

**ARTS & BUSINESS SCOTLAND  
COMPANY LIMITED BY GUARANTEE**

**FINANCIAL STATEMENTS**

**For the Year Ended 31 March 2020**



**ARTS & BUSINESS SCOTLAND  
COMPANY LIMITED BY GUARANTEE**

**FINANCIAL STATEMENTS**

**Year ended 31 March 2020**

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**ARTS & BUSINESS SCOTLAND  
COMPANY LIMITED BY GUARANTEE**

Year Ended 31 March 2020

**MEMBERS OF THE BOARD AND PROFESSIONAL ADVISERS**

<b>Registered charity name</b>	Arts & Business Scotland
<b>Charity number</b>	SC042631
<b>Company registration number</b>	SC406905
<b>Registered office and operational Address</b>	Rosebery House 9 Haymarket Terrace Edinburgh EH12 5EZ
<b>Trustees</b>	Bridget McConnell Barry Nichol Diana Murray Nicola Gordon (resigned 27 February 2020) Andrew Warner Lynne Crossan (resigned 4 June 2020) Paul Macrae Smart Alex Dobbie Yolanda Aguilar Graeme Davies Fiona Macleod (appointed 14 May 2020) Alexandra Miller (appointed 14 May 2020) Jane Richardson (appointed 14 May 2020) Leah Hodder (appointed 9 June 2020)
<b>Chief Executive</b>	David Watt
<b>Secretary</b>	Moira Chapman
<b>Auditor</b>	Chiene + Tait LLP Chartered Accountants and Statutory Auditor 61 Dublin Street Edinburgh EH3 6NL
<b>Bankers</b>	CAF Bank Ltd 25 Kings Hill West Malling Kent ME19 4JQ
<b>Solicitors</b>	Turcan Connell Princes Exchange 1 Earl Grey Street Edinburgh EH3 9EE

**ARTS & BUSINESS SCOTLAND  
COMPANY LIMITED BY GUARANTEE**

**TRUSTEES ANNUAL REPORT**

**Year Ended 31 March 2020**

The trustees, who are also directors for the purposes of company law, present their report and the financial statements of the company for the year ended 31 March 2020.

**REFERENCE AND ADMINISTRATIVE DETAILS**

Reference and administrative details are shown in the schedule of members of the board and professional advisers on page 1 of the financial statements.

**THE TRUSTEES**

The trustees who served the company during the period were as follows:

Bridget McConnell  
Barry Nichol  
Diana Murray  
Nicola Gordon (resigned 27 February 2020)  
Andrew Warner  
Lynne Crossan  
Paul Macrae Smart  
Alex Dobbie  
Yolanda Aguilar  
Graeme Davies

**OBJECTIVES**

The charity's mission is to foster dynamic relationships between business and the arts to enable Scotland to benefit from a vibrant cultural community.

The charity's objects are the advancement of the arts, heritage and culture and the promotion of the efficiency of charities through the following activities:

- The promotion of partnership between the arts and business sectors for the advancement of the arts, heritage and culture;
- The promotion of philanthropy amongst businesses and individuals in order to advance the arts, heritage and culture; and
- The promotion of good governance amongst charities in Scotland including, but without prejudice to the generality, the provision of training, the promotion of best practice in the recruitment and induction of charity trustees and the exchanging of skills in the interests of good governance.

**PROGRAMME OF ACTIVITIES**

The charity undertook the following key activities:

**Grant-making policies: Culture & Business Fund Scotland**

The Scottish Government Department of Culture has made funding available via Creative Scotland to enable the charity to encourage new business sponsorship of the arts and heritage within Scotland via the Culture & Business Fund Scotland (CBFS).

The charity administered the third year of the CBFS, an incentive funding scheme to encourage and enable cultural and business partnerships to benefit Scotland's wider economy and society.

An on-line application process, dedicated website, and continuation of awareness raising and training programmes enabled the funding scheme to be more efficient, visible, transparent and relevant to potential beneficiaries in the business, arts and heritage sectors.

**TRUSTEES ANNUAL REPORT (continued)**

**Year Ended 31 March 2020**

**PROGRAMME OF ACTIVITIES (continued)**

Due to the CBFS ongoing awareness raising programme, business understanding and confidence in the scheme continued to grow, with the average CBFS award including matched sponsorship from businesses being £5,605 in the year under review, providing a total investment into cultural projects for the year of £472,230.

Projects receiving funds were required to outline how their cultural activity also positively impacted on multiple areas of social focus, with 68.42% citing education and learning outcomes as the key societal outcome. Projects and activities supporting young people and tourism accounted for 59.26% and 44.74% respectively, while 42.11% addressed equality, diversity and inclusion issues. Other awarded partnerships targeted impacts on older people; health and wellbeing; people with disabilities; the environment and community, and social empowerment.

To enable the continued promotion of the CBFS Programme, the charity, with supplementary resources provided by Historic Environment Scotland, delivered a series of free events for cultural organisations and businesses to learn more about how to apply to the programme and to hear first-hand evidence of the benefits of initiating and developing lasting cultural and business partnerships. 718 participants attended 9 events, which was a significant increase in attendance on the previous year of 553 participants.

**Development forums**

Development Forums and other networking events provided an opportunity for participants from the cultural, public and private sector to engage and share best practice. The charity delivered 3 forums in the year under review, which were free for members with a small charge for non-members. These were attended by 630 people.

This included a CBFS Reception in February 2020 that was attended by 247 delegates from across the cultural, public, political and business sectors, a significant increase on the attendance of 167 at the previous year's CBFS parliamentary reception, and the largest such event that the charity has delivered to date.

**Training and consultancy**

46 training courses and consultancy events were delivered during the year, reaching 496 people, including courses developed specially for the company covering Legacies, A Guide to Tax and A Guide to New Exhibitions Tax claims, as well as the popular sponsorship, copywriting, GDPR, crowdfunding, fundraising, board and Chair Matters events. A record 17 board development sessions were run during the year for individual arts and heritage organisations across Scotland, from Dumfries in the south to Nairn in the north.

**Business Briefings**

The series of short seminars delivered by our business partners and stakeholders, continued to facilitate cross-sector sharing of knowledge and skills across the membership. Covering a range of topics including Intellectual Property, Brexit, Digital Transformation and Fire safety. 4 stand-alone sessions were attended by 54 participants.

**New Voices, Fresh Perspectives**

A new programme entitled New Voices, Fresh Perspectives was initiated with support from the William Grant Foundation. This aims to place young people on the boards of culture organisations to address diversity and inclusion agendas. Over 100 young people applied to take part and 18 were selected, with most of the training being delivered in the next financial year. 34 organisations from across the arts and heritage sectors have registered to secure a board placement from this programme. These placements will also be brokered in the next financial year.

**TRUSTEES ANNUAL REPORT (continued)**

**Year Ended 31 March 2020**

**COMMUNICATIONS**

The charity continued to work with Orbit Communications, who provided external press, media and communications to promote and raise awareness of the CBFS, other charitable events and training, as well as supporting the publication of a number of broadsheet editorial articles and opinion pieces on the value and impact of the cultural sector on broader societal issues. This generated 12 print / 26 online articles on the charitable activities. The charity also used several digital communication channels to engage with members and stakeholders:

The company's website received 32,633 visits by 25,361 people. Additionally, the recently launched CBFS website received 4,082 visits by 2,965 people.

Social media accounts grew over the year. Twitter followers increased to 3,390, with Facebook, LinkedIn and Instagram also reaching more followers.

**FINANCIAL REVIEW**

**Financial performance**

The year has shown a positive performance in unrestricted funds with a surplus of £10,467 after transfers. Restricted funds show a surplus of £48,008 for the year after transfers. As at 31 March 2020 there was a total balance of unrestricted reserves of £53,446 and a balance of restricted reserves of £48,008.

The Board acknowledges the financial support of its principal funders: Creative Scotland, the Scottish Government, Historic Environment Scotland, the William Grant Foundation and sponsors and other supporters that have contributed to supporting the charity's revenue activities.

**Investment Powers**

Under the Memorandum and Articles of Association, the charity has the power to invest in any way the directors wish. The directors, having regard to the liquidity requirements of operating Arts & Business Scotland and to the reserves policy, and our risk appetite have looked to deposit available funds in accounts offering competitive rates of interest.

**Reserves policy**

The directors recognise their corporate responsibility to ensure that the charity has sufficient reserves to fund present and future liabilities. Total reserves held at 31 March 2020 were £101,454 of which £53,446 were unrestricted.

The reserves policy is to hold 3 months core running costs, as unrestricted reserves, which would amount to £81,006, the reserves have been and will continue to be increased in order to comply with this policy. The unrestricted reserves have increased in line with this strategy in the year to 31 March 2020. The future strategy will also focus on maintaining existing revenue flows whilst increasing funding in new and under developed revenue streams and maintaining a focus on costs, in particular relating to the delivery of some of our major programmes and events in order to maximise return on investment. The reserves policy will continue to be reviewed in light of future aims and best practice.

**TRUSTEES ANNUAL REPORT (continued)**

**Year Ended 31 March 2020**

**FINANCIAL REVIEW (continued)**

**Going Concern**

In accordance with the Reserves Policy, the directors have reviewed the unrestricted reserves as at 31 March 2020. This was considered within the context that Scottish Government funding of £300,000 has been confirmed for 2020-21 and that the Charity has also secured 2018-21 Revenue Fund Organisation (RFO) status from Creative Scotland, with a standstill commitment to core activities of £200,000 per annum. Further funding of £89,727 (2020-21) per annum has been committed by Historic Environment Scotland 2020-23 to fund our Building Capacity: Developing Skills programme.

A full risk assessment has been undertaken in light of Covid 19 and mitigating actions have been implemented to minimise negative impact including the safeguarding of staff and successful application to resilience funding through external trusts and foundations.

Having reviewed financial performance to 30 June 2020 and prudent forecasts to 31 March 2022, the directors are satisfied that unrestricted reserves will increase to levels above those currently held at 31 March 2020. The directors are satisfied that the company can meet all of its present and future obligations for the foreseeable future.

**Risk management**

The charity has a risk register which is regularly reviewed and 'Risk' is a standing agenda item within the business of the Finance and Risk Committee. Major risks identified this year and the mitigating activities are:

- Covid 19 pandemic impact: This risk applies to all areas of the business including staff health, loss of income, increased costs, IT and business continuity. Mitigants include: home and flexible working for staff, improved office hygiene standards and cleaning, regular contact with funders, regular finance reporting and impact projections, regular updates on funding opportunities and risks, review of all non contractual expenditure and obligations, discretionary and IT expenditure, and member support.
- Reduction of income through reduction or withdrawal of funding from funders (key funders are Creative Scotland and the Scottish Government), and reduction of membership income or lower income from activities and services. Mitigants include agency relationship management, diversification of income streams, maximising partnership buy-in, reviews of Scottish Government proposals, a regular membership review as well as monitoring and forward planning of activities, review of geographical reach to take advantage of local sponsorship opportunities and on-going consultation with members, funders and other stakeholders. Scottish Government funding of £300,000 has been confirmed for 2020/21. The Charity also continues to receive £200,000 as a Creative Scotland Revenue Fund Organisation (RFO), to support core activities in the year ahead. A further £89,727 per annum has been committed by Historic Environment Scotland 2020-23 to fund our Building Capacity: Developing Skills programme.
- Missed new funding opportunities leading to restrictions in the development of services. All Managers identify and work on new and existing fundraising opportunities.

**PLANS FOR FUTURE PERIODS**

A significant challenge in 2020-21 will be how the charity rises to the challenges presented by the COVID-19 pandemic and the opportunities that this situation presents for review and renewal of existing programmes and modes of delivery, to enable the stakeholders that we support to recover, renew and become more sustainable in the short and longer term future.

To this end, the charity has undertaken an extensive and in-depth strategic review of key priorities going forward. This considered the key challenges faced by the business and culture sector respectfully, and what the charity could and should do to support immediate and longer-term needs.

**TRUSTEES ANNUAL REPORT (continued)**

**Year Ended 31 March 2020**

**PLANS FOR FUTURE PERIODS (continued)**

This has defined the following priorities to be taken forward to support the business sector:

**1 Encouraging Innovation & creativity**

Aiding Staff Professional Development by connecting business professionals with cultural experiences to address productivity and wellbeing issues for employers and extend culture sector reach.

**2 Local Clustering & Relationship Building**

Expanding regional and rural reach to enable cross-sector relationship development at a local level.

**3 Collaborations with other business hubs**

Extending our relationship with Chambers of Commerce, sector development bodies (Visit Scotland / SURF / Scotland's Towns Partnership etc.) and economic development bodies and agencies (Scottish Enterprise / HIE / SCDI).

This strategic review has also defined the following priorities to be taken forward to support the culture sector:

**1 Engage digital audiences & create Virtual offering**

Expand upon the newly initiated online programme delivery of previous face-to-face Business Briefings delivery through online webinars.

**2 Membership**

In response to the challenge of recruiting new Business members, repurposing the Business Membership Committee to enable consideration of evolving business needs and opportunities for A&BS engagement. This will also scope the opportunity to broaden/reframe 'membership' offering for new member groups and how it relates with wider communities (BAME, Young etc).

**3 Reframe/confirm A&BS offering and role**

Raise the profile of A&BS as the only agency in Scotland that can connect the business, culture, public and third sectors to enable social and economic wellbeing.

All of the above will be informed by a mapping exercise and the development of a new Communications & Marketing plan.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

Arts & Business Scotland is a company limited by guarantee and governed by its Articles of Association and is a registered charity. The company was incorporated on 6 September 2011 and registered as a charity on 3 October 2011. Membership of the company is open to persons that support the advancement of the main objects of Arts & Business Scotland and their liability is limited to £1. The current directors comprise all the members of the company. Directors are elected by the Members in accordance with the Articles of Association for a term of three years and are eligible to stand for re-election for a second term of 3 years. The minimum number of directors is 3 and the maximum number of directors is 12.

### **Directors' induction and training**

New directors have an induction meeting with the Chair and the Chief Executive in order to brief them about their role and responsibilities and about the objectives and activities of the organisation. Directors are also encouraged to attend Arts & Business Scotland's own Introduction to being a Board Member course.

### **Organisation**

The Board of Directors administers the charity. The Board meets quarterly and oversees the charity's activities, including funding, strategic planning and policies. A Chief Executive is appointed by the board to manage day to day operations. To facilitate effective operations, the Chief Executive has delegated authority, within terms of delegation approved by the directors, for operational matters including operational delivery, financial management, and communications.

None of the directors receive remuneration from their work with the charity.

To enable detailed scrutiny of all operational matters, the Board of Directors is serviced by the following Committees:

**The Finance and Risk Committee** is a standing committee that advises the Board in discharging its accountabilities on financial matters including financial controls, procedures, reporting and also in reviewing major risks and implementing actions required.

**The Staffing Committee** is a standing committee that advises the Board in discharging its accountabilities on staffing matters, including review of staffing structure, staff terms and conditions, performance and appraisal management and grievance procedures. Remuneration for staff is regularly reviewed by the Staffing Committee. Each year the Staffing Committee carry out pay review for all staff. This review addresses a range of factors, principally performance, development of skills and experience and cost of living.

**The Business Membership Committee** is a standing committee that advises the Board on business membership matters including business membership strategy and performance, as well as advising members of the staff team on matters of business membership recruitment in order to maximise the opportunities for the charity.

**The Marketing & Communications Committee** is a standing committee that advises the Board on matters including the development on the Marketing & Communications Strategy to maximise awareness of the value and impact of the work of the charity.

### **Corporate Performance**

A corporate performance reporting system enables accurate assessment of progress made to date, against targets & activities within programmes of work, funding agreements and other organisational objectives. This is reviewed and revised annually to reflect changes to strategy, delivery focus and document progress against newly funded activities.

**TRUSTEES ANNUAL REPORT (continued)**

**Year Ended 31 March 2020**

**STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

Staff members who are responsible for specific areas of work, complete the appropriate areas in the organisational workplan. The organisational workplan measures performance against targets and outcomes that are then incorporated into the corporate performance report document. This aggregated information informs the CEO report at quarterly Board meetings and provides annual information for the formation of an Annual Report

**Related parties**

Arts & Business Scotland has a close relationship with Creative Scotland and the Scottish Government who provide essential support of the company's programme of activities.

**TRUSTEES' RESPONSIBILITIES STATEMENT**

The trustees (who are also the directors of Arts & Business Scotland for the purposes of company law) are responsible for preparing the Trustees Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the income and expenditure of the company for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102) (second edition – October 2019);
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in operation.

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

**ARTS & BUSINESS SCOTLAND  
COMPANY LIMITED BY GUARANTEE**

**TRUSTEES ANNUAL REPORT (continued)**

**Year Ended 31 March 2020**

**TRUSTEES' RESPONSIBILITIES STATEMENT REPORT (continued)**

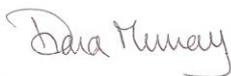
Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as each trustee is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each trustee has taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

**SMALL COMPANY PROVISIONS**

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Signed on behalf of the trustees



.....  
**DIANA MURRAY**  
**Chairperson**

Date: 12 October 2020

Registered office: Rosebery House  
9 Haymarket Terrace Edinburgh  
EH12 5EZ  
Diana Murray, Chairperson



### Opinion

We have audited the financial statements of Arts & Business Scotland (the 'charitable company') for the year ended 31 March 2020 which comprise the Statement of Financial Activities (including income and expenditure account), the Balance Sheet, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2020, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.



**Other information (Continued)**

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies' exemption from the requirement to prepare a strategic report.

**Respective responsibilities of Trustees and auditor**

As explained more fully in the trustees' responsibilities statement set out on pages 8 and 9 the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Use of our report**

This report is made solely to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charity's Trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the members and the charity's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity, its members as a body and its Trustees as a body, for our audit work, for this report, or for the opinions we have formed.



**Jeremy Chittleburgh CA (Senior Statutory Auditor)**  
For and on behalf of

**CHIENE + TAIT LLP**  
Chartered Accountants and Statutory Auditor  
61 Dublin Street  
Edinburgh EH3 6NL

12 October 2020

Chiene + Tait LLP is eligible to act as an auditor under s1212 of the Companies Act 2006

STATEMENT OF FINANCIAL ACTIVITIES  
(incorporating the income and expenditure account)

Year ended 31 March 2020

	Notes	Un- Restricted Funds £	Restricted Funds £	Total 2020 £	Un- Restricted Funds £	Restricted Funds £	Total 2019 £
<b>Income from:</b>							
Donations and core grants	3	213,692		213,692	205,820	11,498	217,318
Charitable activities	4	77,290	407,134	484,424	76,751	431,559	508,310
Other trading activities	5	2,079	-	2,079	5,589	-	5,589
Investments	6	1,103	-	1,103	539	-	539
<b>Total Income</b>		<b>294,164</b>	<b>407,134</b>	<b>701,298</b>	<b>288,699</b>	<b>443,057</b>	<b>731,756</b>
<b>Expenditure on:</b>							
Raising funds	7	13,764	-	13,764	15,193	-	15,193
Charitable activities	8	278,332	350,727	629,059	263,861	493,042	756,903
<b>Total Expenditure</b>		<b>292,096</b>	<b>350,727</b>	<b>642,823</b>	<b>279,054</b>	<b>493,042</b>	<b>772,096</b>
<b>Net Income/(Expenditure)</b>	11	2,068	56,407	58,475	9,645	(49,985)	(40,340)
Transfers between funds	21	8,399	(8,399)	-	6,966	(6,966)	-
<b>Net movement in funds</b>		<b>10,467</b>	<b>48,008</b>	<b>58,475</b>	<b>16,611</b>	<b>(56,951)</b>	<b>(40,340)</b>
<b>Reconciliation of Funds</b>							
Total funds brought forward	21,22	42,979	-	42,979	26,368	56,951	83,319
<b>Total Funds Carried Forward</b>	23	<b>53,446</b>	<b>48,008</b>	<b>101,454</b>	<b>42,979</b>	<b>-</b>	<b>42,979</b>

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

All of the above amounts relate to continuing activities.

The notes on pages 16 to 26 form part of these financial statements.

**ARTS & BUSINESS SCOTLAND  
COMPANY LIMITED BY GUARANTEE**

**BALANCE SHEET**

**As at 31 March 2020**

	Notes	£	2020 £	£	2019 £
<b>Fixed Assets</b>					
Tangible assets	15		24,124		20,680
<b>Current Assets</b>					
Debtors	16	123,218		75,597	
Cash at bank and in hand		146,344		122,533	
		-----		-----	
		269,562		198,130	
<b>Creditors:</b> Amounts falling due within one year	17	(190,935)		(169,183)	
		-----		-----	
<b>Net current assets</b>			78,627		28,947
			-----		-----
<b>Total Assets Less Current Liabilities</b>			102,751		49,627
<b>Creditors:</b> Amounts falling due after more than one year	18		(1,297)		(6,648)
			-----		-----
<b>Net Assets</b>			101,454		42,979
			=====		=====
<b>Funds of the charity</b>					
Restricted income funds	21		48,008		-
Unrestricted income funds	22		53,446		42,979
			-----		-----
<b>Total Charity Funds</b>			101,454		42,979
			=====		=====

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

These financial statements were approved by the members of the Board and authorised for issue on the 12 October 2020 and are signed on their behalf by:



Diana Murray

Company Registration Number: SC406905

The notes on pages 16 to 26 form part of these financial statements.

**ARTS & BUSINESS SCOTLAND  
COMPANY LIMITED BY GUARANTEE**

**STATEMENT of CASH FLOWS**

**Year ended 31 March 2020**

	<b>Notes</b>	<b>2020</b> £	<b>2019</b> £
<b>Cash generated by/(used in) operating activities</b>	25	38,276	(54,581)
		-----	-----
<b>Cash flows from investing activities</b>			
Interest received		1,103	539
Purchase of tangible fixed assets		(15,568)	(8,688)
		-----	-----
<b>Cash used in investing activities</b>		(14,465)	(8,149)
		-----	-----
Increase/(decrease) in cash and cash equivalents in the year		23,811	(62,730)
Cash and cash equivalents at the beginning of the year		122,533	185,263
		-----	-----
<b>Total cash and cash equivalents at the end of the year</b>		146,344	122,533
		=====	=====

**Analysis of changes in net debt**

	<b>2019</b> £	<b>Cash- flows</b> £	<b>2020</b> £
Cash and cash equivalents	122,533	23,811	146,344
	-----	-----	-----
	122,533	23,811	146,344
	=====	=====	=====

The notes on pages 16 to 26 form part of these financial statements.

## **NOTES to the FINANCIAL STATEMENTS**

**Year ended 31 March 2020**

### **1. Accounting Policies**

#### **Basis of accounting**

The financial statements have been prepared in compliance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition – October 2019), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006, the Charities Accounts (Scotland) Regulations 2006 (as amended) , and UK Generally Accepted Practice as it applies from 1 January 2015.

Arts & Business Scotland meets the definition of a public benefit entity under FRS102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

#### **Going Concern**

The financial statements have been prepared on a going concern basis which assumes the company will continue in operation for a period of 12 months from the date of approval of the financial statements. The Trustees do not consider that there are any material uncertainties about the charity's ability to continue as a going concern. Further commentary from the Directors regarding going concern is contained in the Financial Review section of the Directors' Report. The Directors have additionally addressed going concern in the light of COVID 19 and do not consider that it affects the company's ability to continue as a going concern.

#### **Income**

All income is included in the statement of financial activities when the charity is entitled to the income, any performance related conditions attached have been met or are fully within the control of the charity, the income is considered probable and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Donations and legacy income is received by way of donations, legacies, grants and gifts and is included in full in the statement of financial activities when receivable. Where legacies have been notified to the charity but the criteria for income recognition have not been met, the legacy is treated as a contingent asset and disclosed if material. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.
- Donated services and facilities are included at the value to the charity, being the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market.
- Investment income is included when receivable.
- Income from charitable trading activity is accounted for when earned. In relation to membership subscriptions such income is recognised as earned or as the related services or benefits are provided. Subscriptions are accounted for on an accruals basis
- Income from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.

#### **Expenditure**

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates:

- Costs of raising funds comprise the costs associated with attracting donations, grants and legacies and the costs of trading for fundraising purposes.

**NOTES to the FINANCIAL STATEMENTS (continued)**

**Year ended 31 March 2020**

**1. Accounting Policies (continued)**

- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them. Investment programme costs are recognised in the year that they are approved by the charity and communicated to the recipient, irrespective of the period for which the investment is payable. This is the point at which the charity has a obligation, legal or constructive, to meet this expenditure. There are normally certain conditions that must be met before the investment is actually paid over, however it is reasonably certain that these will be met and the payment made
- All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis, as set out in the notes to the financial statements.

**Fund accounting**

The Charity has various types of funds which require to be separately disclosed as follows:-

Unrestricted funds are funds which are expendable at the discretion of the Board in furtherance of the objects of the charity.

Restricted funds are funds to account for situations where a donor or provider of a grant requires that a donation/grant can only be spent on a particular purpose or where funds have been raised for a specific purpose. Related expenditure is identified to the fund, together with a fair reflection of support costs.

**Fixed assets**

Individual fixed assets costing £500 or more are capitalised at cost. Fixed assets are stated at cost less accumulated depreciation.

**Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Computer Equipment and database systems	-	3-5 years straight line
Other office equipment	-	5 years straight line
Fixtures and fittings	-	5 years straight line

**Operating lease agreements**

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Lease incentives, such as rent free periods, are spread over the lease term.

**Pension costs**

The pension costs charged in the financial statements represent the contribution payable by the company during the year.

**NOTES to the FINANCIAL STATEMENTS (continued)**

**Year ended 31 March 2020**

**1. Accounting Policies (continued)**

**Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments.

**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 to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at their settlement amount after allowing for any trade discounts due.

**Financial instruments**

The charity only has financial assets and financial liabilities that qualify as basic financial instruments. Basic financial instruments are initially measured at transaction value and subsequently measured at their settlement value.

**Judgements and key sources of estimation uncertainty**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year include: depreciation, residual value and useful economic life, and expenditure allocation of employee time to specific projects.

**2. General Information**

Arts & Business Scotland is a company limited by guarantee registered in Scotland (SC406905). The address of the registered office is given in the charity information on page 1 of these financial statements.

The nature of the charity's operations and principal activities are the advancement of the arts, heritage and culture and the promotion of the efficiency of charities.

<b>3. Donations and Core Grants</b>	<b>Un- restricted Funds</b>	<b>Restricted Funds</b>	<b>Total 2020</b>	<b>Total 2019</b>
	£	£	£	£
<b>Donations</b>				
Donations	13,692	-	13,692	14,798
<b>Donated services</b>				
Sponsorship in kind	-	-	-	2,520
<b>Grants receivable</b>				
CS – service agreement	200,000	-	200,000	200,000
	-----	-----	-----	-----
	213,692	-	213,692	217,318
	=====	=====	=====	=====

**NOTES to the FINANCIAL STATEMENTS (continued)**

**Year ended 31 March 2020**

**3. Donations and Core Grants (continued)**

**Government Grants**

The charity received funding from the certain bodies as set out in notes 3 and 4 during the current and previous year which are considered to be government grants as defined in FRS102 SORP. With the exception of the service agreement with Creative Scotland all the grants were restricted funds for specific projects further information in respect of which can be found in the note detailing the purposes of restricted funds.

<b>4. Income from Charitable Activities</b>	<b>Un restricted Funds</b>	<b>Restricted Funds</b>	<b>2020 Total</b>	<b>2019 Total</b>
	£	£	£	£
Membership fees	39,687	-	39,687	46,059
Grants receivable:				
Creative Scotland - Culture & Business Fund Scotland (New Arts Sponsorship)		308,049	308,049	300,062
Creative Scotland – Chairmatters	-	28,978	28,978	3,522
Heritage Lottery Fund	-	-	-	89,180
HES - C&BF Awareness Raising	-	22,500	22,500	22,000
SDS & CS Resilience Training	-	-	-	4,975
Wm Grant - Young People on Cultural Board Programme	-	25,000	25,000	-
CS Sustainability Programme	-	20,000	20,000	-
HES Organisational Support Programme	-	1,000	1,000	-
Other income from charitable activities:				
Event ticket sales	27,953	1,607	29,560	31,280
Consultancy fees	9,650	-	9,650	11,232
	-----	-----	-----	-----
	77,290	407,134	484,424	508,310
	=====	=====	=====	=====

<b>5. Other Trading Activities</b>	<b>Un restricted Funds</b>	<b>Restricted Funds</b>	<b>2020 Total</b>	<b>2019 Total</b>
	£	£	£	£
Premises sublet	1,780	-	1,780	3,814
Other	299	-	299	1,775
	-----	-----	-----	-----
	2,079	-	2,079	5,589
	=====	=====	=====	=====

<b>6. Investment Income</b>	<b>Un restricted Funds</b>	<b>Restricted Funds</b>	<b>2020 Total</b>	<b>2019 Total</b>
	£	£	£	£
Bank interest receivable	1,103	-	1,103	539
	=====	=====	=====	=====

<b>7. Costs of Raising Funds</b>	<b>Un restricted Funds</b>	<b>Restricted Funds</b>	<b>2020 Total</b>	<b>2019 Total</b>
	£	£	£	£
Support costs	13,764	-	13,764	15,193
	=====	=====	=====	=====

**NOTES to the FINANCIAL STATEMENTS (continued)**

**Year ended 31 March 2020**

**8. Costs of Charitable Activities by Fund Type**

	Un restricted Funds £	Restricted Funds £	2020 Total £	2019 Total £
Investment programmes (note 10)	-	226,407	226,407	240,499
Other direct charitable activity	156,741	29,412	186,153	353,192
Support costs	121,591	94,908	216,499	163,212
	-----	-----	-----	-----
	278,332	350,727	629,059	756,903
	=====	=====	=====	=====

**9. Analysis of Support Costs**

	Charitable Activities £	Cost of Generating Income £	Govern- ance £	2020 Total £	2019 Total £
Staff costs	132,546	7,969	5,313	145,828	89,571
Premises	35,734	4,000	817	40,551	47,548
Communications and IT	9,800	1,381	282	11,463	12,368
Legal and professional	35	-	-	35	129
Depreciation	12,124	-	-	12,124	9,143
Miscellaneous costs	14,526	414	85	15,025	14,053
Audit fees	-	-	5,206	5,206	5,262
Cost of trustees' meetings	31	-	-	31	331
Reallocate governance costs	11,703	-	(11,703)	-	-
	-----	-----	-----	-----	-----
	216,499	13,764	-	230,263	178,405
	=====	=====	=====	=====	=====

Costs relating to the above categories of activity have been allocated based on estimations of staff time and usage.

**10. Investment Programme (Grants Made)**

The Scottish Government Department of Culture has made funding available via Creative Scotland to Arts & Business Scotland to encourage new business sponsorship of the arts within Scotland. Under the scheme the arts organisation receiving an eligible business sponsorship gets £1 of funding from Arts & Business Scotland in the form of a Culture & Business Fund Scotland (New Arts Sponsorship) Grant for every £1 of sponsorship.

Grants totalling £226,407 were made under the scheme to the undernoted during the period. These are all considered to be grants to institutions in terms of its meaning in the Charities SORP FRS 102.

**NOTES to the FINANCIAL STATEMENTS (continued)**

**Year ended 31 March 2020**

<b>10. Investment Programme (Grants Made) (continued)</b>	<b>£</b>
V&A Museum	20,000
Scottish Chamber Orchestra	10,000
The National Theatre	10,000
Eden Court	11,000
Vision Mechanics	28,500
Horsecross Arts	10,000
Trams Direct	10,000
Edinburgh International Book Festival	18,000
Scottish Music Industry	10,000
Guilt of players	13,728
Other grants - all less than £10,000 individually	74,681
	-----
	215,909
Programme partnership fees	10,498
	-----
Total investment programme costs	226,407
	=====

<b>11. Net income/expenditure for the year</b>	<b>2020</b>	<b>2019</b>
	£	£
This is stated after charging:		
Staff pension contributions	14,171	12,967
- Depreciation	12,124	9,144
Auditors' fees	5,375	5,262
Operating lease costs:		
- Land and buildings	32,868	31,523
- Plant and machinery	1,061	1,673
	=====	=====

The total auditor's remuneration to carry out the audit and prepare the statutory financial statements was £5,375 (2019: £5,262).

<b>12. Staff Costs and Emoluments</b>	<b>2020</b>	<b>2019</b>
	£	£
Total staff costs were as follows:		
Wages and salaries	230,349	252,368
Social security costs	21,110	21,592
Other pension costs	14,171	12,967
Statutory payments and refunds	-	18
	-----	-----
	265,630	286,945
	=====	=====

**Particulars of employees:**

The average number of employees during the year, was as follows:

	<b>No.</b>	<b>No.</b>
Administrative staff	5	7
Chief Executive	1	1
	-----	-----
	6	8
	=====	=====

**NOTES to the FINANCIAL STATEMENTS (continued)**

**Year ended 31 March 2020**

**12. Staff Costs and Emoluments (continued)**

No employee received remuneration of more than £60,000 during the year (2019: Nil).

The aggregate remuneration to key management personnel in the year was £213,007 (2019: £193,152).

**Employee pension scheme**

The company offers access to all employees to its registered Group Personal Pension Scheme, which is a "defined contribution" scheme and meets current stakeholder requirements. Employer's contributions of £12,967 were payable during the year. The company owed £Nil (2018: £1,036) to the scheme as at the year end.

**13. Taxation**

The company is a registered charity and as such its activities fall within the exemptions afforded by Section 505 of the Income and Corporation Taxes Act 1988. Accordingly, no provision is considered necessary for taxation.

**14. Trustee Remuneration and Related Party Transactions**

None of the trustees received any remuneration during the year for acting in the capacity of trustee (2019: £Nil). No charity trustee received payment for professional or other services supplied to the charity (2019: £Nil). Expenses incurred in the sum of £nil were reimbursed to one of the trustees during the year (2019: £98 to one of the trustees).

There were no transactions during the year with other related parties which require to be disclosed (2019: £Nil).

<b>15. Tangible Fixed Assets</b>	<b>Plant and machinery etc</b>
	<b>£</b>
<b>Cost</b>	
<b>At 1 April 2019</b>	68,488
Additions	15,568
	-----
<b>At 31 March 2020</b>	84,056
	-----
<b>Depreciation</b>	
At 1 April 2019	47,808
Charge for the year	12,124
	-----
<b>At 31 March 2020</b>	59,932
	-----
<b>Net Book Value</b>	
At 31 March 2020	24,124
	=====
At 31 March 2019	20,680
	=====

**NOTES to the FINANCIAL STATEMENTS (continued)**

**Year ended 31 March 2020**

<b>16. Debtors</b>	<b>2020</b>	<b>2019</b>
	£	£
Trade debtors	7,316	13,025
Other debtors	60,925	59,498
Prepayments	51,525	3,074
VAT	3,452	-
	-----	-----
	123,218	75,597
	=====	=====

<b>17. Creditors: Amounts falling due within one year</b>	<b>2020</b>	<b>2019</b>
	£	£
Trade creditors	886	16,844
VAT	-	546
Other creditors	120,728	119,979
Accruals and deferred income	69,321	31,814
	-----	-----
	190,935	169,183
	=====	=====

Included in other creditors are grant commitments of £120,729 (2019: £119,979). Further information regarding the movement in deferred income in the year is given in the following notes.

<b>18. Creditors: Amounts falling due after more than one year</b>	<b>2020</b>	<b>2019</b>
	£	£
Accruals and deferred income	1,297	6,648
	=====	=====

**19. Deferred Income**

Included within other creditors falling due within one year are deferred memberships of £13,893 (2019: £13,041), and deferred sponsorship income of £44,708 (2019: £Nil).

	<b>2020</b>	<b>2019</b>
	£	£
Balance at 1 April 2019	13,041	10,592
Amount released to income	(13,041)	(10,592)
Amount deferred in year	58,601	13,041
	-----	-----
Balance at 31 March 2020	58,601	13,041
	=====	=====

**NOTES to the FINANCIAL STATEMENTS (continued)**

**Year ended 31 March 2020**

**20. Commitments Under Operating Leases**

At 31 March 2020 the company's total future minimum lease payments under non-cancellable operating leases was as undernoted.

	<b>Land and Buildings</b>	<b>2020 Other Items</b>	<b>Land and Buildings</b>	<b>2019 Other Items</b>
	£	£	£	£
Operating leases which expire:				
Within 1 year	32,868	-	32,868	1,061
Within 2 to 5 years	2,739	-	35,607	530
	-----	-----	-----	-----
	35,607	-	68,475	1,591
	=====	=====	=====	=====

**21. Restricted Income Funds**

	<b>Balance at 1 April 2019</b>	<b>Income</b>	<b>Expend- iture</b>	<b>Transfers</b>	<b>Balance at 31 March 2020</b>
	£	£	£	£	£
Culture & Business Fund Scotland	-	309,656	(301,257)	(8,399)	-
HES CBFS Awareness	-	22,500	(22,500)	-	-
Chairmatters	-	28,978	(14,965)	-	14,013
WG Young People on Cultural Board	-	25,000	(7,573)	-	17,427
CS Organisational Sustainability Programme	-	20,000	(3,432)	-	16,568
HES Organisational Support Programme	-	1,000	(1,000)	-	-
	-----	-----	-----	-----	-----
	-	407,134	(350,727)	(8,399)	48,008
	=====	=====	=====	=====	=====

	<b>Balance at 1 April 2018</b>	<b>Income</b>	<b>Expend- iture</b>	<b>Transfers</b>	<b>Balance at 31 March 2019</b>
	£	£	£	£	£
Culture & Business Fund Scotland	34,626	300,462	(328,087)	(7,001)	-
HES	-	22,000	(22,000)	-	-
Creativity at work	363	-	(363)	-	-
Chairmatters	4,345	3,522	(7,880)	13	-
Heritage Lottery Project	(1,057)	106,098	(105,063)	22	-
Skills Development Scotland & Creative Scotland	18,674	10,975	(29,649)	-	-
	-----	-----	-----	-----	-----
	56,951	443,057	(493,042)	(6,966)	-
	=====	=====	=====	=====	=====

**NOTES to the FINANCIAL STATEMENTS (continued)**

**Year ended 31 March 2020**

**21. Restricted Income Funds (continued)**

**Purposes of Restricted Income Funds**

*Creative Scotland - Culture & Business Fund Scotland (previously New Arts Sponsorship):* This was funding the nature of which is further explained in note 10. On completion of the capitalised database development project funded from this fund, the cost was transferred to unrestricted funds.

*HES -Historic Environment Scotland:* This funding has been provided to enable the company to communicate the opportunity presented by the new Culture & Business Fund Scotland for the heritage sector within Scotland.

*CS (Creative Scotland) - Creativity at Work:* This is funding for businesses to support an artist in residence in the company's workplace. As the development and management of the project crossed the year end, an unspent amount of £363 was carried forward to be used for the equivalent purpose.

*CS (Creative Scotland) – Chairmatters* - This was funding towards the cost of a series of networking events for the chairs of Creative Scotland regularly funded organisations.

*Heritage Lottery Project* - This is for the Resourcing Scotland's Heritage project. Income from RSH events, which is included within income from charitable activities in the financial statements, is treated as restricted funding in relation to this project. The deficit represents the accrual of costs for holidays not taken at the year end and will be recovered in the following year.

*Skills Development Scotland and Creative Scotland* - This is matched funding for the delivery of the Creative Industries Project.

*William Grant Foundation* – This is funding to deliver New Voices, Fresh Perspectives, a young people professional development programme that will lead to their placement as trustees on the boards of arts or heritage organisations.

*CS (Creative Scotland) - Organisational Sustainability Programme* - This was funding towards the cost of delivering a series of professional development days for a cohort of professionals from arts and heritage organisations, with a view to helping these organisations become more entrepreneurial.

*HES (Historic Environment Scotland) - Organisational Support Programme* – This is funding over a three-year period to enable the charity to extend its engagement with and support for the heritage sector.

	<b>Balance at 1 April 2019</b>	<b>Income</b>	<b>Expend- iture</b>	<b>Transfers</b>	<b>Balance at 31 March 2020</b>
	£	£	£	£	£
<b>22. Unrestricted Income Funds</b>					
General Funds	42,979	294,164	(292,096)	8,399	53,446
	=====	=====	=====	=====	=====

	<b>Tangible Fixed assets</b>	<b>Net current assets/ (liabilities)</b>	<b>Long term liabilities</b>	<b>Total</b>
	£	£	£	£
<b>23. Analysis of Net Assets Between Funds 2020</b>				
Unrestricted income funds	24,124	30,619	(1,297)	53,446
Restricted funds	-	48,008	-	48,008
	-----	-----	-----	-----
<b>Total funds</b>	24,124	78,627	(1,297)	101,054
	=====	=====	=====	=====

**NOTES to the FINANCIAL STATEMENTS (continued)**

**Year ended 31 March 2020**

23. Analysis of Net Assets Between Funds 2019	Tangible Net current		Long term liabilities £	Total £
	Fixed assets £	assets/ (liabilities) £		
Unrestricted income funds	20,680	28,947	(6,648)	42,979
Restricted funds	-	-	-	-
<b>Total funds</b>	<b>20,680</b>	<b>28,947</b>	<b>(6,648)</b>	<b>42,979</b>

**24. Company Limited by Guarantee**

The Charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

**25. Reconciliation of Net Movement in Funds to Net Cash Flow from Operating Activities**

	2020 £	2019 £
Net movement in funds	58,475	(40,340)
Add back depreciation charge	12,124	9,144
Deduct interest income shown in investing activities	(1,103)	(539)
Increase in debtors	(47,621)	23,100
Increase/(decrease) in creditors	16,401	(45,946)
Net cash generated by/(used in) operating activities	<b>38,276</b>	<b>(54,581)</b>

**26. Capital commitments**

Expenditure of approximately £nil (2019: £7,500) has been contracted for in respect of database development work to be undertaken in the year to 31 March 2020.

**27. Going concern and post balance sheet events – COVID 19**

Subsequent to the year end the impact of the pandemic on the general economy and working environment has increased significantly. The potential effect on the finances and operational activities of the charity has been assessed by management and the board, and steps have been taken to mitigate these risks as set out in more detail in the Directors' Report. At this stage, while significant elements of grant funding forecast in respect of 2020-21 and 2021-22 beyond has been confirmed, uncertainty remains in terms of grant and fundraising income for 2021-22, as well as related costs. The Directors are satisfied that confirmed funding and existing reserves, as well as mitigation taken to date, provides reasonable assurance that the charity can continue to operate for at least 12 months from the approval of these financial statements.