyond its current locations. It is the intention of the Trust to continue to grow across the Region in line with demand and as funds allow. The cost of establishing safe, warm studios from buildings often requiring renovation is currently c£2,000 plus per studio. It is the trustees' belief that the reserves of £48,054 are currently adequate for these risks and commitments and are now sufficient for a major studio project (with the usual partnership funding), as well as for the other matters referred to above.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 28th October 2020 and signed on its behalf by :



Stephen Richard Rogers
Trustee



Michael Shaw
Trustee

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Independent Examiner's Report to the Trustees of
Digswell Arts Trust

Independent examiner's report to the trustees of Digswell Arts Trust ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the period ended 1 April 2019 to 31 March 2020.

Responsibilities and basis of report

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

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

Independent examiner's 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:

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

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



Natalie Coleman FCCA
Roy Pinnock & Co LLP
Chartered Certified Accountants
Wren House
68 London Road
St Albans
Hertfordshire
AL1 1NG

Date 10 October 2020

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Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the year ended 31 March 2020

		Year ended 31/3/2020 Unrestricted Funds £	Year ended 31/3/2019 Unrestricted Funds £
INCOME			
Income from charitable activities:			
Fellows' contribution to studio costs		<u>32,439</u>	<u>36,335</u>
Total Income		<u>32,439</u>	<u>36,335</u>
EXPENDITURE			
Charitable activities:			
Expenses at studios	2	28,486	34,332
Grants to Fellows		2,754	1,773
Administration	3	<u>5,774</u>	<u>4,830</u>
Total Expenditure		<u>37,014</u>	<u>40,935</u>
Net gains/(losses) on investments	4	<u>(8,930)</u>	<u>2,600</u>
Net decrease in fund		(13,505)	(2,000)
RECONCILIATION OF FUNDS			
Net assets at 1 April 2019		<u>61,559</u>	<u>63,559</u>
Net assets at 31 March 2020		<u>48,054</u>	<u>61,559</u>

The notes on pages 12-14 form part of these financial statements

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Statement of Cash Flows
for the year ended 31 March 2020

	Year ended 31/3/ 2020 Unrestricted Funds £	Year ended 31/3/2019 Unrestricted Funds £
Net decrease in fund	(13,505)	(2,000)
Sale of investment assets	5,000	5,000
(Gains)/Losses on investment assets	8,930	(2,600)
Increase/(decrease) in creditors	<u>(4,520)</u>	<u>(5,145)</u>
Net cash from operations	(4095)	(4,745)
Cash at 1 April 2019	<u>5,510</u>	<u>10,255</u>
Cash at 31 March 2020	<u>1,415</u>	<u>5,510</u>

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Balance Sheet 31 March 2020

	Notes	31/3/2020 Unrestricted Funds £	31/3/2019 Unrestricted Funds £
FIXED ASSETS			
Investments	4	<u>69,647</u>	<u>83,577</u>
CURRENT ASSETS:			
Bank Balances		1,415	5,510
CURRENT LIABILITIES:			
Creditors	5	<u>23,008</u>	<u>27,528</u>
NET CURRENT LIABILITIES		<u>(21,593)</u>	<u>(22,018)</u>
NET ASSETS		<u>48,054</u>	<u>61,559</u>
TOTAL FUNDS	6	<u>48,054</u>	<u>61,559</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2020.

The members have not required the charitable company to obtain an audit of its financial statements for the year ended 31 March 2020 in accordance with Section 476 of the Companies Act 2006.

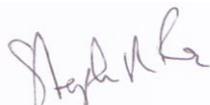
The directors acknowledge their responsibilities for

a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and

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

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and with the Financial Reporting Standard 102 (effective January 2015).

The financial statements were approved by the Board on 28 October 2020 and were signed on its behalf by:



Stephen Richard Rogers
Trustee



Michael Shaw
Trustee

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Notes to the Financial Statements
For the year ended 31 March 2020

1. ACCOUNTING POLICIES

Accounting convention

The financial statements of the charitable company have been prepared in accordance with Financial reporting Standard 102 (effective 1 January 2015), the Charities SORP (FRS 102) and the Companies Act 2006, under the historical cost convention with the exception of investments which are included at market value.

The accounts have been prepared on a going concern basis. There are no material uncertainties about the charity's ability to continue.

Income

All income is included on the Statement of Financial Activities when the charity is legally entitled to it and the amount can be quantified with reasonable accuracy.

Expenditure

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs 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. Grants offered subject to conditions which have not been met at the yearend date are noted as a commitment but not accrued as expenditure.

Creditors and Provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due

Donated services

During the year a number of volunteers gave up their time to help the charity with activities.

It is not considered that any reliable value can be placed on the monetary value of the volunteers, for this reason no value has been reflected in the accounts.

Taxation

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

Fund accounting

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

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

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Notes to the Financial Statements
For the year ended 31 March 2020 (contd)

2. STUDIO EXPENSES

	Year ended 31/3/2020	Year Ended 31/3/2019
Expenditure at Studios:	£	£
Rent, Rates and Insurance	3,986	3,901
Services	13,089	12,838
Maintenance	11,411	18,593
Release of provisions	<u>-</u>	<u>(1,000)</u>
Total Expenditure	<u>28,486</u>	<u>34,332</u>

3. ADMINISTRATION

	Year ended 31/3/2020	Year Ended 31/3/2019
	£	£
Office costs	150	378
Insurance	1,949	1,928
Independent review	371	360
Website	897	1,206
Administrator	1,741	-
Communication	<u>666</u>	<u>958</u>
TOTAL ADMINISTRATION	<u>5,774</u>	<u>4,830</u>

No director has received any remuneration or other employment benefit.

No personal expenses were reimbursed.

Average number of employees during the year nil (2019:nil)

4. LISTED INVESTMENTS

At Market Value	Year ended 31/3/2020	Year Ended 31/3/2019
	£	£
At 1 April 2019	83,577	85,977
Sales of funds	(5000)	(5,000)
Appreciation/ depreciation	<u>(8,930)</u>	<u>2600</u>
At 31 March 2020	<u>69,647</u>	<u>83,577</u>

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Notes to the Financial Statements
For the year ended 31 March 2020 (contd)

5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Year ended 31/3/2020 £	Year Ended 31/3/2019 £
Deposits	5,299	5,149
Building maintenance provisions	17,381	18,947
Amounts payable	<u>328</u>	<u>3,432</u>
	<u>23,008</u>	<u>27,528</u>

6. FUNDS

All funds are unrestricted.

7. COMPANY STATUS

Digswell Art Trust is charitable private limited company registered in England & Wales Number 8282859, limited by guarantee as defined by the companies act. The registered office of the company is The Forge, Hertford Road, Digswell, Welwyn, Hertfordshire, AL6 0BU