

**Digswell Arts Trust**

**Directors Report & Accounts 31 March 2018**

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**Legal and Administrative Information**

<b>DIRECTORS:</b>	Amanda Bloom Lawrence Born Howard Cropp Ruth Harding Judy Glasman Susan Lines Anton Psak Stephen Rogers Michael Shaw Julia Skrebels
<b>REGISTERED OFFICE:</b>	The Forge, Hertford Road, Digswell, Welwyn, Hertfordshire, AL6 0BU
<b>REGISTERED CHARITY NUMBER:</b>	1150915
<b>COMPANY REGISTRATION No.:</b>	8282859
<b>BANKERS:</b>	CAF Bank plc 25 Kings Hill Avenue, Kings Hill, West Malling, Kent ME19 4JQ
<b>INDEPENDENT EXAMINER:</b>	Roy Pinnock LLP Wren House, 68 London Road, St Albans, Hertfordshire, AL1 1NG

# **Digswell Arts Trust**

## **Directors Report & Accounts 31 March 2018**

### **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 2018. 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 8<sup>th</sup> October 2018.

The Digswell Arts Trust was founded 60 years ago by Henry Morris, the revolutionary educationalist, and inaugurated by Lady Mountbatten on 29<sup>th</sup> 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. In this, the Trust's 60<sup>th</sup> anniversary year that commitment to supporting emerging artists and Art in the community continues through the Trust's activities at The Forge (Welwyn/Hatfield) and Fenners 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. Lawrence Born, Susan Lines and Amanda Bloom were appointed as directors and trustees and Gillian Dobson resigned on 8 May 2017. Anton Psak was appointed on 23 April 2018. Judy Glasman was appointed as Chair on 23<sup>rd</sup> July 2018.

The board appoint new trustees as required in order to have a variety of skills & interests on the board.

Full meetings of the board of directors are held 4 times a year. Each Trustee has specific areas of responsibility.

- Amanda Bloom – new applications and Fellows welfare
- Judy Glasman – Chair and Fellows education
- Mike Shaw – Legal
- Ruth Harding – Fellows support programmes
- Anton Psak – Information Technology
- Steve Rogers – Finance
- Howard Cropp – governance and company secretarial
- Julia Skrebels – Health and safety & Forge facilities matters
- Lawrence Born – Health and safety & Fenners facilities matters
- Susan Lines – Fenners connection to Letchworth

# Digswell Arts Trust

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### 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.
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 and until January 2017 at the Fairlands Valley Farmhouse, Stevenage.

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. A Ceramics community allows local people in Letchworth to enjoy the increasingly good ceramics facilities of Fenners Building. 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 firstclass networking and development opportunity.
- **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. By the end of 2018 Fenners was running at close to 750 hours per year of classes on an annual basis with new Ceramics and Weaving classes. Most of our classes are running at capacity. Regular print making classes continue at the Forge under the guidance of long term print member Sally Tyrie.

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- **Art for the Community.** Regular Open Studios, Ceramics Open Days, activities in support of the Letchworth Festival, The Big Draw 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.

### Plans for the future

While continuing to develop activities at the Trust's two studio sites, the trustees are pursuing these further initiatives:

- Discussions continue with the developers of the Wheat Quarter in Welwyn Garden City, with the intention that the Trust will have a part in the planned arts centre of this major housing and commercial development, involving artists' studios, exhibitions and public art projects.
- Trustees will continue to participate in plans for the celebration, in 2020, of the Centenary of the foundation of Welwyn Garden City, by involvement in projects for bringing public art to the town and for involving the community and schools in art projects.
- Following the loss of the Trust's studios at the Farmhouse in Stevenage, trustees are considering the possibilities for establishing a third studio site in Hertfordshire.

### Financial review

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 2017/18 there was a small deficit of £2,775 (2016/17 £3,635).

After taking into account a gain on investments of £880 (2016/17 £12,412) there was a decrease in funds of £1,895 (2016/17 increase £ 8,777)

The Trust continued to invest in Ceramics and particularly in support to our tutors providing classes to the public at Fenner's; In 2018 the net cost of the infrastructure to run more classes, the marketing of those classes and support to new tutors cost over £3,000.

Fellows debts outstanding were less than two per cent of studio income in 2017/18 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 clearly rising. The Trust has long term contracts for Utilities which account for about half of studio expenses and Power contracts are up for renewal in 2018/19. There are no paid staff and everything is managed by volunteers.

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**Balance sheet.**

Net Assets at 31 March 2018 were £63,559 down £1,895. 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 developed and agreed a reserves policy which is:

*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.*

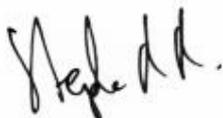
*The Trust's studios are not run for profit. Studio charges are set at levels which help emerging artists and craftsmen to find their feet during their maximum 5 years. Surpluses are invested to support their development.*

*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 £22,000. No significant provisions are now required relating to the now vacated Farmhouse, Stevenage.*

*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 £63,559 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.*



Stephen Richard Rogers  
Treasurer

8 October 2018



Judy Glasman  
Chair

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**Report of the Independent Examiner**

*I report to the trustees of Digswell Art Trust on the accounts for the year ended 31 March 2018 set out on pages ten to fifteen.*

**Respective responsibilities of trustees and examiner**

*The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ("the 2006 Act").*

*The charity's trustees consider that an audit is not required for this year under Part 16 of the 2006 Act and that an independent examination is needed..*

*It is my responsibility to:*

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

**Basis of the independent examiner's report**

*My examination was carried out in accordance with general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair' view and the report is limited to those matters set out in the statement below.*

**Independent examiner's statement**

*In connection with my examination, no material matters have come to my attention which gives me cause to believe that in, any material respect:*

- *accounting records were not kept in accordance with section 386 of the Companies Act 2006; or*
- *the accounts do not accord with such records; or*
- *the accounts do not comply with relevant accounting requirements under section 396 of the Companies Act 2006 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*
- *the accounts have not been prepared in accordance with the Charities SORP (FRS102).*

*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 Accountants  
Wren House  
68 London Road  
St Albans  
Hertfordshire  
AL1 1NG  
Date: 16th October 2018

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**Statement of Financial Activities**  
**(Incorporating an Income and Expenditure Account)**  
**for the year ended 31 March 2018**

		Year ended 31/3/2018	Year ended 31/3/2017
		Unrestricted Funds	Unrestricted Funds
	Notes	£	£
<b>INCOME</b>			
Income from charitable activities:			
Fellows' contribution to studio costs		33,003	31,170
Gains on investment assets	4	<u>880</u>	<u>12,412</u>
Total Income		<u>33883</u>	<u>43,582</u>
<b>EXPENDITURE</b>			
Charitable activities:			
Expenses at studios	2	28,362	31,317
Grants to Fellows		3,747	1,358
Administration	3	<u>3,669</u>	<u>2,130</u>
Total Expenditure		<u>35,778</u>	<u>34,805</u>
Net increase/(decrease) in fund		(1,895)	8,777
<b>RECONCILIATION OF FUNDS</b>			
Net assets at 1 April 2017		<u>65,454</u>	<u>56,677</u>
Net assets at 31 March 2018		<u>63,559</u>	<u>65,454</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 2018**

	Year ended 31/3/ 2018 Unrestricted Funds £	Year ended 31/3/2017 Unrestricted Funds £
Net increase/(decrease) in fund	(1,895)	8,777
Gains on investment assets	(880)	(12,412)
Increase/(decrease) in creditors	<u>4,606</u>	<u>(1,611)</u>
Net cash from operations	1,831	(5,246)
Cash at 1 April 2017	<u>8,424</u>	<u>13,670</u>
Cash at 31 March 2018	<u>10,255</u>	<u>8,424</u>

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**Balance Sheet 31 March 2018**

	Notes	31/3/2018 Unrestricted Funds £	31/3/2017 Unrestricted Funds £
<b>FIXED ASSETS</b>			
Investments	4	<u>85,977</u>	<u>85,097</u>
<b>CURRENT ASSETS:</b>			
Bank Balances		10,255	8,424
<b>CURRENT LIABILITIES:</b>			
Creditors	5	<u>32,673</u>	<u>28,067</u>
<b>NET CURRENT ASSETS/ (LIABILITIES)</b>		<u>(22,418)</u>	<u>(19,643)</u>
<b>NET ASSETS</b>		<u>63,559</u>	<u>65,454</u>
<b>TOTAL FUNDS</b>	6	<u>63,559</u>	<u>65,454</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2018.

The members have not required the charitable company to obtain an audit of its financial statements for the year ended 31 March 2018 in accordance with Section 476 of the Companies Act 2006.

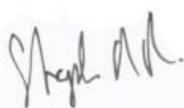
The directors acknowledge their responsibilities for

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

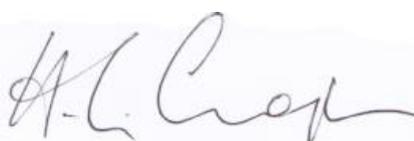
b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the 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 8th October 2018 and were signed on its behalf by:



Stephen Richard Rogers  
Trustee



Howard Reginald Cropp  
Trustee

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**Notes to the Financial Statements**  
**For the year ended 31 March 2018**

**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

**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 2018 (contd)**

**2. STUDIO EXPENSES**

	Year ended 31/3/2018	Year Ended 31/3/2017
Expenditure at Studios:	£	£
Rent, Rates and Insurance	3,838	2,275
Services	11,395	13,469
Maintenance	15,129	17,292
Release of provisions	<u>(2,000)</u>	<u>(1,719)</u>
Total Expenditure	<u>28,362</u>	<u>31,317</u>

**3. ADMINISTRATION**

	Year ended 31/3/2018	Year Ended 31/3/2017
	£	£
Office costs	532	205
Insurance	1,483	1,434
Independent review	351	341
Website	661	150
Marketing	<u>642</u>	<u>-</u>
TOTAL ADMINISTRATION	<u>3,669</u>	<u>2,130</u>

No director has received any remuneration or other employment benefit.

Reimbursed personal expenses amounted to £112.

**4. LISTED INVESTMENTS**

At Market Value	Year ended 31/3/2018	Year Ended 31/3/2017
	£	£
At 1 April 2017	85,097	72,685
Appreciation	<u>880</u>	<u>12,412</u>
At 31 March 2018	<u>85,977</u>	<u>85,097</u>

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**Notes to the Financial Statements**  
**For the year ended 31 March 2018 (contd)**

**5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Year ended 31/3/2018 £	Year Ended 31/3/2017 £
Deposits	4,829	4,374
Building maintenance provisions	22,000	19,000
Amounts payable	<u>5,844</u>	<u>4,693</u>
	<u>32,673</u>	<u>28,067</u>

**6. FUNDS**

All funds are unrestricted.