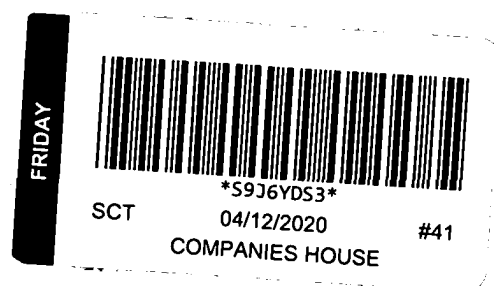


NORTH EDINBURGH ARTS
(A Company Limited by Guarantee)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020



Charity Registration No: SC027700

Company Registration No: SC184477

NORTH EDINBURGH ARTS

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NORTH EDINBURGH ARTS

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2020

The directors are pleased to present their annual directors' report together with the financial statements of the charity for the year ending 31 March 2020 which are also prepared to meet the requirements for a trustees' report and accounts for Charity Law purposes.

The financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006, the Memorandum and Articles of Association, and 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) (effective 1 January 2019).

Chairperson's Summary

Over the past year North Edinburgh Arts has continued to flourish and to ensure NEA is at the heart of the community. Our vision continues to keep NEA at the centre of a creative, happy, healthy, kind, inspired and inspiring community. Our staff continue to produce a varied and strong programme which reflects our vision.

Our revenue finances over the year have stabilised and strong relationships have been further established and grown with our main funders.

Over 2019/20 the Board and staff have been working with the City of Edinburgh Council, supported by the Scottish Land Fund, to apply for a Community Asset Transfer, in order to secure the future of NEA, expand our services, and ensure community ownership. A Business Plan has been produced, following extensive community consultation. Work has been carried out with Richard Murphy Architects to produce draft plans for NEA future building.

Thanks to Cathi Hitchmough for all her dedicated work for NEA, over many years, which has resulted in NEA finances being robust and accountable to the Board.

The effects of Covid -19 were starting to become rapidly apparent towards the end of March 2020. Because of our experienced staff and Board we were able to put in place a robust emergency Covid-19 plan, operational and financial, in place, working with our key funders, allowing us to support our community through difficult times, and secure the future of NEA for the years ahead.

My thanks for strong support from the Board, in challenging times.

Lesley Hinds

Objectives and Activities

Purposes

The Company's Articles and Memoranda set out the following objectives:-

- a. To advance education through the promotion of the arts, particularly among the residents of the Greater Pilton area of North Edinburgh;
- b. To provide, in the interests of social welfare, facilities for recreation and other leisure time occupation available to the public at large within the Greater Pilton area of North Edinburgh, with a view to improving their conditions of life.

NORTH EDINBURGH ARTS

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2020

Core aims and activities

Established in 1998 North Edinburgh Arts:-

- engages performing and visual artists to run projects and activities for personal and group development through, or in, the arts;
- works with city, national and international cultural organisations to make sure residents of the Forth Ward have access to their services;
- works with local partners to encourage cultural approaches to engaging young people, healthy living and well-being, and regeneration and the environment; and
- works with statutory and voluntary community planning partners to ensure regeneration plans reflect and respond to the cultural identity and life of the area and its residents.

Activities

North Edinburgh Arts (NEA) runs a purpose built venue, opened in 2002, in the heart of Muirhouse, serving the Forth, Almond and Inverleith Wards. Open for 52 hours per week the award winning building incorporates two arts studios, a 96 seat theatre, recording studio, gallery, offices and a café with children's play area leading onto a large garden, with a craft/making space beyond. We recorded 40,000 visits for the year to April 2020, primarily from residents of the Forth, Almond and Inverleith Council Wards. Our main activities fall into one of eight strands of work:

1. Offering over 35 hours of drop-in music, arts, crafts, horticulture, and play workshops per week, during term time for children aged 0-16 and adults, enhanced by a seasonal programme of live performances programmed in the main by Edinburgh Festival partners.
2. Developing long term Artist Residencies and Artist led projects, 24 months plus, focussing on the cultural, civic and community aspects of regeneration, the built environment and the urban realm.
3. Developing an environmental sustainability programme; growing, food redistribution, recycling, and carbon reduction via the Community Shed and the Community Garden activities.
4. Hosting the Muirhouse Link Up programme enabling local residents to lead and develop community activity that brings different people together
5. Hosting and promoting creative activities and events run by tenant and partner organisations, to include knit and natter groups, film clubs, photography groups, painting classes, youth orchestras, circus skills workshops, creative writing, yoga, and music studio drop-ins
6. Working with emerging artists and companies to ensure access to the venue and facilities, primarily for research and development
7. Offering a volunteer programme with opportunities in the creative arts, project administration, catering and horticulture
8. Managing the venue and café for the above purposes, and for external hires and lets to earn 15% of the organisation's annual turnover.

NORTH EDINBURGH ARTS

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2020

Achievements and Performance

Alongside managing the regular weekly programme, café, events programme, and venue used by an average of 800 people a week, the key achievements for the period April 2019 to March 2020 are as follows:

1. Community Garden & Shed Programme; with over 120 members these programmes grows and harvests fruit and vegetables, runs activities looking at biodiversity and sustainability, and makes useful things from reclaimed wood and other materials for individuals, families and the community. The Garden and Shed have demonstrated a significant and positive impact on its members in terms of improving their health and wellbeing, climate literacy and community resilience.
2. Citizen Programme with Edinburgh International Book Festival; we staged two partnership events, one at NEA in May 19, and one at the Festival site in August 20, engaging 300 individuals and families. *Where the Dandelions Go* a story created by P3 children from Craigroyston Primary School and their families, working with Eleanor Thom Writer in Residence was displayed in hoardings in MacMillan Square at the front of our venue, thanks to Robertsons Construction.
3. Open House Programme supported by Creative Scotland; Artist Alice Betts has established a space for regular work of excellence with local, out of work and part-time working adults. The programme allows for generous time in creative activity; for health and wellbeing; for seeing the world differently, and for broadening critical thinking about environment, space, place, community, and art.
4. Muirhouse Link Up - Investing in Communities funding; Funds have been secured from the Scottish Government to enable NEA and partner agency Link Up to establish a closer partnership, scale up support to local people and enable greater numbers to maximise their potential and bring about changes that reduce poverty and disadvantage. This programme will build on success to date and run from 2020 to 2022
5. Scottish Land Fund Stage 2 - NEA secured funds to engage external expertise in the preparation of a five year business plan incorporating capital costs for the creation of new facilities, provided by Richard Murphy Architects. This formed the basis of a Community Asset Transfer request to the City of Edinburgh Council
6. Awards: The Arcadium project, completed in March 2018 with the installation of two permanent artworks by Hans K Clausen and Lindsay Perth in the Pennywell All Care Centre beside NEA, won the Best Collaborative Static Arts Project at the UK Building Better Healthcare Awards in London on the 30th October 2019. The project also received Highly Commended in both the overall Patient's and Clinician's Choice categories. Additionally NEA Volunteer Arthur Howie won the inaugural Local Hero Awards at the Voluntary Arts Scotland EPIC Awards on the 3rd October 2019.
7. Philanthropic Giving; Following the completion of an initial three years of core funding the Farmer Foundation Trustees agreed to a further 3 years funding for 2019-2021, with an additional £5,000 awarded per annum. This was enhanced by a Board Fundraising event at the Royal Mile Hub; Held on the 4th November with contributions from nationally renowned artists plus the Lord Provost, Edinburgh Makar, Edinburgh International Festival, Diageo, Urban Union and Tinderbox Orchestra.

NORTH EDINBURGH ARTS
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2020

Achievements and Performance (continued)

Assessing Success

Success is assessed via a number of ways:

Reaching targets set by our main funder; The City of Edinburgh Council set 28 tailored targets for the year under the following headings, all of which were achieved:

- Ensuring that everyone has access to world class cultural provision
- Encouraging the highest standards of creativity and excellence in all aspects of cultural activity
- Supporting greater partnership working in the cultural and creative sectors and maximise resources available to help them thrive all year round
- Articulating the positive impact to culture in Edinburgh and promoting Edinburgh's cultural success locally, nationally and internationally
- Developing and supporting the infrastructure which sustains Edinburgh's cultural and creative sectors
- Investing in artist and practitioner development, and supporting and sustaining the local artistic community

Additionally targets agreed with other funders, to include Creative Scotland, The Robertson Trust, and the National Lottery for Communities, are reported against. Each grant made to the organisation is assessed against targets, qualitative and quantitative in nature, that are set at the beginning of each period of support.

The organisation also collects quantitative data which is reviewed at Board Meetings and can be assessed year on year. These include hours open, number of activities offered, number of events hosted, number of users, café takings, % of tenants retained.

Participant feedback; NEA asks for feedback via evaluation forms after each programme, or in the case of the core programme at the end of each term. Additionally, the core programme activities and café receive feedback via our Facebook and twitter feeds.

Partner and artist reflections; each creative session has a period of time for review after delivery with notes made in the project file. These are to allow for continual professional development by the artists, but are also reviewed by the management to assess where structural improvements can be made.

Success is also judged by the number and range of external events where NEA is represented. The Director spoke at the Patrons Launch of the Edinburgh International Book Festival in June 2019, at the Scottish Regeneration Forum events on regeneration and culture, in Dundee and Paisley, and at a Festivals Edinburgh event in October 2019.

Volunteer's Contribution

Volunteers have supported and continue to support a wide variety of activity within North Edinburgh Arts. Prior to the Covid-19 pandemic in March, volunteers were integral to the overall programming and running of the centre, with volunteers helping out in the family creative groups, garden, shed, café, workshop, recording studio and for additional projects.

NORTH EDINBURGH ARTS

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2020

Achievements and Performance (continued)

NEA supports volunteers from all areas and recognise the contribution and ideas they bring to the work we do with the local community. We host local volunteers, students, and European and International students, and have maintained good working relationships and regular partnerships with a variety of organisations and projects. This includes local and regional organisations, University of Edinburgh and Dundee Community Education, QM Arts and Cultural Management Courses, EU Solidarity Corps, Edinburgh College of Art, Project Scotland, University of Edinburgh Students Association, School Placements, JET programme and much more.

"As a volunteer I felt welcomed by everyone really quickly. If I had to describe what it means to me to be a volunteer at North Edinburgh Arts, I would say it is a mutually beneficial situation. In other words, I felt "I gave as much as I received" (two birds one stone). Putting energy and time in the different projects allowed me to know myself better, to know what I was bad or good at and how to improve myself. It gave me satisfaction to take part in projects that inspired me. In addition to that, I had the chance to meet amazing and inspiring people! I would advise anyone who wants to leave their comfort zone, meet new people and be useful to the community to volunteer with North Edinburgh Arts!" Charlotte, Student.

The Difference We Make

North Edinburgh Arts offers local residents a place to relax, explore, learn, meet, share, volunteer and have fun in a well-loved venue that 'floats like a bright bubble behind the Muirhouse shopping centre' (STV Local). NEA offers a safe, comfortable and creative space for people of all ages to develop within, in what can otherwise be a harsh physical and social environment.

The difference we make can be best expressed by the people who visit and use our venue, feedback this year includes:

Visiting school:

"NEA was very welcoming and happy to answer any questions. Made our visit to the theatre fun and friendly. It was nice to mix with other schools and offer a new experience to our pupils."

Caitlin, Primary School Teacher

Visiting company:

"I wish we'd given you the feedback earlier, you honestly were our favourite venue by far, so full of heart and ready to help."

"We had a great time at North Edinburgh Arts and genuinely loved the feeling and ethos of your venue. It's clear what a vital role you serve in your community."

NEA Summer programme participant:

"Good opportunity to spend time with my kids."

"Excellent way of giving local kids creative activities and creative tasks/fun. These activities help keep kids entertained and out of trouble!"

"Friendly staff. They made my child comfortable with around them."

"Very welcoming."

"The NEA activities have been a great part of building abilities and confidence. It has also helped us as parents associate with others friendly parents in the community. I can't imagine living within the Muirhouse community without having the NEA!!!"

NORTH EDINBURGH ARTS

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2020

Achievements and Performance (continued)

"It is a brilliant programme. My son enjoyed every activity."

"Magic – thank you!"

"We really enjoyed today's trip and the activities were really good. The kids had a lot of fun and we are looking forward to enjoy a lot more." (Participated in the Big Day Out)

"We all had a great time, we learned so much. The staff were amazing and made every effort to make this trip enjoyable. We have discovered new things and new places. Thank you very much NEA." (Gallery of Modern Art trip)

Citizen event in May:

"It's wonderful that the Book Festival is taking an active part in this community. More so, the focus of the day, art celebrating local community heroes, storytelling from community to everyone in the sound audio piece, provided a great insight into the multicultural. Food was a really nice touch. Lovely to see, please keep it up"

"I come from here, West Pilton Park, decanted in the early 80s to the Inch. What a circle. My daughter comes here from Liberton High School. Hearing the stories was great and said a lot. Bring back memories and stories I have from back when"

"Really enjoyed hearing the stories / soundbites. I could identify with several"

"Very enjoyable afternoon, great stories were read. Great venue and food was amazing, well done to the team "

"Super event with amazing real life stories. So moving and fantastic. Terrific and personal. Just incredible what people share and tell. Fabulous"

"Fabulous event bringing the whole community together. Thank you!"

A Stitch in Time participant:

"The project A Stitch in Time is a great example of how creative activities such as quilt and banner making create strong friendships and networks within the local community. Despite only being up and running for less than two months there is a fantastic energy in these weekly sessions, not only are participants creating beautiful pieces of work but they are also creating a supportive space in which stories, ideas, and future plans for the local community are taking place. Participants have been keen to swap skills and ideas which has created strong work. It is lovely to see everyone not only engrossed in the creative processes within the sessions but also the work being developed outside these sessions. Every week participants are bringing in textile pieces that they have worked on in between sessions that are meaningful to them and tell a story about the local area. Having this project being funded by the National Lottery Community Fund has been incredibly beneficial to the community and this is evident in how much enjoyment and engagement there has been already and we are only at the beginning."

Google reviews (2019):

The theatre space itself is a wee diamond in the rough and very well looked after.

This community is so friendly and welcoming. The food in the cafe is delicious and big portions for such little price. Love the haggis. The various hobby groups are fantastic as well. NEAC is doing amazing things for the community.

This is such a friendly and accepting place, friendly staff and volunteers, true hub of a wide area for events, groups, clubs. Great affordable food, beautiful outdoor area for the kids. Would recommend to anyone.

NORTH EDINBURGH ARTS

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2020

Achievements and Performance (continued)

Great arts venue, lovely cafe and a great garden which is currently being redeveloped.

Fantastic community area serving a wonderful selection of the most tasty home cooking. Anyone needing advice and support should pop in and talk to someone.

Financial Review

Results for the Year

North Edinburgh Arts' operation produced a deficit for the year of £3,821 (2019 - 17,584), caused largely by a depreciation charge of £36,187 (2019 - £33,781).

The total value of funds held at 31 March 2020 amounted to £415,793 (2019: £419,614) comprising £394,570 (2019: £401,929) of a restricted nature and £21,223 (2019: £17,685) of an unrestricted nature. Restricted funds include £281,975 Capital Funds (which will be released as depreciation over time).

Principal Funding Source

The principal funding source was grant funding received from the City of Edinburgh Council amounting to £140,956 (2019: £142,539) and other grants as disclosed in note 6.

Reserves Policy

It is the policy of the Directors to maintain unrestricted funds, which are the free reserves of the charity, at a level which equates to approximately three months unrestricted expenditure (around £35,000). Free reserves are currently well below this but the Directors are continuing to work towards achieving this level of reserves, although they recognise that it will take a period of time to achieve the desired level of reserves.

Investment Policy

The Directors consider that where surplus funds are available, they should be held in a suitable interest bearing bank account.

Risk Management

The principal risks and uncertainties facing the charity, and the steps being taken to mitigate these risks, are as follows:

- a) Continued pressures to core funding, the Board and Director have a three year budget forecast in place. During 2019/20 the Board continued to develop their philanthropic giving strategy, with the Director working to establish NEA as a strategic partner with the City of Edinburgh Council, agreeing an uplift funds, and in principle 3 year funding, 2019-2022.
- b) Changing regeneration landscape reducing capacity to expand and develop our service to address need. NEA is working closely with local and national government colleagues to ensure the organisation is best placed to respond to and set the local regeneration agendas.
- c) Capital build and partnership with City of Edinburgh Council. NEA is shaping ambitious plans for re-development and extension, bringing our facility into community ownership. To mitigate the risks Board membership will be expanded to include fundraising and construction expertise, and capital fundraising support will be engaged in 20/21.
- d) Pressures arising from Covid 19; NEA has safely addressed issues arising from the pandemic, and will ensure this learning is taken into future years.

NORTH EDINBURGH ARTS

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2020

Plans for the Future

Response to Covid 19: With the closure of our venue in March, due to Covid 19 restrictions, we repurposed and maximised the resources to hand to address the immediate needs of vulnerable and isolating community members. We raised £175,000 to deliver our own emergency programme, and assist the Covid-19 partnership operating across our community who were facing challenges exacerbated by, the pandemic. Our work covered:

- Production and distribution of ready meal packs to vulnerable, elderly and isolating residents, recognising cultural preferences (1,200 per week).
- Production and distribution of ambient food & essential household packs (30-50 per week) Warehousing, in our theatre space, of ambient goods for distribution to partner organisations (stock value £64,000+)
- Production/distribution of creative/horticultural packs for all ages (300+), devised and produced by our creative team, freelance Artists, and volunteers
- an online creative programme, for all ages, including podcasts/zoom groups/ideas sheets and links to other creative products and activities, and weekly newsletters featuring work created at home
- Telephone and online support (150+ per week)

From August we ensured covid safe access to our garden, and opened the café and creative spaces, covid safely, from the 14th September. We remain one of the only public buildings open in our community.

Co-op building and establishment of the Pennywell Pantry: in August 2020 NEA took over the lease of the vacant Co-op building near to our main site, up to that date the Community Shed had been a part tenant. We have been able to upgrade the building, maintain all existing tenants, and house a community pantry service at the front of the building. The Pennywell Pantry, opened in October 2020 has 150 members, and aims to maximise incomes for families facing hardship across the area.

Collaborative Post Doctoral Study; NEA is partnering with Louise Donoghoe for her study on social prescribing. Supported by the Scottish Graduate School for Arts and Humanities her work will focus on women and aim to add to the growing literature around what can be learnt from existing social prescribing initiatives, particularly in relation to the women who populate arts sessions.

Going Concern

The financial statements are prepared on a going concern basis as the Directors believe that the organisation will have sufficient funds to meet its ongoing financial obligations for at least twelve months from the signing of these financial statements. In making this assessment the Directors accept this is dependent upon the level of funding which is generated to meet the core costs of the organisation. Confirmation of core grant funding for 2020/21 has been received from the City of Edinburgh Council, The Scottish Government, The Robertson Trust and Creative Scotland, and work is in progress to secure further amounts through other appropriate partnership opportunities and fundraising opportunities. The Directors have no reason to believe, based upon the actions and work that they have undertaken, that the funding necessary for the current year will not be secured, or that funding will not continue in future years, although they continue to plan for scenarios in which the level of funding may be reduced. This assessment of going concern includes the expected impact of COVID-19 to the entity in the 12 months following the signing of these financial statements.

NORTH EDINBURGH ARTS

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2020

Structure, Governance and Management

Constitution

North Edinburgh Arts was incorporated in March 1998. The company is a charitable company limited by guarantee with no share capital. The company's purposes and powers are prescribed by, and it is governed in accordance with, its Memorandum and Articles of Association. The company is recognised as a Scottish Charity.

Appointment and Induction of Directors

Directors are elected under the terms of the Memorandum and Articles of Association. Information packs, job descriptions for incoming Board Members and information on key tasks and responsibilities are provided as part of the induction process. Details of the Directors who were in office both during and since the year end are shown on page 9.

Induction and Training of new directors

New directors are often already familiar with the practical work of the charity. New directors are provided with an induction pack and are offered training on the roles and responsibilities of Board Members run by a number of voluntary sector providers. Refresher and other training opportunities are offered on an ongoing basis.

Organisational Structure

The Board of Directors is responsible for the strategic management of the company. The responsibility for operating North Edinburgh Arts Centre in accordance with that strategy rests with management. The Chief Executive Officer is responsible for the management of the organisation supported by her staff team. The Chief Executive Officer reports to the Board every 8 – 10 weeks. The Board undertakes an annual away day to review policy and operational strands of North Edinburgh Arts Centre business.

Pay policy for senior staff

Senior staff are remunerated in line with industry norms along with any increments set out at time of recruitment, or awarded as a result of any additional training, qualifications or responsibility. Otherwise, increments are usually limited to annual cost of living increases across all pay scales.

NORTH EDINBURGH ARTS
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2020

Reference and Administration Information

Scottish Charity number	SC027700	
Company number	SC184477	
Board of Directors	Val Munro MBE Mary Keegan Lesley Hinds Pauline Lindsay Deirdre McPherson Bethan Onuonga Jessica Metzger David Coxon Marianne Tibbett Sanne Dijkstra-Downie	Resigned 1 January 2020 Resigned 1 January 2020 Appointed 1 September 2020
Company Secretary	Kate Wimpres	
Key Management Personnel	Kate Wimpres Caroline Muirhead Kate Craik	Director* Manager Manager
Registered Office and Operational Address	North Edinburgh Arts Centre 15a Pennywell Court Edinburgh EH4 4TZ	
Senior Statutory Auditor	Kevin Cattnach	
Independent Auditors	Whitelaw Wells Chartered Accountants 9 Ainslie Place Edinburgh EH3 6AT	
Solicitors	Burness Paull LLP 50 Lothian Road Festival Square Edinburgh EH3 9WJ	
Bankers	Bank of Scotland Comely Bank Branch 43 Comely Bank Edinburgh EH4 1AF	

* "Director" is a job title and not a director under Companies Act legislation

NORTH EDINBURGH ARTS

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2020

Statement of Directors' Responsibilities

The directors (who are also the trustees of North Edinburgh Arts for the purposes of charity law) are responsible for preparing a directors' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the directors to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing the financial statements, the directors 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement as to disclosure of information to auditors


So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each director has taken all the steps he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

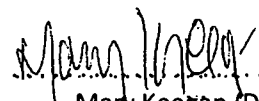
Auditors

A resolution to re-appoint Whitelaw Wells as auditors for the ensuing year will be proposed at the annual general meeting.

This report has been prepared in accordance with the provision of Part 15 of the Companies Act 2006 applicable to small companies.

Approved by the director on 2 December 2020 and signed on their behalf by


.....
Lesley Hinds (Director)


.....
Mary Keegan (Director)

NORTH EDINBURGH ARTS

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS AND MEMBERS FOR THE YEAR ENDED 31 MARCH 2020

Opinion

We have audited the financial statements of North Edinburgh Arts for the year ended 31 March 2020, which comprise the Statement of Financial Activities (incorporating the Income and Expenditure Account), the Balance Sheet, the Statement of Cash Flows and related notes. The financial reporting framework that has been applied in their preparation is applicable law the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019) and 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 (FRS102) (effective 1 January 2019).

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 net income or 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 Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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 Auditors' 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

Other than disclosed in our Emphasis of Matter paragraph below, 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 directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors 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.

Material Uncertainty Related to Going Concern

In forming my opinion on the financial statement we have considered the adequacy of the disclosure in note 1 to the financial statements concerning the company's ability to continue as a going concern. The low level of unrestricted free reserves at the year-end indicates the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

NORTH EDINBURGH ARTS

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS AND MEMBERS

FOR THE YEAR ENDED 31 MARCH 2020

Other information

The directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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, 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.

Opinion 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the 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 Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate 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 directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page eleven, the directors 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 directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

NORTH EDINBURGH ARTS

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS AND MEMBERS

FOR THE YEAR ENDED 31 MARCH 2020

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 the Acts and relevant regulations made or having effect thereunder.

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. This description forms part of our Report of the Auditors.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and the trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Kevin Cattnach C.A.

Senior Statutory Auditor

for and on behalf of Whitelaw Wells, Statutory Auditor

Whitelaw Wells is eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

9 Ainslie Place

Edinburgh EH3 6AT

2 December 2020

NORTH EDINBURGH ARTS
INCOME AND EXPENDITURE ACCOUNT
For the Year Ended 31 March 2020

	Notes	2020 £	2019 £
<u>Income</u>			
<i>Donations</i>	2	1,574	7,977
<i>Charitable activities</i>	3	479,545	580,026
<i>Other trading activities</i>	4	97,614	87,374
<i>Other</i>	5	8,654	5,670
<i>Amortisation of capital grants</i>		25,634	25,634
		<hr/>	<hr/>
		613,021	706,681
		<hr/>	<hr/>
<u>Expenditure</u>			
<i>Charitable activities</i>		545,028	628,638
<i>Other</i>		46,180	69,993
		<hr/>	<hr/>
	8	591,208	698,631
		<hr/>	<hr/>
Operating surplus for the year		21,813	8,050
Surplus b/fwd at 1 April 2019		112,005	103,955
		<hr/>	<hr/>
Balance c/fwd at 31 March 2020		133,818	112,005
		<hr/>	<hr/>
RECONCILIATION TO BALANCE SHEET			
Closing reserves at 31 March 2020 (page 17)		415,793	419,614
Unamortised capital grants		(281,975)	(307,609)
		<hr/>	<hr/>
Balance c/fwd at 31 March 2020 (as above)		133,818	112,005
		<hr/>	<hr/>

NORTH EDINBURGH ARTS

STATEMENT OF FINANCIAL ACTIVITIES

For the Year Ended 31 March 2020

	Notes	Restricted Funds £	Unrestricted Funds £	2020 Total £	2019 Total £
Income and endowments from:					
<i>Donations</i>	2	77	1,497	1,574	7,977
<i>Charitable activities</i>	3	407,369	72,176	479,545	580,026
<i>Other trading activities</i>	4	-	97,614	97,614	87,374
<i>Other</i>	5	6,731	1,923	8,654	5,670
		<hr/>	<hr/>	<hr/>	<hr/>
Total		414,177	173,210	587,387	681,047
		<hr/>	<hr/>	<hr/>	<hr/>
Expenditure on:					
Charitable activities		400,888	128,645	529,533	628,638
Other		-	61,675	61,675	69,993
		<hr/>	<hr/>	<hr/>	<hr/>
Total	8	400,888	190,320	591,208	698,631
		<hr/>	<hr/>	<hr/>	<hr/>
Net income/(expenditure)		13,289	(17,110)	(3,821)	(17,584)
Transfers between funds	16	(20,648)	20,648	-	-
		<hr/>	<hr/>	<hr/>	<hr/>
Net movement in funds		(7,359)	3,538	(3,821)	(17,584)
Reconciliation of funds:					
Total funds brought forward		401,929	17,685	419,614	437,198
		<hr/>	<hr/>	<hr/>	<hr/>
Total funds carried forward	16	394,570	21,233	415,793	419,614
		<hr/>	<hr/>	<hr/>	<hr/>

The company has no recognised gains or losses other than those included in the Statement of Financial Activities.

All activities relate to continuing operations.

The notes on pages 19 to 34 form part of these financial statements.

NORTH EDINBURGH ARTS

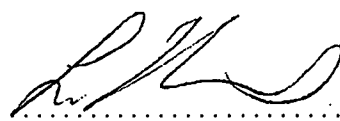
BALANCE SHEET

As at 31 March 2020

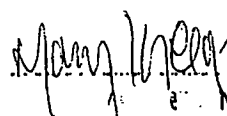
	Notes	£	2020 £	£	2019 £
Fixed assets	12		303,110		329,681
Current assets					
Debtors	13	25,106		92,247	
Cash at bank and in hand		108,258		49,013	
			133,364	141,260	
Creditors: amounts falling due within one year	14	(20,681)		(51,327)	
Net current assets			112,683		89,933
Net assets			415,793		419,614
Funds					
Restricted funds	16		394,570		401,929
Unrestricted funds	16		21,223		17,685
			415,793		419,614

These financial statements have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 and with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Approved by the Board of Directors on 2 December 2020 and signed on its behalf by:



 Lesley Hinds, Director



 Mary Keegan, Director

The notes on pages 19 to 34 form part of these financial statements.

NORTH EDINBURGH ARTS

CASH FLOW STATEMENT

As at 31 March 2020

	2020	2019
	£	£
Cash flows from operating activities:		
Net cash provided/(used) by operating activities	68,861	(5,755)
Cash flows from investing activities		
Purchase of property, plant and equipment	(9,616)	(21,750)
	<hr/>	<hr/>
Cash flows used by investing activities	(9,616)	(21,750)
	<hr/>	<hr/>
Increase/(Decrease) in cash during year	59,245	(27,505)
Cash and cash equivalents at the beginning of the year	49,013	76,518
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	108,258	49,013
	<hr/> <hr/>	<hr/> <hr/>
RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES		
Net expenditure for the year (as per the Statement of Financial Activities)	(3,821)	(17,584)
Adjustments for:		
Depreciation charge	36,187	33,781
Decrease/ (increase) in debtors	67,141	(52,858)
(Decrease)/ increase in creditors	(30,646)	30,906
	<hr/>	<hr/>
Net cash provided/(used) by operating activities	68,861	(5,755)
	<hr/> <hr/>	<hr/> <hr/>
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Instant access bank deposits	108,258	49,013
	<hr/>	<hr/>
Total cash and cash equivalents	108,258	49,013
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 19 to 34 form part of these financial statements.

NORTH EDINBURGH ARTS

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 March 2020

1. Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of preparation

The financial statements have been prepared in accordance 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 (FRS102) (effective 1 January 2019) – Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

North Edinburgh Arts meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recorded at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Going concern

The charity relies upon grants and donations from outside sources in order to meet its day to day working capital requirements. The Directors have prepared financial projections until 31 March 2022. The income projections are based upon confirmed funding applications together with reasonable estimates of other income receivable, whilst expenditure forecasts are based upon known fixed costs together with reasonable estimates of expected costs based on prior experience. These projections indicate that the charity should achieve a break-even position for the forthcoming year and will be able to operate within their available facilities, subject to no unexpected costs or funding reductions occurring.

The Directors continue to review all costs of the organisation and ensure that these are kept to a minimum. They also continue to consider ways to increase the future funding of the charity both through grant applications and the hire of the Centre to other organisations.

Financial projections have been prepared until March 2022 on a prudent basis. The Directors have no reason to believe that their principal income sources will be materially reduced, or that the existing cost base will increase significantly and have prepared the projections on this basis. Based upon these assumptions, they are of the opinion that the charity should again be in a position to ensure that all expenditure is covered by income receivable during the year.

On the basis of the projections, the charity's results since the financial year end, the continued support of the company's principal funders and the potential availability of bank overdraft facilities, if required, the Directors consider that the charity will be able to meet its liabilities as they fall due. The financial statements do not include any adjustments that would result if the company was unable to operate within the available facilities.

On the basis continuing to operate within the available facilities, the validity of the projected results and the continued support of the company's funders, the Directors consider it appropriate to prepare the financial statements on the going concern basis. This assessment of going concern includes the expected impact of COVID-19 to the entity in the 12 months following the signing of these financial statements.

NORTH EDINBURGH ARTS

NOTES TO THE FINANCIAL STATEMENTS (cont)

For the Year Ended 31 March 2020

Income Recognition

All income is included in the Statement of Financial Activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Donations are included in full in the Statement of Financial Activities when receivable. Donated assets are included in the Statement of Financial Activities where the benefit to the charity is reasonably quantifiable and measureable. The value of the donated assets is the estimated price the charity would expect to pay in the open market for the equivalent assets.
- Income from charitable activities are accounted for when earned in accordance with the date of the event.
- Income from grants where entitlement is not conditional on the delivery of specific performance by the charity, are recognised when the charity becomes unconditionally entitled. Incoming resources where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.
- Income from use of premise is recognised in accordance with the date of the usage.
- Investment income is included when receivable.

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. The charity is not registered for VAT and, accordingly, expenditure is shown gross of irrecoverable VAT.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include governance costs which support the Trusts programmes and activities. These costs include the expenses of Trustee meetings, the statutory audit and legal and professional fees. These costs have been allocated between cost of raising funds and expenditure on charitable activities. Support costs are allocated on the basis of staff time and usage.

NORTH EDINBURGH ARTS

NOTES TO THE FINANCIAL STATEMENTS (cont)

For the Year Ended 31 March 2020

Depreciation

Depreciation is provided on tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:-

Leasehold property -	over the period of the lease
Fixtures and fittings -	14%, 20% and 33 ⅓ %

Individual fixed assets costing £500 or more are capitalised at cost.

Pensions

The Charity operates a Defined Contributions Pension Scheme. Contributions are charged in the accounts as they become payable in accordance with the rules of the Scheme.

Company status

The charity is a company limited by guarantee. The members of the company are the Directors named on page 10. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member for each member who is a member at the time of the winding up or within one year of the winding up.

Funds

Unrestricted funds are funds which are available for use at the discretion of the Directors in furtherance of the general objectives of the Charity.

Designated funds are unrestricted funds which have been earmarked by the Directors for a specific purpose.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of restricted funds are set out in the notes to the accounts.

2. Income from Donations

	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
Donations	1,497	77	1,574	7,977
	<hr/>	<hr/>	<hr/>	<hr/>
	1,497	77	1,574	7,977
	<hr/>	<hr/>	<hr/>	<hr/>

Income from donations was £1,574 (2019: £7,977) of which £1,497 (2019: £3,288) was unrestricted and £77 (2019: £4,689) was restricted.

NORTH EDINBURGH ARTS

NOTES TO THE FINANCIAL STATEMENTS (cont)

For the Year Ended 31 March 2020

3. Income from Charitable Activities

	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
Grants (note 6)	64,682	407,369	472,051	573,060
Events	677	-	677	958
Workshops	5,290	-	5,290	2,542
Box office	1,527	-	1,527	3,466
	<hr/>	<hr/>	<hr/>	<hr/>
	72,176	407,369	479,545	580,026
	<hr/>	<hr/>	<hr/>	<hr/>

Income from charitable activities was £479,545 (2019: £580,026) of which £72,176 (2019: £81,888) was unrestricted and £407,369 (2019: £498,138) was restricted.

4. Income from Other Trading Activities

	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
Café	65,235	-	65,235	50,245
Room hire, office rental	32,379	-	32,379	37,129
	<hr/>	<hr/>	<hr/>	<hr/>
	97,614	-	97,614	87,374
	<hr/>	<hr/>	<hr/>	<hr/>

Income from other trading activities was £97,614 (2019: £87,374) of which £97,614 (2019: £87,374) was unrestricted and £nil (2019: £nil) was restricted.

5. Other Income

	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
Miscellaneous income	1,923	6,731	8,654	5,670
	<hr/>	<hr/>	<hr/>	<hr/>
	1,923	6,731	8,654	5,670
	<hr/>	<hr/>	<hr/>	<hr/>

Income from other was £8,654 (2019: £5,670) of which £1,923 (2019: £4,051) was unrestricted and £6,731 (2019: £1,619) was restricted.

NORTH EDINBURGH ARTS
NOTES TO THE FINANCIAL STATEMENTS (cont)

For the Year Ended 31 March 2020

6. Grants

	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
The City of Edinburgh Council - <i>Core</i>	-	140,956	140,956	142,539
<i>Summer programme</i>	-	-	-	1,110
<i>Create</i>	-	1,562	1,562	-
Scottish Government - <i>Community Action North</i>	-	-	-	128,947
Creative Scotland - <i>Public Art</i>	-	-	-	19,820
- <i>Studio Ember</i>	-	2,800	2,800	15,800
- <i>Open Project</i>	-	41,850	41,850	-
The Robertson Trust	24,500	-	24,500	24,500
CS Green Network	-	5,234	5,234	-
Big Lottery Fund - <i>Garden Project</i>	-	75,000	75,000	49,700
SCVO	19,897	-	19,897	27,178
The Nancie Massey Charitable Trust	2,000	-	2,000	1,000
Neighbourhood Create	-	5,105	5,105	-
Souter Trust	-	-	-	1,000
Keep Scotland Beautiful	-	62,568	62,568	68,465
Sir Tom Farmer Foundation	15,000	-	15,000	10,000
Inspiring Scotland	-	18,150	18,150	9,066
MHA Film Club Grant	-	4,180	4,180	-
Inspiring Scotland Link UP Grant	-	4,188	4,188	-
Cattanach Trust	-	-	-	15,000
National Lottery	-	9,932	9,932	-
Bank of Scotland	-	14,636	14,636	-
Investing in Communities Fund	-	7,652	7,652	-
Scottish Government – Garden Grow your Own	-	2,000	2,000	-
Groundworks UK	-	-	-	1,000
Crudens – Café grant	2,500	-	2,500	-
Heritage Lottery	-	(802)	(802)	8,400
YouthLink Scotland	-	-	-	8,150
Artworks Fellowship	-	-	-	2,000
Gardener's Royal	-	-	-	1,500
Edinburgh Airport	-	-	-	1,195
Total carried forward	63,897	395,011	458,908	536,370

NORTH EDINBURGH ARTS

NOTES TO THE FINANCIAL STATEMENTS (cont)

For the Year Ended 31 March 2020

6. Grants (continued)

	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
Total brought forward from previous page	63,897	395,011	458,908	536,370
Muirhouse Housing Association	-	3,645	3,645	4,999
Spifox	-	8,464	8,464	19,750
Dr Guthrie	-	-	-	1,800
Federation of City Farms	-	-	-	1,980
Cycle Scotland	-	-	-	4,766
Other grants (individually less than £1,000)	785	249	1,034	3,395
	<hr/>	<hr/>	<hr/>	<hr/>
Total Grant income	64,682	407,369	472,051	573,060
	<hr/>	<hr/>	<hr/>	<hr/>

Income from grants was £472,051 (2019: £573,060) of which £64,682 (2019: £74,922) was unrestricted and £407,369 (2019: £498,138) was restricted.

7. Net Movement in Funds

	2020 £	2019 £
This is stated after charging:		
Auditor's remuneration - audit fees	4,560	4,750
Depreciation	36,187	33,781
	<hr/>	<hr/>

NORTH EDINBURGH ARTS

NOTES TO THE FINANCIAL STATEMENTS (cont)

For the Year Ended 31 March 2020

8. Expenditure

	Core Centre Costs	Cafe	Project Costs	Total 2020	Total 2019
	£	£	£	£	£
Wages and salaries (note 11)	11,235	24,344	246,495	282,074	327,180
Other staff costs	4,943	-	47,170	52,113	41,762
Artists	10,776	-	22,145	32,921	43,311
Travel and subsistence	1,189	-	363	1,552	1,935
Rates and insurance	33,313	-	-	33,313	30,369
Materials	577	-	8,155	8,732	7,052
Project costs	630	-	28,824	29,454	61,309
Project overheads	5,019	-	10,330	15,349	43,748
Cleaning/maintenance	22,063	-	1,529	23,592	15,717
Hospitality	-	-	534	534	821
Events	2,264	-	-	2,264	5,221
Theatre costs	308	-	-	308	312
Depreciation	10,553	-	25,634	36,187	33,781
Training	788	-	980	1,768	3,296
Professional fees	23,934	-	-	23,934	22,887
Board development	303	-	-	303	376
Postage and stationery	2,221	-	600	2,821	5,106
Bank charges	72	-	-	72	62
Advertising	1,582	-	444	2,026	4,075
<i>Governance costs</i>					
Audit and advisory fees	4,560	-	-	4,560	4,750
<i>Other</i>					
Café – direct costs	-	37,331	-	37,331	33,517
Café- refurbishment costs	-	-	-	-	12,044
Total	136,330	61,675	393,203	591,208	698,631

Expenditure was £591,208 (2019: £698,631) of which £190,320 (2019: £185,933) was unrestricted and £400,888 (2019: £512,698) was restricted.

NORTH EDINBURGH ARTS

NOTES TO THE FINANCIAL STATEMENTS (cont)

For the Year Ended 31 March 2020

9. Summary analysis of expenditure and related income for activities

This table shows the cost of the main activities and the sources of income that support those activities.

	Core Centre Costs £	Cafe £	Project Costs £	Total 2020 £	Total 2019 £
Costs	(136,330)	(61,675)	(393,203)	(591,208)	(698,631)
Donations	1,497	-	77	1,574	7,977
Grants	78,140	2,500	391,411	472,051	573,060
Events	677	-	-	677	958
Workshops	5,290	-	-	5,290	2,542
Box Office	1,527	-	-	1,527	3,466
Café	-	65,235	-	65,235	50,245
Room hire, office rental and catering	32,379	-	-	32,379	37,129
Miscellaneous income	1,923	-	6,731	8,654	5,670
	<u>(14,897)</u>	<u>6,060</u>	<u>5,016</u>	<u>(3,821)</u>	<u>(17,584)</u>

10. Taxation

North Edinburgh Arts is a registered charity and is exempt from corporation tax on its charitable activities.

11. Wages and salaries

	2020 £	2019 £
Wages and salaries	270,467	305,327
Social Security costs	6,814	17,642
Pension costs	4,793	4,211
	<u>282,074</u>	<u>327,180</u>

NORTH EDINBURGH ARTS

NOTES TO THE FINANCIAL STATEMENTS (cont)

For the Year Ended 31 March 2020

11. Wages and salaries (cont)

The average monthly number of employees during the year, on a head count basis, was:

	2020	2019
	No.	No.
Productions	10	11
Maintenance and cleaning	3	3
Administration	6	6
	<hr/>	<hr/>
	19	20
	<hr/>	<hr/>

The charity considers its key management personnel comprise the Chief Executive and Manager. The total employment benefits including employer pension contributions of the key management personnel was £59,191 (2019: £63,148). No employee had emoluments of more than £60,000 during either the current or previous year. No remuneration is paid to any director.

12. Fixed Assets

	Leasehold Property £	Fixtures & Fittings £	Total £
Cost			
At 1 April 2019	2,255,470	322,015	2,577,485
Additions	-	9,616	9,616
	<hr/>	<hr/>	<hr/>
At 31 March 2020	2,255,470	331,631	2,578,101
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 April 2019	1,947,861	299,943	2,247,804
Charge for year	25,634	10,553	36,187
	<hr/>	<hr/>	<hr/>
At 31 March 2020	1,973,495	310,496	2,283,991
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 March 2020	281,975	21,135	303,110
	<hr/>	<hr/>	<hr/>
At 31 March 2019	307,609	22,072	329,681
	<hr/>	<hr/>	<hr/>

On 14 September 2007 a formal valuation of the building was carried out by J & E Shepherd Chartered Surveyors. As a result of this the value of the building was found to be impaired. The impairment was accounted for in the Statement of Financial Activities in the year ended 31 March 2007.

NORTH EDINBURGH ARTS

NOTES TO THE FINANCIAL STATEMENTS (cont)

For the Year Ended 31 March 2020

13. Debtors

	2020	2019
	£	£
Other debtors	12,800	14,527
Grants receivable	10,997	76,285
Prepayments and accrued income	1,309	1,435
	<hr/>	<hr/>
	25,106	92,247
	<hr/>	<hr/>

14. Creditors

	2020	2019
	£	£
Trade creditors	5,567	33,848
Accruals	12,585	12,692
Other taxes and social security	1,441	3,163
Sundry creditors	-	592
Pension contributions	1,088	1,032
	<hr/>	<hr/>
	20,681	51,327
	<hr/>	<hr/>

15. Operating Lease Commitments

The following operating lease payments were committed to be paid as at the year-end:

	Equipment	Equipment
	2020	2019
	£	£
Less than one year	7,888	4,888
Between one and five years	28,577	16,960
Greater than five years	4,200	2,105
	<hr/>	<hr/>

NORTH EDINBURGH ARTS

NOTES TO THE FINANCIAL STATEMENTS (cont)

For the Year Ended 31 March 2020

16. Analysis of Funds	Balance at 31 March				Balance at 31 March
Restricted funds	2019	Income	Expenditure	Transfers	2020
<u>Capital</u>	£	£	£	£	£
City of Edinburgh Council Urban					
Aid Capital Grant	67,917	-	(5,671)	-	62,246
Creative Scotland	203,431	-	(16,973)	-	186,458
City of Edinburgh Council Capital Grant	7,053	-	(623)	-	6,430
Scottish Enterprise Edinburgh and					
Lothian Arts Building Grant	28,066	-	(2,350)	-	25,716
Pilton Partnership	303	-	(7)	-	296
Lloyds TSB	839	-	(10)	-	829
<u>Revenue</u>					
Create	8,206	6,667	(10,532)	-	4,341
NEA Theatre Project	8,448	(760)	(6,438)	(1,250)	-
Garden Development Big Lottery	37,070	82,518	(60,521)	(2,526)	56,541
Film Club	197	7,825	(3,684)	(158)	4,180
Centipede	(128)	-	-	-	(128)
Kraftworks	(987)	-	-	987	-
Community Action North	10,573	-	(8,135)	(2,438)	-
Public Art Project	5,641	-	(1,814)	-	3,827
Urban Union	2,728	-	(2,402)	-	326
Play Rangers	4,766	18,150	(16,572)	(1,800)	4,544
Studio Ember	12,446	2,800	(19,320)	-	(4,074)
Cashback for Community	3,595	-	(2,000)	(1,595)	-
Community Shed	322	64,300	(55,651)	(7,870)	1,101
Outdoor Cinema	514	-	-	(514)	-
Core Costs	-	140,956	(140,956)	-	-
Spifox	-	8,464	(8,464)	-	-
Cycle Scotland	929	-	-	(429)	500
Stitch in Time	-	9,932	(2,776)	(1,280)	5,876
Investing in Communities	-	11,840	(9,488)	(800)	1,552
Scottish Land Fund	-	-	(18,084)	-	(18,084)
COVID 19 Efforts	-	-	(910)	-	(910)
REACH – BoS Café Grant	-	14,636	(4,221)	-	10,415
Artists' Studio	-	4,999	(289)	-	4,710
The Open Project	-	41,850	(2,997)	(975)	37,878
Total restricted funds	401,929	414,177	(400,888)	(20,648)	394,570

NORTH EDINBURGH ARTS

NOTES TO THE FINANCIAL STATEMENTS (cont)

For the Year Ended 31 March 2020

16. Analysis of Funds (cont)

Unrestricted funds					
Fixed Asset Fund	22,072	-	(10,553)	9,616	21,135
General Fund	(4,387)	173,210	(179,767)	11,032	88
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total unrestricted funds	17,685	173,210	(190,320)	20,648	21,223
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total funds	419,614	587,387	(591,208)	-	415,793
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Designated funds:

The *Fixed Asset Fund* represents unrestricted capital expenditure and will be reduced by depreciation charged each year.

Restricted Funds:

City of Edinburgh Council Urban Aid Capital Grant is a grant towards the capital development of the new build of the North Edinburgh Arts Centre.

Creative Scotland is a grant towards the costs of creating a new arts venue in North Edinburgh to provide a focal point/resource for arts development in the area.

City of Edinburgh Council Capital Grant is a grant towards the capital development of the new build of the North Edinburgh Arts Centre.

Scottish Enterprise Edinburgh and Lothian Arts Building Grant is a grant towards the capital development of the new build of the North Edinburgh Arts Centre.

Pilton Partnership is a grant towards the capital development of the new build of the Centre.

Lloyds TSB is a grant towards the fit-out and new crèche facility at the Centre.

Create is funded by the Scottish Government People and Communities fund. This project provides Art and Play development for under-5s and their families. This project offers local families the opportunity to participate in a series of creative plan and healthy eating workshops alongside the development days for parents, carers and family support practitioners.

NORTH EDINBURGH ARTS

NOTES TO THE FINANCIAL STATEMENTS (cont)

For the Year Ended 31 March 2020

16. Analysis of Funds (cont)

NEA Theatre Project is funded by NHS Lothian and has been set up to engage a creative team to work with adult participants to develop performances. The transfer from restricted to unrestricted represents a contribution to core costs as agreed with the funder.

Garden Development is funded by the Big Lottery and Scottish National Heritage. The half-acre plot, accessed from the central café, has been transformed from a patch of rough ground into a beautiful, welcoming and inspiring space for all to enjoy. The transfer from restricted to unrestricted represents a contribution to core costs as agreed with the funder.

Kraftworks is funded by an Edinburgh Airport Fund grant. This project is for adults aged 16+ and runs weekly where participants learn practical and creative skills from professional artists to transform everyday, recycled materials from around your home.

Film Club is supported by the Muirhouse Housing Association. The holiday film club screens family favourites in the NEA theatre. The club is free to attend and regularly attracts 60 plus. The transfer from restricted to unrestricted represents a contribution to core costs as agreed with the funder.

Centipede. Muirhouse St. Andrew's Parish Church consulted with over 30 organisations and individuals to find ways of bringing the community of Muirhouse together. North Edinburgh Arts is a partner in this project which has gained funds to support local people to express issues and concerns in a creative way, provoke social activism that is fun, engaging and powerful, and to help existing organisations with their own projects. The closing deficit is expected to be cleared during 2019/20.

Community Action North (formerly Community Leadership College) is funded by STV and delivered in partnership with Muirhouse Link Up. This project helps build on the biggest asset the community has – its people and gives them the opportunity to take participation and volunteering to the next level by providing training, support and other activities. The transfer from restricted to unrestricted represents a contribution to core costs as agreed with the funder.

Public Art Project is funded by Creative Scotland and Edinburgh & Lothian Health Foundation. This project has engaged Artists Hans Clausen and Lindsay Perth in residencies that are a part of the NW Edinburgh Partnership Centre development. The £12million centre, a joint development between NHS Lothian and the City of Edinburgh Council will bring increased health and social care services for the local community, including new GP accommodation and additional physiotherapy, podiatry, dentistry and child health services.

Urban Union. North Edinburgh Arts has been commissioned to develop an eight year strategy for the developers building 700 new homes in the square mile around our venue. This is part of the community benefits package agreed with the commissioners 21st Century Homes.

NORTH EDINBURGH ARTS

NOTES TO THE FINANCIAL STATEMENTS (cont)

For the Year Ended 31 March 2020

16. Analysis of Funds (cont.)

Play Rangers is funded by Inspiring Scotland. The Play Ranger programme encourages young people across the Forth Ward area to get involved in creative and child led play. Sessions take place in the community, on street corners, parks and open spaces. The transfer from restricted to unrestricted represents a contribution to core costs as agreed with the funder.

Studio Ember is funded by Creative Scotland for the youth music initiative programme.

Cashback for Community is funded by YouthLink Scotland and aims to reinvest the proceeds of crime back into the communities to benefit young people. The transfer from restricted to unrestricted represents a contribution to core costs as agreed with the funder.

Community Shed has been funded by the Scottish Government to improve the health and wellbeing of participants and promote repairing and reusing furniture and providing tools to participants. The transfer from restricted to unrestricted represents a contribution to core costs as agreed with the funder.

Outdoor Cinema A unique family friendly film event over two days making the most of two local resources, NEA and Screen Education Edinburgh, whilst ensuring children and families dependent on free school meals have access to food on non-school days. The four screenings, one outdoor and three in the NEA theatre, gave local residents the chance to get together with their neighbours to enjoy family favourites and a community meal. We also showed footage from the Screen Education Edinburgh Archive and films made by young people from across the area, to tie in with the 2018 Year of Young People. The transfer from restricted to unrestricted represents a contribution to core costs as agreed with the funder.

Core Costs is funding received from the City of Edinburgh Council contributing to various core salaries and central overhead costs.

Spifox has funded the café redevelopment which has started in the year and is expected to finish in the next year. The transfer from restricted to unrestricted represents the fixed asset additions purchased utilising this grant.

Cycle Scotland has provided income in the year to promote cycling. The transfer from restricted to unrestricted represents a contribution to core costs as agreed with the funder.

Artworks has been funded by the Artworks Fellowship to provide financial support for young artists and offer opportunities for career development.

Investing in Communities from the Scottish Government supports the work of the Link-Up project, which supports local people so that more of them can maximise their potential and bring about changes that reduce poverty and disadvantage. The transfer from restricted to unrestricted represents a contribution to core costs as agreed with the funder.

The Open Project is funded by Creative Scotland and is established to allow local residents to explore their creativity in a safe and supportive place, working with Artists across discipline, with the aim of participants curating their own cultural events. The transfer from restricted to unrestricted represents a contribution to core costs as agreed with the funder.

NORTH EDINBURGH ARTS

NOTES TO THE FINANCIAL STATEMENTS (cont)

For the Year Ended 31 March 2020

16. Analysis of Funds

Scottish Land Fund relates to the cost of the ongoing community payback, funding was received after the year end to cover the costs incurred to date.

REACH -BoS Café grant grant is funding received from the Bank of Scotland to allow the Community Café to extend their daily opening hours to provide a longer service to the community.

	Balance at 31 March 2018 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2019 £
Restricted funds					
Capital					
City of Edinburgh Council Urban					
Aid Capital Grant	73,588	-	(5,671)	-	67,917
Creative Scotland	220,404	-	(16,973)	-	203,431
City of Edinburgh Council Capital Grant	7,676	-	(623)	-	7,053
Scottish Enterprise Edinburgh and					
Lothian Arts Building Grant	30,416	-	(2,350)	-	28,066
Pilton Partnership	310	-	(7)	-	303
Lloyds TSB	849	-	(10)	-	839
Revenue					
Create	3,734	16,320	(11,848)	-	8,206
NEA Theatre Project	5,779	9,667	(6,998)	-	8,448
Garden Development Big Lottery	36,934	58,059	(57,923)	-	37,070
Film Club	3,068	-	(2,871)	-	197
Centipede	-	-	(128)	-	(128)
Kraftworks	229	-	(1,216)	-	(987)
Community Action North	12,693	129,583	(131,703)	-	10,573
Public Art Project	1,684	19,820	(15,863)	-	5,641
Urban Union	11,475	-	(8,747)	-	2,728
Play Rangers	4,478	9,066	(8,778)	-	4,766
Studio Ember	8,931	15,800	(9,748)	(2,537)	12,446
Cashback for Community	-	8,150	(4,555)	-	3,595
Community Shed	-	68,926	(61,056)	(7,548)	322
Outdoor Cinema	5,725	-	(5,211)	-	514
Core Costs	-	142,539	(142,539)	-	-
Spifox	-	19,750	(12,043)	(7,707)	-
Cycle Scotland	-	4,766	(3,837)	-	929
Artworks Fellowship	-	2,000	(2,000)	-	-
Total restricted funds	427,973	504,446	(512,698)	(17,792)	401,929
Unrestricted funds					
Fixed Asset Fund	8,469	-	-	13,603	22,072
General Fund	756	176,601	(185,933)	4,189	(4,387)
Total unrestricted funds	9,225	176,601	(185,933)	17,792	17,685
Total funds	437,198	681,047	(698,631)	-	419,614

NORTH EDINBURGH ARTS

NOTES TO THE FINANCIAL STATEMENTS (cont)

For the Year Ended 31 March 2020

17. Analysis of Net Assets Between Funds

As at 31 March 2020:-	Tangible Fixed Assets £	Net Current Assets £	Total £
Restricted funds	281,975	112,595	394,570
Unrestricted funds	21,135	88	21,223
	<hr/>	<hr/>	<hr/>
	303,110	112,683	415,793
	<hr/>	<hr/>	<hr/>

As at 31 March 2019:-	Tangible Fixed Assets £	Net Current Assets £	Total £
Restricted funds	307,609	94,320	401,929
Unrestricted funds	22,072	(4,387)	17,685
	<hr/>	<hr/>	<hr/>
	329,681	89,933	419,614
	<hr/>	<hr/>	<hr/>

18. Pension Cost

During the year there was £4,793 (2019: £4,211) paid in relation to employer contributions to defined contribution pension schemes. As at the year end contributions outstanding were £1,088 (2019: £1,032).

19. Related party transactions

No one individual had control of the charity during the year.

During the year 1 director (2019: two) was reimbursed expenses totalling £737 (2019: £375), none of which were outstanding at the year end.

There was one related party transaction of £180 received from Safer by Sound for room hire (2019: None).

20. Capital commitment

As at the year end the charity had committed to further café refurbishment costs of £Nil (2019: £8,464).