

NORTH EDINBURGH ARTS
(A Company Limited by Guarantee)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021



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 2021

The directors are pleased to present their annual directors' report together with the financial statements of the charity for the year ending 31 March 2021 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

During the last year the effect of Covid-19 has had a devastating effect on individuals, communities and organisations like North Edinburgh Arts. Covid-19 dominated our work from March 2020.

Because of our experienced staff and Board we put in place a robust emergency Covid-19 plan, operational and with finances in place, working with our key funders, allowing us to support our community through difficult times, and secure the future of our organisation for the years ahead.

Despite the challenges of the pandemic, North Edinburgh Arts has continued to flourish, ensuring 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 revenue finances over the year have stabilised and strong relationships have been established and further grown with our main funders. I wish to thank all our supporters and funders who worked with us during Covid-19. The response to our request for resources to set up emergency provision was quick, flexible and supportive.

Because of this our full staff complement was in place across the past year, allowing us to be flexible in our response to Covid-19 but also to continue to produce a varied and strong creative programme. This was often carried out online, via producing delivering activity packs and by working outside.

NEA along with our partners became the heart of food production and delivery during Covid-19 emergency work across North Edinburgh. The theatre and gallery spaces were used for food/essentials/creative stock warehousing, with the studio spaces used for sorting and packing prior to doorstep delivery. The NEA cafe team worked to produce nutritious meals for chilling and delivery of over 14,000 meals across the summer. On behalf of the Board I would want to thank all the staff and volunteers for their unstinting dedication to help and support individuals and families in North Edinburgh. Well Done!!

The other key work for the staff and board has been working on a Community Asset Transfer. The has been successful which means the community of North Edinburgh now owns NEA building and the land. This is a great achievement and thanks go to the staff at the Scottish Land Trust for all their support and encouragement through this process.

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The City of Edinburgh Council and NEA submitted a planning application for the Macmillan Hub which has now been approved with full details of the plans on NEA website. Thanks to the Director, Kate, Board Members, Darren Wraight in particular, Council Officers and Richard Murphy Architects for all their hard work to secure the future for an expanded NEA housing much needed facilities for the community of North Edinburgh.

My thanks for strong support from the Board, in challenging times. Now onwards for exciting plans for NEA and the community it serves.

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.

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. Pre-covid the venue was open for 52 hours per week with 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 hosting over 40,000 visits per annum, primarily from residents of the Forth, Almond and Inverleith Council Wards.

Covid Response

With the closure of the venue from the 23rd March 2020, due to the pandemic and acting on advice from the Scottish Government, NEA refocused its work on to the following areas:

- Production and distribution of ready meal packs to vulnerable, elderly and isolating residents (1,200 per week)
- Production and distribution of ambient food & essential household packs (30-50 per week)

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DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

Objectives and Activities (cont.)

- Warehousing of ambient goods for distribution to partner organisations (stock value £64,000+)
- Production and distribution of creative and horticultural packs for all ages (200+)
- Development of an online creative programme, for all ages, including podcasts/zoom groups/ideas sheets and links to other creative products and activities (see newsletter links below for full details)
- Telephone and online support to existing group participants (150+ per week)

NEA was able to repurpose and maximise the resources to hand, i.e. staff and building, within three days, to address the immediate needs of vulnerable and isolating community members. Over the next month £175,000 was raised to deliver our own programme of work and assist the Covid-19 emergency work across North Edinburgh. £90,000 supporting in house activity and £85,000 distributed to partners to assist with area efforts.

The core NEA team, 23 in total, were assessed against government guidance with 7 furloughed, 7 managing the food/creative production and distribution at the venue (following a stringent risk assessment and safe work practices being established) and 9 working from home co-ordinating all supplies, internal communications, and external marketing. We retained all our freelance creative team and worked with them to develop the online programme. Additionally, we linked with Volunteer Edinburgh to engage 15 volunteers who assisted with all elements of this work.

The café, and NEA chef, worked to produce nutritious meals for chilling and delivery, as noted producing over 14,000 meals across the summer of 2020, with the theatre and gallery spaces used for food/essentials/creative stock warehousing, with space for sorting and packing prior to doorstep delivery. A focus was on establishing and maintaining a personal connection with recipients, to enable a service rooted in dignity offering bespoke support.

Engagement & Partnerships

Our engagement with our local communities took four strands:

- lively social media presence and regular lockdown newsletters, sharing stories of creativity across our community
- maintaining a physical presence and setting up a covid safe stall in the town square
- interactive zoom sessions led by freelance Artists focussing on stitching, writing, yoga and dance. This resulted in bespoke masks, and the publication of a collection of short stories.
- existing local intelligence to assess and address need quickly, including overlap and gaps between organisations operating on the ground

A weekly collaborative session was set up on zoom for all agencies working across the area, sharing knowledge, resources and piecing together a patchwork of provision to best effect. This resulted in three hard copy newsletters being produced by the partners, delivered to 5,000 homes.

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DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

Objectives and Activities (cont.)

We consulted about coming out of lockdown in Autumn 2020, to understand the conditions that would make our participants feel safe in visiting our space. Isolated and vulnerable residents could find getting back into public space challenging, adding to a sense of loneliness and despair. We recognised it was important as a venue to be visible and open, even if only able to accommodate small numbers.

We retained our freelance creative team and worked with them to develop the online/onsite programme with activity such as a writing programme, artist commissions, artist walks, dance and movement, horticulture, learning about wildlife and craft. We raised funds to enable the Create programme for 0-5s and their parents and carers, and the Play Rangers programme of creative play for 8year+ to start again in late August, utilizing outside our garden and outside. Genevieve Kay-Gourlay, Depute to Director, was given a place on the Creative Scotland Digital Pivot programme enabling her to work with our freelance artists to develop a blended programme of onsite and online learning.

We worked with the BLM Mural Trail, Edinburgh Art Festival, Edinburgh International Book Festival, National Galleries of Scotland and the Edinburgh International Festival to site physical artworks, distribute creative packs, and enhance uptake of these partner's online offer.

Community Asset Transfer and Capital Plans

During this time the Director prepared the final stages of a successful bid to the Scottish Land Fund, and the corresponding Community Asset Transfer allowing the organisation to take the next step in securing the venue for community ownership and development. Linked to this plans were developed in partnership with the City of Edinburgh Council for the MacMillan Hub building which will join the refurbished and expanded North Edinburgh Arts venue with new Council facilities. Together, through this development, NEA and the City of Edinburgh Council will provide

- enterprise, workshop, learning and creative studio space
- an expanded café, youth area and shared atrium
- new library and skills centre
- new early years centre supporting 185 local children
- new affordable homes including outdoor amenity space

This innovative partnership project between North Edinburgh Arts and the Council will provide key Council services whilst keeping NEA at the centre of a creative, connected and inspired community, with our building expanded and fit for purpose for the next generation of North Edinburgh residents.

Grants payable policy

During the year North Edinburgh Arts received funds from organisations to redistribute as grant awards to other organisations for their share of the outcomes delivered during the Covid pandemic. The amounts are non-recurring.

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DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

Achievements and Performance

Alongside managing the emergency Covid response, maintaining our regular programme online, and utilising outside spaces, and re-opening the venue and garden when possible with covid safety at the forefront, the key achievements for the period April 2020 to March 2021 are as follows:

Pennywell Pantry Established as key response to the pandemic, the pantry supports around 350 households, reaching around 1,000 local people. Whilst the pantry's primary purpose was to use dignified food provision to reduce the cost of living, it has become a local hub supporting people in a range of other ways: to access other activities (e.g. Link Up groups, book provision, free Fringe tickets); increase social connection through the hub itself; and, create a safe space where people struggling with their mental health, substance abuse, housing and benefit issues can access support from our workers. The latter has been critical given the ongoing absence of other support services in the community, with many remaining online.

Pennywell Road Butterfly Garden North Edinburgh Arts was commissioned to create a new garden space from a temporary car park near to our venue on Pennywell Road. We engaged Artist Natalie Taylor, who has a wealth of experience in changing vacant spaces through sustainable design, to transform this patch of waste ground. Natalie worked to create a new bee and butterfly garden from the slabbed over space to mitigate the decline in insects, displaced by the new housing developments in the area. Natalie noticed that people often walked through the space on the way to or from the bus-stop so integrated a 'Desire Line' across the garden. The design focussed on finding the right plants that looking visually stimulating whilst offering bees, butterflies and other insects a place to feed. The garden hosts lavender, honeysuckle, verbena and oxeye daisies.

Open Project (aka. Art for Grown Ups) Art for Grown Ups, led by Artist Alice Betts, is a long-term project for Muirhouse and the surrounding areas, offering adults an opportunity to learn and develop creative skills together, while creating art for exhibition and public spaces. Art for Grown Ups is supported by Creative Scotland. Sessions involve a wide range of experimental and playful activities, creating both small, and large-scale artwork. Support with personal projects and creative goals can also be provided.

North Edinburgh Action Group involves four third sector organisations, and was established to demonstrate their commitment to collaboration and innovation in the delivery of services which tackle the long-term negative impacts of poverty. The Consortium's geographical reach ("North Edinburgh") extends across the communities of Muirhouse, Granton, Pilton and Drylaw. The delivery organisations consist of Fresh Start, North Edinburgh Arts, Move On, Spartans Community Football Academy. The proposed services to be delivered are:

- Creation of a cross organisational team of 4 Development Support Workers.
- Development and roll out of 1:1 assessment and person-centred planning protocols.
- Provision of intensive 1:1 support by DSWs, mentors, befrienders.
- Supported access to other existing services in the consortium and other partners.
- Supporting service users to engage in supported and open-ended volunteering.
- Facilitating service user involvement and participation at all levels of the service.
- Developing and sharing learning through the community research project.

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Achievements and Performance (continued)

MacMillan Hub North Edinburgh Arts is working in partnership with the City of Edinburgh Council to create plans for an extended creative and community hub for the area, to be named the MacMillan Hub. The objective is to create a community and neighbourhood hub promoting culture, learning, work and well-being in and around the town centre.

The planning application has been approved for the full MacMillan Hub building which will join the refurbished and expanded North Edinburgh Arts venue. Together, through this development, NEA and the City of Edinburgh Council will provide

- enterprise, workshop, learning and creative studio space
- an expanded café, youth area and shared atrium
- new library and skills centre
- new early years centre supporting 185 local children
- new affordable homes including outdoor amenity space

This innovative partnership project between North Edinburgh Arts and the Council will provide key Council services whilst keeping NEA at the centre of a creative, connected and inspired community, with our building expanded and fit for purpose for the next generation of North Edinburgh residents.

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.

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FOR THE YEAR ENDED 31 MARCH 2021

Achievements and Performance (continued)

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. In the year 2020/21 feedback via social media was critical given the restrictions in place.

North Edinburgh Arts, along with local partners making up the 'Covid Response and Recovery Group' were awarded the Inspiring Partnership award at the Chamber of Commerce Awards ceremony 2021.

Financial Review

Results for the Year

North Edinburgh Arts' operation produced a surplus for the year of £59,407 (2020 – deficit of £3,821).

The total value of funds held at 31 March 2021 amounted to £475,200 (2020: £415,793) comprising £438,071 (2020: £394,570) of a restricted nature and £37,129 (2020: £21,223) of an unrestricted nature. Restricted funds include £256,341 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 £150,000 (2020: £140,956) 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 £60,000). Free reserves currently stand at £22,000 and the Directors are continuing to work towards increasing this amount.

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 two-year budget forecast in place. The Board and Director established NEA as a strategic partner with the City of Edinburgh Council, agreeing an uplift funds, and in principle 3-year funding, 2019-2022.
- b) Capital build and partnership with City of Edinburgh Council. NEA's ambitious plans for re-development and extension, have brought our facility into community ownership. To mitigate the risks this brings the Board has been expanded to include fundraising and construction expertise, and capital fundraising support was enlisted.
- c) Pressures arising from Covid 19; NEA safely addressed issues arising from the pandemic, and will work to take this learning is taken into 2021 and beyond

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DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

Plans for the Future

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 2021/22 has been received from the City of Edinburgh Council, 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 and ongoing impact of COVID-19 to the entity in the 12 months following the signing of these financial statements.

Post Year End Events

Updated Articles of Association The Director and Board worked with Burness Paull to update the organisation's Article of Association to ensure they were fit for the purposes of completing the Community Asset Transfer from the City of Edinburgh Council.

Donorfy Customer Management System The North Edinburgh Arts Team, and Board have developed a bespoke cloud based customer management system to streamline all matters relating to membership, ticketing, marketing, feedback and funding.

Festivals events NEA worked with Imagine, Edinburgh International Science Festival, Edinburgh Fringe and Edinburgh International Book Festival to enhance access to their post covid programmes, and in the case of Imagine and the Science Festival host site specific artworks.

Decant to temporary accommodation for the capital redevelopment A comprehensive decant plan has been put in place for the period January 2022 to August 2023 to ensure a smooth transition to temporary accommodation during the capital development of the existing venue. A mentor from Inspiring Scotland worked alongside the Director to assist with the planning.

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.

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DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

Structure, Governance and Management (cont.)

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 2021

Reference and Administration Information

Scottish Charity number	SC027700	
Company number	SC184477	
Board of Directors	Mary Keegan Lesley Hinds Pauline Lindsay Deirdre McPherson Bethan Onuonga David Coxon Marianne Tibbett Jennifer Lang Sanne Dijkstra-Downie William Fitzpatrick Electra McPhillips Darren Wraight	Resigned 17 March 2021 Appointed 1 September 2020 Appointed 17 March 2021 Appointed 17 March 2021 Appointed 17 March 2021
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 2021

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

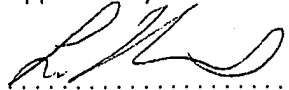
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each director has taken all the steps he ought to have taken as a director in order to make himself aware of any 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 15 December 2021 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 2021

Opinion

We have audited the financial statements of North Edinburgh Arts for the year ended 31 March 2021, 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 2021 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.

Uncertainty related to going concern

We draw attention to note 1 in the financial statements, which indicate that the current operating conditions of the charitable company are difficult as a result of the ongoing pandemic. As disclosed in note 1 the limited level of unrestricted free reserves at the year-end indicates the existence of an uncertainty which may cast significant doubt about the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of all the directors assessment of the entities ability to continue to adopt the going concern basis of accounting included assessing the clients budget and cashflow forecasts and obtaining confirmation from the parent that they will continue to support the company.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

NORTH EDINBURGH ARTS

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS AND MEMBERS FOR THE YEAR ENDED 31 MARCH 2021

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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities and Trustees Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' annual report; or
- Proper accounting records have not been kept; or
- The financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit

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.

In preparing the financial statements, the trustees are responsible for assessing the charity'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 charity 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 report in accordance with the Act 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.

NORTH EDINBURGH ARTS

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS AND MEMBERS FOR THE YEAR ENDED 31 MARCH 2021

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error.

From enquiries of those charged with governance, it was determined that the risk of material misstatement from fraud was low with little scope for fraud to occur. Our audit testing is designed to detect material misstatements from fraud where there is not high level collusion.

Our audit testing was designed to detect material misstatements from other irregularities that result from error where there is not high level concealment of the error. In this regard the following audit work was undertaken: applicable laws and regulations were reviewed and discussed with management; senior management meeting minutes were reviewed; internal controls were reviewed; and journals were reviewed. From this audit testing it was determined that the risk of material misstatement in this regard was low.

We performed income and expenditure testing which was designed to identify any irregularities as a result of mistakes or human error. From this audit testing it was determined that the risk of material misstatement in this regard was low.

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 auditor's report.

Use of our report

This report is made solely to the charity'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 charity'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 charity and the charity'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**

15 December 2021

NORTH EDINBURGH ARTS
INCOME AND EXPENDITURE ACCOUNT
For the Year Ended 31 March 2021

	Notes	2021 £	2020 £
<u>Income</u>			
<i>Donations</i>	2	6,327	1,574
<i>Charitable activities</i>	3	822,464	479,545
<i>Other trading activities</i>	4	31,098	97,614
<i>Other</i>	5	-	8,654
Amortisation of capital grants		25,634	25,634
		<hr/>	<hr/>
		885,523	613,021
		<hr/>	<hr/>
<u>Expenditure</u>			
<i>Charitable activities</i>		759,746	545,028
<i>Other</i>		40,736	46,180
		<hr/>	<hr/>
	8	800,482	591,208
		<hr/>	<hr/>
Operating surplus for the year		85,041	21,813
Surplus b/fwd at 1 April 2020		133,818	112,005
		<hr/>	<hr/>
Balance c/fwd at 31 March 2021		218,859	133,818
		<hr/>	<hr/>
RECONCILIATION TO BALANCE SHEET			
Closing reserves at 31 March 2021 (page 17)		475,200	415,793
Unamortised capital grants		(256,341)	(281,975)
		<hr/>	<hr/>
Balance c/fwd at 31 March 2021 (as above)		218,859	133,818
		<hr/>	<hr/>

NORTH EDINBURGH ARTS
STATEMENT OF FINANCIAL ACTIVITIES
For the Year Ended 31 March 2021

	Notes	Restricted Funds £	Unrestricted Funds £	2021 Total £	2020 Total £
Income and endowments from:					
<i>Donations</i>	2	3,864	2,463	6,327	1,574
<i>Charitable activities</i>	3	697,720	124,744	822,464	479,545
<i>Other trading activities</i>	4	-	31,098	31,098	97,614
<i>Other</i>	5	-	-	-	8,654
Total		701,584	158,305	859,889	587,387
Expenditure on:					
Raising funds		-	6,000	6,000	-
Charitable activities		627,249	126,497	753,746	529,533
Other		-	40,736	40,736	61,675
Total	8	627,249	173,233	800,482	591,208
Net income/(expenditure)		74,335	(14,928)	59,407	(3,821)
Transfers between funds	16	(30,834)	30,834	-	-
Net movement in funds		43,501	15,906	59,407	(3,821)
Reconciliation of funds:					
Total funds brought forward		394,570	21,223	415,793	419,614
Total funds carried forward	16	438,071	37,129	475,200	415,793

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 35 form part of these financial statements.

NORTH EDINBURGH ARTS

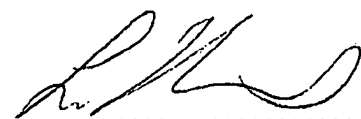
BALANCE SHEET

As at 31 March 2021

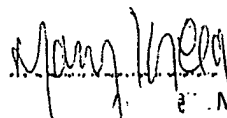
	Notes	£	2021 £	£	2020 £
Fixed assets	12		271,759		303,110
Current assets					
Debtors	13	3,635		25,106	
Cash at bank and in hand		230,204		108,258	
			233,839	133,364	
Creditors: amounts falling due within one year	14	(30,398)		(20,681)	
Net current assets			203,441		112,683
Net assets			475,200		415,793
Funds					
Restricted funds	16		438,071		394,570
Unrestricted funds	16		37,129		21,223
			475,200		415,793

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 15 December 2021 and signed on its behalf by:



Lesley Hinds, Director



Mary Keegan, Director

The notes on pages 19 to 35 form part of these financial statements.

NORTH EDINBURGH ARTS

CASH FLOW STATEMENT

As at 31 March 2021

	2021	2020
	£	£
Cash flows from operating activities:		
Net cash provided by operating activities	128,391	68,861
Cash flows from investing activities		
Purchase of property, plant and equipment	(6,445)	(9,616)
	<hr/>	<hr/>
Cash flows used by investing activities	(6,445)	(9,616)
	<hr/>	<hr/>
Increase in cash during year	121,946	59,245
Cash and cash equivalents at the beginning of the year	108,258	49,013
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	230,204	108,258
	<hr/> <hr/>	<hr/> <hr/>
RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES		
Net income/(expenditure) for the year (as per the Statement of Financial Activities)	59,407	(3,821)
Adjustments for:		
Depreciation charge	37,796	36,187
Decrease in debtors	21,471	67,141
Increase/(Decrease) in creditors	9,717	(30,646)
	<hr/>	<hr/>
Net cash provided by operating activities	128,391	68,861
	<hr/> <hr/>	<hr/> <hr/>
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Instant access bank deposits	230,204	108,258
	<hr/>	<hr/>
Total cash and cash equivalents	230,204	108,258
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 19 to 35 form part of these financial statements.

NORTH EDINBURGH ARTS

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 March 2021

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 2023. 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.

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 2023 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 appropriate contingencies, 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 2021

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 2021

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 2021 £	Total 2020 £
Donations	2,463	3,864	6,327	1,574
	<hr/>	<hr/>	<hr/>	<hr/>
	2,463	3,864	6,327	1,574
	<hr/>	<hr/>	<hr/>	<hr/>

Income from donations was £6,327 (2020: £1,574) of which £2,463 (2020: £1,497) was unrestricted and £3,864 (2020: £77) was restricted.

NORTH EDINBURGH ARTS

NOTES TO THE FINANCIAL STATEMENTS (cont)

For the Year Ended 31 March 2021

3. Income from Charitable Activities

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Grants (note 6)	124,204	684,627	808,831	472,051
Events	540	-	540	677
Workshops	-	-	-	5,290
Box office	-	-	-	1,527
Pantry Membership	-	9,353	9,353	-
Shed Membership	-	3,740	3,740	-
	<hr/>	<hr/>	<hr/>	<hr/>
	124,744	697,720	822,464	479,545
	<hr/>	<hr/>	<hr/>	<hr/>

Income from charitable activities was £822,464 (2020: £479,545) of which £124,744 (2020: £72,176) was unrestricted and £697,720 (2020: £407,369) was restricted.

4. Income from Other Trading Activities

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Café	18,563	-	18,563	65,235
Room hire, office rental	12,535	-	12,535	32,379
	<hr/>	<hr/>	<hr/>	<hr/>
	31,098	-	31,098	97,614
	<hr/>	<hr/>	<hr/>	<hr/>

Income from other trading activities was £31,098 (2020: £97,614) of which £31,098 (2020: £97,614) was unrestricted and £nil (2020: £nil) was restricted.

5. Other Income

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Miscellaneous income	-	-	-	8,654
	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	-	8,654
	<hr/>	<hr/>	<hr/>	<hr/>

Income from other was £nil (2020: £8,654) of which £nil (2020: £1,923) was unrestricted and £nil (2020: £6,731) was restricted.

NORTH EDINBURGH ARTS

NOTES TO THE FINANCIAL STATEMENTS (cont)

For the Year Ended 31 March 2021

6. Grants

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
The City of Edinburgh Council - <i>Core Create</i>	-	150,000	150,000	140,956
Scottish Government – <i>Supporting Communities</i>	-	96,370	96,370	-
Creative Scotland - <i>Studio Ember</i>	-	-	-	2,800
- <i>Open Project</i>	-	4,200	4,200	41,850
- <i>Youth Arts Residencies</i>	-	32,423	32,423	-
- <i>Urban Union</i>	-	13,300	13,300	-
Corona Virus Job Retention Scheme	61,150	-	61,150	-
The Robertson Trust	24,500	-	24,500	24,500
CS Green Network	-	-	-	5,234
Big Lottery Fund - <i>Garden Project</i>	-	75,000	75,000	75,000
SCVO	-	-	-	19,897
The Nancie Massey Charitable Trust	-	-	-	2,000
Neighbourhood Create	-	-	-	5,105
Creative Scotland – <i>Venue Recovery</i>	23,554	-	23,554	-
Keep Scotland Beautiful	-	505	505	62,568
Sir Tom Farmer Foundation	15,000	-	15,000	15,000
Inspiring Scotland	-	18,901	18,901	18,150
MHA - Film Club Grant	-	-	-	4,180
MHA - Pantry	-	3,640	3,640	-
MHA – Covid-19	-	2,000	2,000	-
City of Edinburgh Council - Pantry	-	5,000	5,000	-
Inspiring Scotland Link UP Grant	-	-	-	4,188
Chance to Flourish	-	15,291	15,291	-
National Lottery	-	9,999	9,999	9,932
National Lottery – <i>Community Fund</i>	-	36,000	36,000	-
Bank of Scotland	-	2,927	2,927	14,636
Investing in Communities Fund	-	146,812	146,812	7,652
Scottish Government – <i>Garden Grow your Own</i>	-	-	-	2,000
Crudens – <i>Café grant</i>	-	-	-	2,500
Heritage Lottery	-	-	-	(802)
Scottish Land Fund	-	18,084	18,084	-
EVOC Food Fund	-	8,437	8,437	-
SCVO - Centipede Project	-	4,000	4,000	-
STV Children's Appeal	-	4,000	4,000	-
STV Winter Payment	-	1,000	1,000	-
STV Pantry Appeal	-	6,750	6,750	-
CSGN Grant	-	5,266	5,266	-
Community Wellbeing Fund	-	16,000	16,000	16,000
Total carried forward	124,204	675,905	800,109	458,908

NORTH EDINBURGH ARTS

NOTES TO THE FINANCIAL STATEMENTS (cont)

For the Year Ended 31 March 2021

6. Grants (continued)

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Total brought forward from previous page	124,204	675,905	800,109	458,908
Muirhouse Housing Association	-	-	-	3,645
Spifox	-	-	-	8,464
Other grants (individually less than £1,000)	-	8,722	8,722	1,034
	<hr/>	<hr/>	<hr/>	<hr/>
Total Grant income	124,204	684,627	808,831	472,051
	<hr/>	<hr/>	<hr/>	<hr/>

Income from grants was £808,831 (2020: £472,051) of which £124,204 (2020: £64,682) was unrestricted and £684,627 (2020: £407,369) was restricted.

7. Net Movement in Funds

	2021 £	2020 £
This is stated after charging:		
Auditor's remuneration - audit fees	4,680	4,560
Depreciation	37,796	36,187
	<hr/>	<hr/>

NORTH EDINBURGH ARTS

NOTES TO THE FINANCIAL STATEMENTS (cont)

For the Year Ended 31 March 2021

8. Expenditure

	Core Centre Costs £	Cafe £	Project Costs £	Total 2021 £	Total 2020 £
<i>Raising funds:</i>					
Fundraiser	6,000	-	-	6,000	-
<i>Charitable activities:</i>					
Wages and salaries (note 11)	167,624	28,269	188,385	384,278	282,074
Other staff costs	1,090	-	58,095	59,185	52,113
Artists	7,218	-	27,756	34,974	32,921
Travel and subsistence	35	-	1,516	1,551	1,552
Rates and insurance	28,101	-	4,377	32,478	33,313
Materials	198	-	9,592	9,790	8,732
Project costs	-	-	88,682	88,682	29,454
Grants payable	-	-	74,380	74,380	-
Project overheads	4,571	-	9,843	14,414	15,349
Cleaning/maintenance	20,751	-	-	20,751	23,592
Hospitality	-	-	225	225	534
Events	-	-	-	-	2,264
Theatre costs	-	-	-	-	308
Depreciation	12,162	-	25,634	37,796	36,187
Training	453	-	(259)	194	1,768
Professional fees	11,432	-	-	11,432	23,934
Board development	759	-	-	759	303
Postage and stationery	5,714	-	59	5,773	2,821
Bank charges	184	-	-	184	72
Advertising	189	-	300	489	2,026
<i>Governance costs</i>					
Audit and advisory fees	4,680	-	-	4,680	4,560
<i>Other:</i>					
Café – direct costs	-	12,467	-	12,467	37,331
Total	271,161	40,736	488,585	800,482	591,208

Expenditure was £800,482 (2020: £591,208) of which £173,233 (2020: £190,320) was unrestricted and £627,249 (2020: £400,888) was restricted.

Grants payable represents £21,030 paid to Fresh Start (Scotland) and £53,350 paid to Spartans towards their share of the outcomes delivered during the Covid pandemic.

NORTH EDINBURGH ARTS

NOTES TO THE FINANCIAL STATEMENTS (cont)

For the Year Ended 31 March 2021

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 2021 £	Total 2020 £
Costs	(271,161)	(40,736)	(488,585)	(800,482)	(591,208)
Donations	1,819	-	4,508	6,327	1,574
Grants	274,204	-	534,627	808,831	472,051
Events	540	-	-	540	677
Workshops	-	-	-	-	5,290
Box Office	-	-	-	-	1,527
Café	-	18,563	-	18,563	65,235
Room hire, office rental and catering	12,535	-	-	12,535	32,379
Pantry Membership	-	-	9,353	9,353	-
Shed Membership	-	-	3,740	3,740	-
Miscellaneous income	-	-	-	-	8,654
	<u>17,937</u>	<u>(22,173)</u>	<u>63,643</u>	<u>59,407</u>	<u>(3,821)</u>

10. Taxation

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

11. Wages and salaries

	2021 £	2020 £
Wages and salaries	372,108	270,467
Social Security costs	8,308	6,814
Pension costs	3,862	4,793
	<u>384,278</u>	<u>282,074</u>

NORTH EDINBURGH ARTS

NOTES TO THE FINANCIAL STATEMENTS (cont)

For the Year Ended 31 March 2021

11. Wages and salaries (cont)

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

	2021	2020
	No.	No.
Productions	15	10
Maintenance and cleaning	3	3
Administration	6	6
	<hr/>	<hr/>
	24	19
	<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 £72,122 (2020: £59,191). 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 2020	2,255,470	331,631	2,578,101
Additions	-	6,445	6,445
	<hr/>	<hr/>	<hr/>
At 31 March 2021	2,255,470	338,076	2,593,546
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 April 2020	1,973,495	310,496	2,283,991
Charge for year	25,634	12,162	37,796
	<hr/>	<hr/>	<hr/>
At 31 March 2021	1,999,129	322,658	2,321,787
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 March 2021	256,341	15,418	271,759
	<hr/>	<hr/>	<hr/>
At 31 March 2020	281,975	21,135	303,110
	<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 2021

13. Debtors

	2021	2020
	£	£
Other debtors	3,097	12,800
Grants receivable	-	10,997
Prepayments and accrued income	538	1,309
	<hr/>	<hr/>
	3,635	25,106
	<hr/>	<hr/>

14. Creditors

	2021	2020
	£	£
Trade creditors	11,799	5,567
Accruals	12,693	12,585
Other taxes and social security	5,906	1,441
Pension contributions	-	1,088
	<hr/>	<hr/>
	30,398	20,681
	<hr/>	<hr/>

15. Operating Lease Commitments

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

	Equipment	Equipment
	2021	2020
	£	£
Less than one year	8,488	7,888
Between one and five years	20,089	28,577
Greater than five years	3,600	4,200
	<hr/>	<hr/>

NORTH EDINBURGH ARTS

NOTES TO THE FINANCIAL STATEMENTS (cont)

For the Year Ended 31 March 2021

16. Analysis of Funds

	Balance at 31 March 2020	Income	Expenditure		Balance at 31 March 2021
Restricted funds	£	£	£	Transfers	£
<u>Capital</u>					
City of Edinburgh Council Urban					
Aid Capital Grant	62,246	-	(5,671)	-	56,575
Creative Scotland	186,458	-	(16,973)	-	169,485
City of Edinburgh Council Capital Grant	6,430	-	(623)	-	5,807
Scottish Enterprise Edinburgh and					
Lothian Arts Building Grant	25,716	-	(2,350)	-	23,366
Pilton Partnership	296	-	(7)	-	289
Lloyds TSB	829	-	(10)	-	819
<u>Revenue</u>					
Create	4,341	15,291	(10,544)	-	9,088
Garden Development Big Lottery	56,541	81,308	(67,935)	-	69,914
Film Club	4,180	-	(309)	-	3,871
Centipede	(128)	-	-	128	-
Public Art Project	3,827	-	(300)	-	3,527
Urban Union	326	14,825	(9,339)	(5,812)	-
Play Rangers	4,544	18,999	(19,833)	-	3,710
Studio Ember	(4,074)	4,200	(1,300)	1,174	-
Community Shed	1,101	4,400	(6,086)	585	-
Cycle Scotland	500	-	(500)	-	-
Stitch in Time	5,876	9,999	(6,045)	(1,740)	8,090
Investing in Communities	1,552	147,042	(116,183)	(18,031)	14,380
Scottish Land Fund	(18,084)	18,084	(35)	-	(35)
COVID 19 Efforts	(910)	178,377	(174,110)	(3,357)	-
Core costs	-	150,000	(150,000)	-	-
REACH – BoS Café Grant	10,415	-	(10,415)	-	-
Artists' Studio	4,710	-	-	-	4,710
The Open Project	37,878	-	(10,713)	(2,925)	24,240
Pantry	-	26,636	(17,968)	(856)	7,812
Youth Arts Residencies	-	32,423	-	-	32,423
Total restricted funds	394,570	701,584	(627,249)	(30,834)	438,071
Unrestricted funds					
Fixed Asset Fund	21,135	-	(12,162)	6,445	15,418
General Fund	88	158,305	(161,071)	24,389	21,711
Total unrestricted funds	21,223	158,305	(173,233)	30,834	37,129
Total funds	415,793	859,889	(800,482)	-	475,200

NORTH EDINBURGH ARTS

NOTES TO THE FINANCIAL STATEMENTS (cont)

For the Year Ended 31 March 2021

16. Analysis of Funds (cont)

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.

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.

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.

NORTH EDINBURGH ARTS

NOTES TO THE FINANCIAL STATEMENTS (cont)

For the Year Ended 31 March 2021

16. Analysis of Funds (cont)

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.

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. The transfer from restricted to unrestricted represents a contribution to core costs as agreed with the funder.

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. The transfer from restricted to unrestricted represents a contribution to core costs as agreed with the funder.

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.

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.

Stitch in Time funded by the National Lottery Community Fund 'Awards for All' this group works with craft specialists to explore all aspects of knitting and stitching. The transfer from restricted to unrestricted represents a contribution to core costs as agreed with the funder.

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.

NORTH EDINBURGH ARTS

NOTES TO THE FINANCIAL STATEMENTS (cont)

For the Year Ended 31 March 2021

16. Analysis of Funds (cont.)

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.

COVID 19 Efforts During the pandemic a strong partnership developed between three partners of the wider North Edinburgh network, NEA, Freshstart, and Spartans. With support from the Community Anchor Organisation Fund, NEA worked with Freshstart and Spartans to scale up the provision and distribution of food packs & household essentials. This was due to recognition that organisations were reaching capacity, indicated by most partners not taking on new referrals. The local intelligence held and ability to network effectively ensured that

- a) The right goods reached the right place
- b) Efforts were co-ordinated and efficient
- c) The partners supported the work of other organisations in the area
- d) Appropriate planning and evaluation was in place.

With the funds we established three warehouse and distribution hubs, re-purposing space in our venues expanding capacity to provide weekly food packs and cooking equipment and providing enough fresh/dried, nutritious & enjoyable food for a week. This service ran for 16 weeks to the 13th August, and maximised the funds available via wholesale purchasing. The partners continued to support vulnerable residents after this date using other funds and in-kind contributions.

NEA acted as the main warehouse £54,400 of stock delivered to and distributed from the space, sourced wholesale, and enhanced by contributions from Freshstart and Morrisons with NEA, Spartans, and Freshstart acting as local delivery hubs for collection and distribution to households. We engaged a wide range of trained volunteers, sourced via partner organisations and via Volunteer Edinburgh, with a warehouse co-ordinator overseeing stock and deliveries on seconded from the City of Edinburgh Council. To introduce as much choice as possible into the selection of food delivered to reflect personal and cultural preferences the fund was also used to engage Passion 4 Fusion, a social enterprise, who cooked and delivered food to BAME households across North Edinburgh.

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

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.

Artists' Studio Funds raised by the Board at a silent auction, hosted by the Edinburgh International Festival at the Hub on the Royal Mile in November 2019 will be used for fixtures and fittings in the refurbished and extended venue.

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 2021

16. Analysis of Funds (cont.)

Pennywell Pantry Established as key response to the pandemic, the pantry supports around 350 households, reaching around 1,000 local people. The pantry's primary purpose is to use dignified food provision to reduce the cost of living.

Youth Arts Residents Five artists have been awarded the 2021/22 Youth Arts Residencies Small Grants, managed by North Edinburgh Arts (NEA) in partnership with Independent Arts Projects (IAP). The selected artists have each been awarded a grant of £5,000 to design and deliver their own youth arts projects in Muirhouse, North Edinburgh, supported through mentoring, advice and training. The programme will ensure accessible creative opportunities continue to exist, despite the COVID-19 pandemic, for children and young people living in Muirhouse. In addition, it aims to empower freelance artists, and strengthen and broaden NEA and IAPs longer-term connections with these practitioners. The programme is funded by Creative Scotland through the Youth Arts Fund Small Grants Scheme.

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.

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.

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.

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.

NORTH EDINBURGH ARTS

NOTES TO THE FINANCIAL STATEMENTS (cont)

For the Year Ended 31 March 2021

16. Analysis of Funds

	Balance at 31 March 2019	Income	Expenditure	Transfers	Balance at 31 March 2020
Restricted funds	2019				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
Unrestricted funds					
Fixed Asset Fund	22,072	-	(10,553)	9,616	21,135
General Fund	(4,387)	173,210	(179,767)	11,032	88
Total unrestricted funds	17,685	173,210	(190,320)	20,648	21,223
Total funds	419,614	587,387	(591,208)	-	415,793

NORTH EDINBURGH ARTS

NOTES TO THE FINANCIAL STATEMENTS (cont)

For the Year Ended 31 March 2021

17. Analysis of Net Assets Between Funds

As at 31 March 2021:-	Tangible Fixed Assets £	Net Current Assets £	Total £
Restricted funds	256,341	181,730	438,071
Unrestricted funds	15,418	21,711	37,129
	<hr/>	<hr/>	<hr/>
	271,759	203,441	475,200
	<hr/>	<hr/>	<hr/>
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/>

18. Pension Cost

During the year there was £3,862 (2020: £4,793) paid in relation to employer contributions to defined contribution pension schemes. As at the year end contributions outstanding were £nil (2020: £1,088).

19. Related party transactions

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

During the year two directors (2020: one) were reimbursed expenses totalling £329 (2020: £737), none of which were outstanding at the year end.

The spouse of director Darren Wraight serves as Finance Officer for North Edinburgh Arts. During the year, Laura Wraight was reimbursed expenses totalling £700, none of which were outstanding at the year end and a total remuneration package of £16,350.

20. Capital commitment

As at the year end the charity had committed to further café refurbishment costs of £nil (2020: £nil).