



Trustees Report 2023

Consolidated Accounts of the Bromley Arts Trust CIO

for the year ended 31 March 2023

Bromley Arts Trust CIO
Ripley Arts Centre, 24 Sundridge Avenue, Bromley BR1 2PX Tel 0208464 5816
Email: enquiries@bromleyarts.com www.bromleyarts.com

Charity Registration number 1187209

Bromley Arts Trust CIO

Registered Charity Number: 1187209

Report of the Trustees for the period from 1 April 2022 to 31 March 2023

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Trustees

Myra Kinghorn (Chair)

Michael Carney

Stuart Fleet

Lynne Powrie (Vice Chair from 11 January 2022)

Lynn Sellwood (appointed 10 November 2021, resigned 15 July 2022)

Address

Bromley Arts Trust CIO,

Ripley Arts Centre, 24 Sundridge Avenue, Bromley BR1 2PX

Charity Registration number 1187209

Registered Independent Examiner

Jonathan Chartres FCA

Fresh Eyes Finance Limited

71--75 Shelton Street

London WC2H 9JQ

Key dates affecting the operations at Ripley Arts Centre 2020 to 2021

| | |
|-----------------|---|
| 6 January 2020 | Bromley Arts Trust CIO registered by the Charities Commission |
| 13 January 2021 | Nat west Bank Loan for £53,000 drawn down by Bromley Arts Trust CIO Bromley Arts Trust CIO repaid the Bromley Arts Council's loan of £51,250 |
| 31 January 2021 | Effective transfer of assets staff and operations from Bromley Arts Council to Bromley Arts Trust CIO |
| 31 March 2021 | Date of first Trustees Report and accounts for the two months ended 31 March 2021 |
| 21 May 2021 | Ripley Arts Centre partially re-opened |
| July 2021 | Government COVID 19 restrictions lifted |

Bromley Arts Trust CIO 1187209

Trustees Report for the period from 1 April 2022 to 31 March 2023

1. Overview of the year to 31 March 2023

At the beginning of the accounting year to 31 March 2023, the hire operations were starting to recover from the lockdowns of the previous years, and new hires to the charity's building were emerging for conferences, staff meetings, and many tutoring and arts related courses and activities for all age groups.

The charity was also pleased to welcome back many of its former hirers enabling them to resume concerts, music exams, holiday revision courses for children, weekly meetings of poetry circles, fine arts discussions, courses in art history, general history, history of music, children's arts classes, and language classes as well as many others.

2 The Board's activity during the year

As well as carrying out its required oversight role, the Board focused its efforts on ensuring that it could meet its financial responsibilities as they fell due in the future by building up its reserves post the COVID lockdowns. One area identified to assist in this cost reduction programme was to streamline and strengthen its operational and accounting systems. The Board had outsourced the production of its monthly payroll towards the end of the previous accounting year which improved the segregation of duties of the charity's largest operational cost base. In addition, the Board agreed to transition to a new and more user- friendly accounting and budgeting system. This project is now close to completion.

In addition, the Board's two committees for premises, staff liaison and finance were active in the early part of the 2022- 2023 accounting year to deal with more detailed operational issues and developments. At the end of 2022, a decision was made by the Board to deal with finance issues by itself without delegating a subcommittee as the redevelopment plans required more Board's involvement. Monthly Board meetings were held throughout the year.

3. Progress on the implementation of the Board's 2022 strategy

Another key area for the Board's activity during the year was to progress the implementation of the Board's 2022 strategy which was set out in its 2022 Trustees Report. After much research and discussion of the three options set out in the previous report, the Board concluded that it would be in the best interest of the charity to enable it to meet its object in the future more effectively by retaining part of its land on which to build a smaller new purpose- built, cost- efficient arts centre which would be owned by the charity. It could then sell the residual piece of land to an experienced property developer to build a residential site consistent with the neighbouring roads to fit in with the local environment.

The Board was mindful that this would entail applying for planning permission from Bromley Council which could take some time and result in a period of uncertainty for all stakeholders. If the Board were to be successful with this initial plan, the local

community would be able to retain a much appreciated and highly valued community asset which had been located on the same site for over 55 years.

In the short term, after the successful completion of the redevelopment, this new building could rekindle the spirit of the former arts centre building and it could attract new visitors of all ages seeking a pleasant safe environment to participate in the arts. In the longer term, should the arts provision for Bromley borough residents need to be relocated or delivered in a different format in future years, the charity would have a modern, attractive, and cost-efficient building on a reasonable sized plot of land which would be very marketable.

The Board is keen to fulfil an effective coordinating and supportive role for the arts in Bromley borough going forward. It aims to be in a strong financial position to invest a reasonable amount of the proceeds of the sale of the land to generate income which could be used for some form of grant funding to support the arts in Bromley.

4.Transitional arrangements in the present year and beyond

As explained in the previous 2022 report, the Board had taken great care to select lawyers, property developers, and other experts to take forward the initial plans and to carefully and more generally manage the risks arising during every phase of this complex process. It has been and will continue to be mindful to ensure that its decisions on the implementation of the 2022 strategy are in the best interests of the charity in the short and long term in line with the requirements of the Charities Acts.

The Board aims to ensure that continuing the current charity's hire operations in the Ripley Arts Centre into 2024 remains cost effective thereby increasing the charity's reserves to ensure that it is in a positive financial position to support the necessary additional expenditure during the transitional period whilst the detailed plans are appropriately approved. In addition, the Board and the operations teams face a challenging year ahead to ensure that all staff and overhead costs are adequately covered by hire income so that it can provide a reasonable contribution to meet any unplanned and unforeseen costs, which could be challenging in the present current financial environment.

At this early stage, it has been difficult for the Board to provide any definitive dates to staff and stakeholders when future operational changes will occur which it regrets as it can only provide rough estimates and guesses. However, it aims to be able to keep all stakeholders advised of its more detailed plans on a timely basis once significant milestones are reached in this lengthy and complex process, such as when planning permission is obtained. Thereafter the Board aims to keep all stakeholders engaged and informed on a timely basis.

The Board would like to thank the Business Manager and the members of her team for their good work and assistance to the Board during the past year and looks forward to working with them in the coming year.

Bromley Arts Festival

The charity, together with members of other arts related organisations, was actively involved with the overseeing the grant provided by Bromley Council in March 2022 to promote the Bromley Arts Festival in July 2022, the aim of which was to encourage people locally to participate in the diverse, busy, and exciting arts offer that Bromley had to offer all year round.

The initial plans to hold a similar festival in 2023 have been put on hold for this current year due to lack of funding during this cost-of-living crisis in 2023. It is hoped that the current economic constraints will ease to encourage a resumption of planning for some form of festival in the years ahead.

Financial Review

a. Consolidated results for the year ended 31 March 2023

The Board welcomed much improved results for the 2022/2023 accounting period.

Total income for the year was slightly higher in 2022/2023 at £167K (2021-2022 £153K) than in the previous year. £149K (89%) related to room hire operations which contrasts markedly with the previous year to 31 March 2022 when room hire income was only just over 60% of total income as furlough and grant payments in the first half of the 2021/2022 supplemented the lost income due to the COVID lockdowns in 2021.

Total overhead costs for the year ended 31 March 2023 amounted to £132K, of which 61% (2022: 68%) was attributable to staff costs, 9% (2022: 13%) related to premises costs, 8% (2022: 4%) related to utility costs, and 7% related to strategy implementation costs.

The overall result for the year ended 31 March 2023 for Bromley Arts Trust CIO and its subsidiary was a surplus of £35K, double the prior year surplus.

b. Reserves as at 31.3.2023

Reserves carried forward amounted to £216K (2022 £180K).

c. Going Concern

After making appropriate enquiries and considering that the current estimated value of the land and building exceeds the 2004 BAC valuation amount of £1million, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. In addition, the management accounts for the first three months of 2023/2024 show a surplus and therefore no diminution of the 2022/2023 reserves.

As pressures continue to be challenging for the economy with the cost-of-living crisis, the operations team will continue to manage any unnecessary overhead costs going forward. For this reason, the trustees continue to adopt a going concern basis in

preparing the consolidated accounts for the Bromley Arts Trust CIO for the year ended 31 March 2023.

6. Statement of Trustees' Responsibilities

The trustees are responsible for preparing the Trustees' Report and the accounts 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'.

In preparing the 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity to the requirements of the Charities Acts 2011&2022. They are also responsible for safeguarding the assets of the charity and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

7. The Trustees

The trustees who held office during the period are listed on page 2. No funds were held by a Custodian Trustee.

This report was approved by the Trustees on 12 July 2023 and signed on their behalf by the Chair.



Bromley Arts Trust CIO Registered Charity Number 1187209

Independent Examiner's Report to the Trustees of the Bromley Arts Trust CIO for the year to 31 March 2023

I report to the trustees on my examination of the accounts of the Bromley Arts Trust CIO for the year ended 31 March 2023.

Responsibilities and basis of report

As the trustees of the Bromley Arts Trust, you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011.

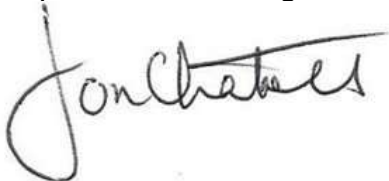
Having satisfied myself that the accounts of the charity are not required to be audited under section 144(2) of the Charities Act 2011 and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('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 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 Charity 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 Financial Reporting Standards applicable in the UK and Republic of Ireland (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.



Jonathan Chartres FCA
Fresh Eyes Finance Limited, 71--75 Shelton Street, London WC2H 9JQ

Bromley Arts Trust CIO and its subsidiary

Consolidated Profit and Loss Account for the year ended 31 March 2023

| | | Year ended. 31.3.2023 | Year ended. 31.3.2022 |
|-------------|------------------------------------|--------------------------|--------------------------|
| Income | | | |
| | Room hire operations | | |
| | Friends (formerly affiliates) | 47,462 | 29,403 |
| | Arts and Charities | <u>52,710</u> | <u>37,936</u> |
| | | 100,172 | 67,339 |
| | Subsidiary hire operations | <u>48,780</u> | <u>25,737</u> |
| | | 148,952 | 93,076 |
| | Flat rental | 15,979 | 16,218 |
| | Donations | 2,326 | 1,595 |
| | Affiliate fees | 0 | 1,740 |
| | Grants and furlough | 0 | 40,490 |
| | Total income | <u>167,257</u> | <u>153,119</u> |
| | | | |
| Expenditure | | | |
| | Staff related costs | 81,167 | 91,692 |
| | Premises costs | 11,748 | 17,765 |
| | Utility costs | 9,972 | 4,911 |
| | Office costs | 6,601 | 5,032 |
| | Professional, audit, legal costs | 9,310 | 7,588 |
| | Finance and loan int | 3,347 | 2,858 |
| | Activity and other | 1,018 | 870 |
| | 2022 strategy implementation costs | 8,668 | 4,800 |
| | Total Expenditure | <u>131,831</u> | <u>135,486</u> |
| | Surplus for the year | <u>35,426</u> | <u>17,633</u> |

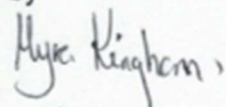
Bromley Arts Trust CIO, Ripley Arts Centre, 24 Sundridge Avenue, Bromley BR1 2PX

Charity Registration number 1187209

Bromley Arts Trust CIO and its subsidiary
Consolidated Balance sheet at 31 March 2023

| | | 31 March 2023 £ | 31 March 2022 £ |
|--|----------------|------------------------|------------------------|
| Fixed Assets | | | |
| Land & Buildings | | <u>186,713</u> | <u>186,713</u> |
| Investment | | | |
| 100%shareholding in Ripley Arts Centre Limited | | <u>100</u> | <u>100</u> |
| Current Assets | | | |
| Hire invoices | 778 | | 8,044 |
| Prepayments | 794 | | 654 |
| Nat west Bank | <u>100,858</u> | | <u>77,439</u> |
| | | 102,430 | <u>86,237</u> |
| Total assets | | 289,243 | <u>272,950</u> |
| Current liabilities | | | |
| Overhead creditors | 353 | | 1,485 |
| Deferred income | 2,557 | | 9,244 |
| Accruals | 9,916 | | 3,351 |
| Amounts due to third parties | 3,355 | | 3,677 |
| Bromley Arts Festival Grant | 1,644 | | 20,000 |
| Provision for implementing the 2022 strategy | 11,206 | | 4,800 |
| Amounts due to HMRC and Pensions Trust | <u>673</u> | | <u>672</u> |
| | | 29,704 | 43,229 |
| Future Liabilities | | | |
| NatWest long term loan | | 43,526 | 49,134 |
| Total Liabilities | | <u>73,230</u> | <u>92,363</u> |
| Total Net Assets | | <u>£216,013</u> | <u>£180,587</u> |
| Equity | | | |
| Reserves brought forward at 1 April 2022 | 180,587 | | 162,954 |
| Surplus for the year ended 31 March 2023 | 35,426 | | 17,633 |
| Reserves carried forward at 31 March 2023 | | <u>£216,013</u> | <u>180,587</u> |

This report was approved by the Trustees on 12 July 2023 and signed on their behalf by



Myra Kinghorn- Chair



Lynne Powrie- Vice Chair

Note 1

Accounting Policies

Charity information

Bromley Arts Trust is a charitable incorporated organisation which was registered by the Charities Commission – number 1187209 on 6 January 2020, whose operations are currently based at its property at the Ripley Arts Centre.

Basis of Preparation

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), published in September 2015. The charity is a public benefit entity for the purposes of FRS 102 and therefore the charity also prepared its financial statements in accordance with the 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 (The FRS 102 Charities SORP) (effective January 2015)', and the Charities Act 2011. The financial statements are prepared in sterling, which is the functional currency of the charity. The financial statements have been prepared under the historical cost convention, on a going concern basis. Monetary amounts in these financial statements are rounded to the nearest pound.

Recognition of Incoming Resources

- These are included in the Statement of Financial Activities (SOFA) when:
- The charity becomes entitled to the resources.
- The Trustees are virtually certain they will receive the resources; and
- The monetary value can be measured with sufficient reliability.

Incoming resources with related expenditure

Where incoming resources and related expenditure (as with fundraising or contract income) the incoming resources and related expenditure are reported gross in the SOFA.

Grants and Donations

Grants and donations are only included in the SOFA when the charity has unconditional entitlement to the resources.

Tax reclaims on donations and gifts

Incoming resources from tax reclaims are included in the SOFA at the same time as the gift to which they relate.

Contractual Income and Performance related

This is only included in the SOFA once the related goods or service have been delivered.

Gifts in Kind

Gifts in Kind are accounted for at a reasonable estimate of their value to the charity or the amount realised.

Gifts in kind for sale or distribution are included in the accounts as gifts only when sold or distributed by the charity.

Gifts in kind for use by the charity are included in the SOFA as incoming resources when receivable.

Donated services and facilities

These are only included in incoming resources (with an equivalent amount in resources expended) where the benefit to the charity is reasonably quantifiable, measurable, and material. The value placed on these resources is the estimated value to the charity of the service or facility received.

Volunteer help

The value of the Voluntary help received is not included in the accounts but is described in the Trustees' annual report.

Investment Income

This is included in the accounts when receivable.

Investment gains and losses

This includes any gain or loss on the sale of investments and any gain or loss resulting from revaluing investments to market value at the end of the year.

Expenditure and Liabilities Liability Recognition

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to pay out resources.

Governance costs

Include costs of the preparation and examination of statutory accounts, the costs of trustee meetings and cost of any legal advice to trustees on governance or constitutional matters.

Grants with performance conditions

Where the charity gives a grant with conditions for its payment being a specific level of service or output to be provided, such grants are only recognised in the SOFA once the recipient of the grant has provided the specified service or output.

Grants payable without performance conditions.

These are only recognised in the accounts when a commitment has been made and there are no conditions to be met relating to the grant which remain in the control of the charity.

Support Costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, e.g., allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Liabilities and provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation.

Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Note 2

Analysis of consolidated charity and its subsidiary incoming resources

| | 31.3.2023 | 31.3.2022 |
|---|------------------|------------------|
| | £ | £ |
| Voluntary income | | |
| Donations | 2,326 | 1,596 |
| Affiliate fees | <u>0</u> | <u>1,740</u> |
| | 2,326 | 3,336 |
| Activities for generating funds | 48,780 | 25,736 |
| Investment Income | 15,979 | 16,218 |
| Incoming resources from charitable activities | 100,172 | 67,339 |
| Furlough and support grants | 0 | 40,490 |
| | 167,257 | 153,119 |

Note 3

| Analysis of resources expended | 31.3.2023 | 31.3.2022 |
|---------------------------------------|------------------|------------------|
| Costs of generating voluntary income | 41,194 | 37,936 |
| Fundraising /trading costs | 0 | 0 |
| Charitable activities | 90,637 | 97550 |
| | | 0 |
| | | |
| Resources expended | 131,831 | £135,486 |
| | | |

Note 4

| Paid employees | Year ended 31.3.2023 | Year ended 31.3.2022 |
|--|---------------------------------|---------------------------------|
| 4.1 Staff costs | £ | £ |
| Gross salaries and benefits in kind Employers | 76,443 | 87,017 |
| | <u>3,651</u> | <u>4,208</u> |
| Pension costs | <u>80,094</u> | <u>£91,226</u> |
| | <u>0</u> | <u>£ 85</u> |
| Employer's NI contributions | | |
| Employers NI contributions in the year ended 31 March 2023 were covered by the small business exemption. | | |
| 4.2 Average number of fulltime equivalent employees | | |
| Charitable activities | 1.6 | <u>2.0</u> |
| Support staff | <u>1.4</u> | <u>3.8</u> |
| Total staff | <u>3.0</u> | <u>5.8</u> |
| 4.3 Defined contribution scheme A contributory pension scheme is operated by the Pensions Trust. Six members of staff are participating in the scheme | | |

Note 5 Tangible fixed assets.

As reported in the first 31 March 2021 accounts, the premises were transferred to the Bromley Arts Trust in January 2021 from the Bromley Arts Council at the net book value of £186,713.

The freehold property, which is known as the Ripley Arts Centre, is located at 24 Sundridge Avenue, Bromley. It was professionally valued in January 2004 at £1million. It is expected that the implementation of the Board's 2022 strategy decision to market the premises in the forthcoming years is expected to materially exceed the January 2004 valuation.

Note 6 Investment

The charity has a 100% shareholding in its trading subsidiary Ripley Arts Centre Limited which became active in May 2021, when COVID lockdown restrictions were eased in May 2021 and the charity's hire activities were re-commenced.

The charity provides all the support and services for the commercial activities of its subsidiary and allocates its overheads on the basis the percentage the subsidiary's hire income of total income for the charity and the subsidiary income. For the year ended 31 March 2023 the percentage was 33% (2022 28%). Note 11 sets out the subsidiary's results and balance sheet for the year ended 31 March 2023.

Note 7 Debtors

| | 31.3.2023 | 31.3.2022 £ |
|-------------------------------------|---------------------|---------------------|
| Amounts falling due within one year | 778 | 8,044 |
| Prepayments | <u>794</u> | 654 |
| | <u>1,572</u> | <u>8,698</u> |

Note 8 Creditors and accruals.

| | 31.3.2023 | 31.3.2022 |
|---|----------------------|----------------------|
| | £ | £ |
| Overhead creditors | 353 | 1,485 |
| Deferred income | 2,557 | 9,244 |
| Provisions for implementing the Board's 2022 strategy and other related costs | 11,206 | 4,800 |
| Amounts due to HMRC, the Pensions Trust | 673 | 672 |
| Bromley Arts Festival Grant | 1,644 | 20,000 |
| Amounts owed to third parties | 3,355 | 3,677 |
| Accruals | <u>9,916</u> | <u>3,351</u> |
| | <u>29,704</u> | <u>43,229</u> |
| Repayments of the long- term loan including interest are estimated to be some £8,000 in the 12 months to 31.3.24. | | |

Note 9 Long term loan.

NatWest Bank long term loan of £53,000 was drawn down on 13 January 2021 and is repayable over an eight- year period. The interest rate is 3.67% over base rate.

Repayments of capital amounts commenced on 13 August 2021 after a six-month repayment holiday was provided by the bank due to the Government lockdown in early 2021.

Note 10 Related party transactions.

There were no related party transactions during the period apart from the charity operating the subsidiary's hire operations during the period.

No trustee received either remuneration or benefits in kind during this period.

Note 11 Ripley Arts Centre Limited results for the year ended 31 March 2023

| | 31 March 2023 | 31 March 2022 |
|---|------------------|----------------|
| Ripley Arts Centre Limited hire income for the year | 48,780 | 25,737 |
| Share of furlough receipts 2022 28% x£28,520- nil in 2023 | <u>0</u> | <u>7,986</u> |
| Hire income plus furlough contribution | 48,780 | 33,723 |
| Share of overheads 33%x £131,831(28%x£135,486) | <u>43,526</u> | <u>-37,936</u> |
| | £5,254 | (4,213) |
| Service charge | <u>2,000</u> | <u>0</u> |
| Hire income surplus(loss)for the year ended 31.3.2023 | 3,254 | <u>(4,213)</u> |
| Loss brought forward | <u>(4,213)</u> | |
| Loss carried forward | (959) | |

**Ripley Arts Centre Limited
Balance sheet as at 31 March 2023**

| | 31.3.2023 | 31.3.2022 |
|------------------------|------------------|------------------|
| Bank | <u>100</u> | <u>100</u> |
| | <u>100</u> | <u>100</u> |
| Amount due to charity | 959 | 4,213 |
| Share capital | 100 | 100 |
| losses carried forward | <u>(959)</u> | <u>(4213)</u> |
| | <u>100</u> | <u>100</u> |

