



## **Trustees Report 2024**

### **Consolidated Accounts of the Bromley Arts Trust CIO**

**for the year ended 31 March 2024**

Bromley Arts Trust CIO  
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Charity Registration number 1187209

## **Bromley Arts Trust CIO**

Registered Charity Number: 1187209

### **Report of the Trustees for the period from 1 April 2023 to 31 March 2024**

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#### **Trustees**

Myra Kinghorn (Chair)

Michael Carney

Stuart Fleet

Lynne Powrie (Vice Chair)

#### **Address**

Bromley Arts Trust CIO,

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

Charity Registration number 1187209

#### **Registered Independent Examiner**

Jonathan Chartres FCA

31 Moor Park Road

Hereford HR4 0RR

#### **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

**Bromley Arts Trust CIO 1187209**  
**Trustees Report for the year 1 April 2023 to 31 March 2024**

## **1. Overview of the year to 31 March 2024**

By 31 March 2023 the hire operations had achieved a good result for the 2022/2023 and had demonstrated that it had recovered from the lockdowns of the previous years. However, at the beginning of 2023/2024, a new threat to the viability of the hire operations was emerging due to the cost-of-living crisis and the resultant high energy and premises costs, which meant that the charity had to raise its hire fees in the early part of the year. This impacted the hirers which in some cases meant they had to reduce their booking times or find less costly locations to run their classes and meetings to keep their activities viable. The financial impact on the charity is explained below in Financial Review of the Year.

As in previous years the charity continued to welcome many arts- related groups whose activities included concerts, music exams, holiday revision courses for children, weekly meetings of poetry circles, fine arts discussions and art painting technique practical classes , courses in art history, general history, history of music, children's arts classes and coding , portrait classes, film courses, schools , drama, tai chi, 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 of the hire operations and upkeep of the fabric of the building, the Board focused its efforts on ensuring that it could meet its financial responsibilities as they fell due in the immediate future. It also focused a considerable amount of effort in the ongoing cost reduction programme to streamline and strengthen its operational and accounting systems. At the beginning of the year the new and more user- friendly accounting and budgeting system was implemented which has been very beneficial during the year giving up to date and timely information to improve operational effectiveness , in particular timely reconciliation procedures and information on potential problem areas requiring follow up. Any accounting queries have been identified and cleared on a timely basis.

Monthly Board meetings were held throughout the year. In addition, the Board's Premises Committee has continued to monitor and control all the premises repairs , health and safety and overall budget issues on behalf of the Board.

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

Another key area for the Board's activity during the year was to continue to progress the implementation of the Board's 2022 strategy which was set out in its 2022 Trustees Report. The aim of the trustees continues to be to provide an effective coordinating and supportive role for the arts in Bromley borough going forward.

This last report set out its preferred plan, not only to build a new smaller purpose- built, cost-efficient arts centre on part of its present site, with appropriate planning permission and to generate funds from the sale of the building and the main part of

the garden to invest in an arts fund which could provide grants for arts-related organisations in Bromley Borough to meet the charity's object. Grant funds had not been made available from the charity's predecessor, Bromley Arts Council, to arts related organisations since the early part of the current century. This was considered to be in the best interests of the charity in the short and long term, in line with the requirements of the Charities Acts.

New challenges to the original and preferred plan have presented themselves during the year which are being addressed. It has been difficult for the Board to provide any definitive dates to staff and stakeholders when future operational changes could 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. It is at the same time continuing to manage and control its high operational costs in particular staff, deteriorating premises costs and utilities costs.

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 going forward.

#### **4. Financial Review**

##### **a. Consolidated results for the year ended 31 March 2024**

2023.2024 was a much more challenging year in financial terms for both the charity and its hirers. This resulted in lower hire income in 2023/2024 when compared to previous years and also substantially increased overhead costs mainly due to the 65% increase in utility costs. The adverse weather conditions also compounded the financial challenges due to necessary and urgent repairs to the Victorian roof and the need to deal with some of the diseased trees on the boundary with the neighbouring house which required urgent attention to mitigate the risk of serious damage to this adjacent property and to minimise the uncertainties resulting from the need to make a very substantial insurance claim.

It became clear to the Board in the Summer of 2023 that it had to consider and put in place remedial cost-cutting measures at an early stage and so it undertook a detailed review of its operational processes and procedures. It had already implemented a new more effective and efficient accounting system at the start of the financial year which is currently proving to be helpful and more cost effective as it has improved internal controls. Opening times were adjusted to shorten the day to reduce variable hours and where there were uneconomic hires, the building was closed on Fridays from the beginning of January 2024. It became evident that staff numbers had to be reduced which resulted in the need to a more fundamental step was required to make the operations more economical by reducing staff costs and as such a provision for redundancy was set up in March.

The outcome for the year ended 31 March 2024 was a surplus of £6.4K which was broadly in line with the budgeted surplus of £4.8K (which had included a £10.3K contingency). Given the operational challenges during the year, as noted above, this is nonetheless a reasonable and anticipated result for the year. The previous year

2022.2023 had been a very positive year with a surplus of £35.2K which had helped to build up the charity's reserves, so that the charity was able to manage the 2023.2024 year's economic and operational challenges.

Total income for the year was £153.3K which was 9.6% lower than in the previous year.( 2022/2023 £167K ) of which £133K(87%) related to room hire operations which is the same proportion as the previous year.

Total overhead costs for the year ended 31 March 2024 amounted to £145.8K, of which 63% (2023: 62%) was attributable to staff costs, 11% (2023 9%) related to premises costs, 11.3% (2023 8%) related to utility costs, 14%(2023 18.6%) related to office, professional,finance costs and 0%(2023 7%) related to strategy implementation costs.

#### **b. Reserves as at 31.3.2024**

Reserves carried forward amounted to £222.4K(2023 £216K).

#### **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. The 2024/2025 budget shows a surplus for the year .

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 2024.

### **5. 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'.

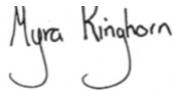
- In preparing the financial statements, the trustees are required to:
  - select suitable accounting policies and then apply them consistently;
  - observe the methods and principles in the Charities SORP;
  - make judgements and estimates that are reasonable and prudent;
  - state whether applicable 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 14 May 2024 and signed on their behalf by the Chair.

A handwritten signature in cursive script, reading "Myra Kinghorn".

## **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 2024**

I report to the trustees on my examination of the accounts of the Bromley Arts Trust CIO for the year ended 31 March 2024.

#### **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.

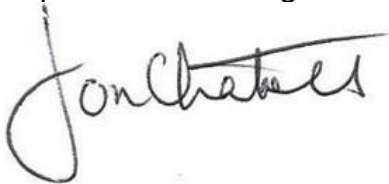
Having satisfied myself that the accounts of the charity are not required to be audited under section 144(2) of the Charities Act 2011 and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('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  
31 Moor Park Road, Hereford HR4 0RR

## Bromley Arts Trust CIO and its subsidiary

### Consolidated Profit and Loss Account for the year ended 31 March 2024

		Year ended. 31.3.2024	Year ended. 31.3.2023
Income			
	<b>Room hire operations</b>		
	Friends	40,880	47,462
	Arts and Charities	<u>50,105</u>	<u>52,710</u>
		90,985	100,172
	Subsidiary hire operations	<u>41,962</u>	<u>48,780</u>
		132,947	148,952
	Flat rental	16,696	15,979
	Donations	600	2,326
	Gift aid received	980	0
	Interest received	<u>1,114</u>	<u>0</u>
	Total income	<b><u>152,337</u></b>	<b><u>167,257</u></b>
Expenditure			
	Staff related costs	92,089	81,167
	Premises costs	15,700	11,748
	Utility costs	16,589	9,972
	Office costs	7,074	6,601
	Professional, audit, legal costs	10,385	9,310
	Finance and loan int	4,040	3,347
	Activity and other	0	1,018
	2022 strategy implementation costs	0	8,668
	Total Expenditure	<b><u>145,876</u></b>	<b><u>131,831</u></b>
	Surplus for the year	<b><u>6,461</u></b>	<b><u>35,426</u></b>

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 2024**

		<b>31 March 2024 £</b>	<b>31 March 2023 £</b>
<b>Fixed Assets</b>			
Land & Buildings		<b>186,713</b>	<b>186,713</b>
<b>Investment</b>			
100%shareholding in Ripley Arts Centre Limited		<u>100</u>	<u>100</u>
<b>Current Assets</b>			
Hire invoices	5,130		778
Prepayments	833		794
Nat west Bank	<u>108,734</u>		<u>100,858</u>
		<b>114,697</b>	<b>102,430</b>
<b>Total assets</b>		<b>301,510</b>	<b>289,243</b>
<b>Current liabilities</b>			
Overhead creditors	849		353
Deferred income	9,572		2,557
Accruals	13,877		9,916
Amounts due to third parties	3,179		3,355
Bromley Arts Festival Grant	1,644		1,644
Provision for implementing the 2022 strategy	11,206		11,206
Amounts due to HMRC and Pensions Trust	<u>605</u>		<u>673</u>
		<b>40,942</b>	<b>29,704</b>
<b>Future Liabilities</b>			
NatWest long term loan		<b>38,094</b>	<b>43,526</b>
<b>Total Liabilities</b>		<b>79,036</b>	<b>73,230</b>
<b>Total Net Assets</b>		<b><u>£222,474</u></b>	<b><u>£216,013</u></b>
<b>Equity</b>			
Reserves brought forward at 1 April 2023		216,013	180,587
Surplus for the year ended 31 March 2024		6,461	35,426
Reserves at 31 March 2024		<b><u>£222,474</u></b>	<b><u>£216,013</u></b>

This report was approved by the Trustees on 14 May 2024 and signed on their behalf by

Myra Kinghorn- Chair

Lynne Powrie- Vice Chair

## **Notes to the Accounts**

### **1. Accounting Policies**

#### **Charity information**

Bromley Arts Trust CIO 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

	<b>31.3.2024</b>	<b>31.3.2023</b>
	<b>£</b>	<b>£</b>
Other income		
Donations	600	2,326
Gift in aid	981	0
Interest received	<u>1,114</u>	<u>0</u>
	<u>2,695</u>	<u>2,326</u>
Activities for generating funds	41,962	48,780
Investment Income	16,696	15,979
Incoming resources from charitable activities	<b><u>90,985</u></b>	<b><u>100,172</u></b>
	<b><u>152,337</u></b>	<b><u>167,257</u></b>

### Note 3

<b>Analysis of resources expended</b>	<b>31.3.2024</b>	<b>31.3.2023</b>
Costs of generating voluntary income	46,680	41,194
Fundraising /trading costs	0	0
Charitable activities	99,196	90,637
<b>Resources expended</b>	<b>145,876</b>	<b>131,831</b>

### Note 4

<b>Paid employees</b>	<b>Year ended 31.3.2024</b>	<b>Year ended 31.3.2023</b>
<b>4.1 Staff costs</b>		£
Gross salaries and benefits in kind including redundancy costs.	87,543	76,443
Employers pension costs	<u>3,707</u> <u>91,246</u>	<u>3,651</u> <u>80,094</u>
Employers NI contributions in the year ended 31 March 2024 were covered by the small business exemption.		
<b>4.2 Average number of fulltime equivalent employees</b>		
Charitable activities	1.6	1.6
Support staff	<u>1.0</u>	<u>1.4</u>
Total staff	<u>2.6</u>	<u>3.0</u>

#### 4.3 Defined contribution scheme

A contributory pension scheme is operated by the Pensions Trust. There were five (2023 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 2024 the percentage was 31% (2023 32%). Note 11 sets out the subsidiary's results and balance sheet for the year ended 31 March 2024.

## Note 7 Debtors

	31 March 2024	31 March 2023
Amounts falling due within one year.	5,130	778
Prepayments	<u>833</u>	<u>794</u>
	<b><u>5,963</u></b>	<b><u>1,572</u></b>
<b>Note 8 Creditors and accruals.</b>		
	<b>31 March 2024</b>	<b>31 March 2023</b>
	<b>£</b>	<b>£</b>
Accounts Payable	849	353
Deferred income	9,572	2,557
Provisions for implementing the Board's 2022 strategy	11,206	11,206
Amounts due to the Pensions Trust	672	673
Bromley Arts Festival Grant	1,644	1,644
Amounts owed to third parties	3,115	3,355
Accruals	<u>13,876</u>	<u>9,916</u>
	<b><u>40,934</u></b>	<b><u>29,704</u></b>

Repayments of the long- term loan including interest are estimated to be some £9,000 in the 12 months to 31.3.25.

## 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 2024**

<b>Profit and Loss Account</b>	<b>31 March 2024</b>	<b>31 March 2023</b>
Ripley Arts Centre Limited hire income for the year	41,962	48,780
Share of overheads 31.6% £145,876 (2023 33%)	<u>(46,097)</u>	<u>(43,526)</u>
		£5,254
Service charge	<u>0</u>	<u>( 2,000)</u>
Hire income (loss) surplus for the year ended 31.3.2024	(4,135)	3,254
Loss brought forward	<u>(959)</u>	<u>(4,213)</u>
Loss carried forward	<b><u>(5,094)</u></b>	<b><u>( 959)</u></b>

#### **Ripley Arts Centre Limited Balance sheet as at 31 March 2024**

	<b>31 March 2024</b>	<b>31 March 2023</b>
Bank	100	100
Amount due to charity	<u>(5,094)</u>	<u>(959)</u>
	<b><u>( 4,994)</u></b>	<b><u>(859)</u></b>
Share capital	100	100
losses carried forward	<u>(5094)</u>	<u>(959)</u>
	<b><u>(4994)</u></b>	<b><u>(859)</u></b>

