

COMPANY REGISTRATION NUMBER: 2999055

CHARITY REGISTRATION NUMBER: 1043197

**ADEC (Arts Development In East Cambridgeshire)
T/A Babylon Arts**

Company Limited by Guarantee

Unaudited financial statements

31 March 2019

TUESDAY



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17/12/2019
COMPANIES HOUSE

**ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts
Company Limited by Guarantee
Financial statements
Year ended 31 March 2019**

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ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts

Company Limited by Guarantee

Trustees' annual report (incorporating the directors' report)

Year ended 31 March 2019

The trustees, who are also the directors for the purposes of company law, present their report and the unaudited financial statements of the charity for the year ended 31 March 2019.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Companies Act 2006 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 2015).

Reference and administrative details

Registered charity name	ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts
Charity registration number	1043197
Company registration number	2999055
Principal office and registered office	Babylon Gallery Babylon Bridge Waterside Ely Cambs CB7 4AU

The trustees

The trustees who served during the year and at the date of approval were as follows:

Mr I Downey BA (Appointed 2 May 2018)
Ms L Holland FRSA (Acting Co-Chair)
Mr D Johnson (Acting Co-Chair) (Appointed 2 May 2018)
Mr T Coney
Ms P A Pfrommer (Resigned 2 May 2018)
Mr S Gilligan (Resigned 20 October 2018)
Mrs L Phelps (Resigned 14 May 2018)
Mr M Macey FCA (Treasurer)
Mr B A Watson (Acting Chair) (Resigned 20 October 2018)
Mrs V J Massey
Mrs E Chase
Mr S Green
Mr T Shallaker (Appointed 2 May 2018 and resigned 10 September 2018)

Secretary Mr I Downey

Independent examiner Leigh Thurston FCCA
Lovewell Blake LLP
Chartered accountants
11 Lynn Road
Ely
CB7 4EG

ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts

Company Limited by Guarantee

Trustees' annual report (incorporating the directors' report) *(continued)*

Year ended 31 March 2019

Objectives and activities

a. Policies and objectives

In setting objectives and planning for activities, the trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit and they consider that the charity is fulfilling its obligations in this respect.

The charity's objects are to: Promote, maintain and encourage the arts, including without limitation, the arts of drama, dance, visual art, literature and film, for the advancement of education and to encourage public understanding of the arts, in the Eastern region of England.

Strategic report

The following sections for achievements and performance and financial review form the strategic report of the charity.

**ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts
Company Limited by Guarantee**

Trustees' annual report (incorporating the directors' report) *(continued)*

Year ended 31 March 2019

Achievements and performance

ADEC's vision is:

To be the Creative Heart of Ely and West Anglia

and its mission is to:

Develop Creativity and Connect Communities with Arts and Culture

Its aims are:

- For ADEC (trading as Babylon Arts) to be seen as an essential part of the area's cultural, economic and artistic life.
- To enrich more people's lives through our inspiring and dynamic Creative Spaces and Creative Communities programmes.
- To build our networks, developing partnerships and connections that enable us to grow arts and cultural provision for the enjoyment of people across West Anglia
- To nurture creative practice of those who live and work in West Anglia, providing opportunities through our programmes, to showcase their work.

ADEC holds four key values and seeks to be:

Resourceful: we seek to develop new partnerships and create opportunities through our work to increase opportunities for arts and creativity to flourish.

Passionate: We care deeply about the communities in which we work and will work fervently to showcase and develop engaging and exciting creative opportunities.

Curious: we are interested in people's ideas and in new ways of working. We're open to trying new things and taking considered risks to reach new audiences. We're keen to invoke curiosity in the communities we work in.

Inclusive: we value diversity, promote equality and provide a supportive environment for artists, audiences, partners and businesses to be creative in response to a variety of art forms, styles and genres.

ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts

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Trustees' annual report (incorporating the directors' report) *(continued)*

Year ended 31 March 2019

Achievements and performance *(continued)*

Babylon Gallery

Following the refurbishment of our venue space and re-branding, we continued to position Babylon Arts as a creative hub for cultural activity in the area. The year focused on creating new and deepening established partnerships, with both local and regional art and community groups.

In order to improve the quality of our offer, we have been working with a commercial partner, enabling our exhibition programme to include three major named exhibitions featuring work by Joan Miró and Marc Chagall. We have also been growing our study days to the extent that we are offering approximately one a month and they almost always sell-out.

We enhanced our gallery offer, giving people a chance to participate in the arts through faster sessions, open mic events, free family workshops and activities. The improved space allowed more opportunity for live events including gigs, book launches, small scale theatre, pop-up demonstrations and Ely Gin tasting evenings. We aim to develop a sustainable business model through a mix of earned income from gallery hire and rental, artist commissions and retail sales and have achieved some success in this area, but there is still room for improvement.

The addition of sofas, a permanent free family activity, with regular artist's talks and demonstrations have helped make our space more welcoming and engaging for both regular visitors and tourists. We continue to improve our small gift shop, connecting with a wider range of local artists and makerscrafts people, giving them an outlet for their work locally.

Ely Cinema

We are grateful for the continued support from the City of Ely Council for our community cinema housed within the Maltings. We continued to develop a varied film programme, with an increased emphasis on retaining our core audience and encouraging repeat visits given the increased competition from the multiplex just outside Ely.

With additional support through our Catalyst Project, we made improvements to our Membership Scheme and this has seen a 35% increase in membership income compared to 2017-18. We are passionate about what we offer and we wanted our audiences to be part of that too. The Membership Scheme is part of how we tell our story more effectively and ensuring people know we are a charity.

We rely on a large team of volunteers across both the cinema and gallery to help us operate. We have continued to use the 'Time Credits' scheme, which has proved popular, helping us recruit new people and rewarded those who give their time and skills to ADEC as volunteers.

In the final quarter of 2018-19, the trustees and chief executive conducted a deeper analysis of the cinema's costs and income and this has highlighted the need to raise additional funds and increase audiences, in order to continue its operation. This is leading to a public cinema campaign from the start of the new financial year.

ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts

Company Limited by Guarantee

Trustees' annual report (incorporating the directors' report) *(continued)*

Year ended 31 March 2019

Achievements and performance *(continued)*

Market Place (Creative People and Places Project)

The 2018-19 financial year has been a transitional period for the project, which completed its first phase on 11th October 2018 and commenced phase 2 on 1st November. Phase 2 will continue until October 2021.

There have been significant staffing changes and a gradual re-positioning of the project to help ensure it compliments and informs ADEC's other work and objectives.

During this period the MarketPlace team led a major commission with the Bureau of Silly Ideas (BOSI), which involved over 4,000 people across the two districts, taking part in and being an audience member for the "United Nations" UNBOSI events. These included an exciting interactive marble run, which led participants on a creative journey through earth, wind, fire and water. This showcased the kind of quality arts offer that can be provided in rural areas and the level of curiosity and excitement it can engender.

Library Presents

ADEC continued to be the the Arts Partner for the Library Presents project, which is led by Cambridgeshire County Council and funded by Arts Council England. Two rounds of programming took place, which saw 117 arts events delivered. ADEC specifically manage the artist engagement aspect of the project and this has seen huge increases in the number of applicants from around 40 in the first round to over 150 in the third. This project is also continuing into the next financial year.

Catalyst & the Culture Change Programme

ADEC was successful in securing Catalyst funding from Arts Council England, which is specifically for developing the organisation's capacity for fundraising. This allowed ADEC to recruit a temporary freelance fundraising consultant and develop our connections with potential sponsors and donors. The project also enabled ADEC to carry out its first BIG Give campaign (online giving) for the Ellie the Eel project, raising over £2,000 and procure a new Customer Relationship Management System (CRM).

The Culture Change programme, delivered by Cause 4, provided additional support and guidance to enable ADEC to produce a three-year business plan and clarify its vision, mission, aims and values.

Financial review

a. Going concern

The trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

b. Review of activities

A long term approach to planning, combined with prudent financial management, has enabled ADEC to manage the withdrawal of funding from its largest single funder, and continue to operate successfully against a national backdrop of uncertainty for arts organisations. The process of diversification of activities to reduce the reliance on individual funding bodies will continue. We have a very small operational staff to keep down core costs and the appointment of a CEO (see below) has provided the opportunity to review our operations fundamentally. This has also provided new skills to enable a wider range of activities to take advantage of changing attitudes to health and well being for example. We also want to extend existing work across all age groups. New ways of fund raising have been successfully identified.

ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts

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Trustees' annual report (incorporating the directors' report) *(continued)*

Year ended 31 March 2019

Financial review *(continued)*

c. Investment policy and performance

The charity does not hold funds for long term investment: funds are received and spent in the short term. Income from bank interest has reduced substantially in recent years.

d. Reserves policy

The board of trustees has examined the charity's requirements for reserves in light of the main risks to the charity. It has established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets held by the charity should be approximately 3 to 6 months operating costs. As shown in the management accounts this is between £15,000 and £30,000, being the level of funds required to cover short term cash flow deficits caused when funders pay grants and arrears of expenditure and also to ensure that the charity has sufficient reserves to cover the operational costs during any period of low activity. Currently we have a considerable part of our projects guaranteed for at least nine months into the future.

Although the strategy is to build reserves through operating surpluses, in the short term, the board of trustees has also considered the extent to which existing activities and expenditure could be curtailed, should this be necessary.

ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts

Company Limited by Guarantee

Trustees' annual report (incorporating the directors' report) *(continued)*

Year ended 31 March 2019

Financial review *(continued)*

e. Treasurers report

In a year when ADEC, now trading as Babylon Arts, celebrates its 25th 'birthday' there have probably been more significant changes than has occurred for a number of years.

Shortly after the year started Nathan Jones our Project Director left after 18 years. In August we appointed a CEO to take ADEC into an exciting new stage of its development, building on our reputation for innovative and creative community-based projects as well as an active trading programme.

In 2015 the Gallery became a stronger trading asset, whilst also fulfilling a major part of our artistic mission. The trading development trend of the asset has been reassuring and continues to surprise with the exciting range of exhibitions with yet another successful year in terms of income generation.

The trustees bear a heavy responsibility to ensure that all trading activities both support our mission as well as making a surplus that can be used to further our charitable objectives. The opening of the multiplex cinema in Ely has impacted adversely on our income levels over the past two years. The recent (April 2019), largely successful, appeal is providing some space to re-evaluate the future of the cinema operations. We are grateful for the support of Ely Council but this alone is insufficient to ensure viability and we will continue to review our options.

Managing a charity is increasingly difficult in the current economic times. Governance is more complex as GDPR and technology generally impacts us in all we do and legal and accounting regulations seem only to increase in scope.

It is disappointing to report a loss for the year. However, the trustees took a very calculated decision in appointing a CEO, who started in post in August 2018. Two-fifths of this role is covered by the large-scale Creative People & Places (CPP) project that we run (MarketPlace). It was agreed that the additional costs would in the first instance be met from reserves. It was considered vital to the future of the charity that we had the resource and skills to develop a clear vision and plan for the future.

Our turnover is significant for an organisation that comprises around 3.4 staff excluding those employed on the CPP project. This major project, funded by Arts Council England, suggests a much larger organisation but whilst an essential part of a team operation, needs to be run in a very specific way and represents 50% of our turnover.

We work closely with the Arts Council England and have received significant funds from the National Lottery Heritage Fund. We're also proud to be the arts partner for The Library Presents, managed by Cambridgeshire County Council. These projects are phased over many months or even years and provide a degree of continuity and certainty in terms of the future.

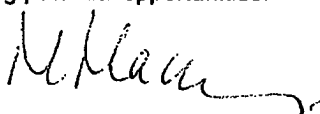
In the past year we have also established new partners and fundraising opportunities and we look forward to reporting on these in 2020.

At any one time we have a number of bid applications in hand and this provides a stream of project work to replace projects that are ending or add to our portfolio. Contracts and funding agreements in hand for the financial year 2019-20 equate to approximately £250,000.

I am happy to report that we start our new financial year with a wider set of skills, a set of clear objectives and a number of exciting potential opportunities.

Mike Macey FCA

Treasurer



ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts

Company Limited by Guarantee

Trustees' annual report (incorporating the directors' report) *(continued)*

Year ended 31 March 2019

Plans for future periods

a. Future developments

ADEC will be developing its relationships and partnerships with other arts and cultural organisations, as well as local businesses to help secure its position as a vital part of the local cultural and economic landscape.

In the first half of 2019 we will be rolling out a campaign to raise funds and awareness of the cinema at The Mallings and we will also be submitting grant applications to Arts Council England, National Lottery Heritage Fund and other funders to develop and support our portfolio of projects. In particular we will be seeking to increase the amount of work we're funded to deliver in East Cambridgeshire, alongside our work in Fenland and West Suffolk with MarketPlace.

Structure, governance and management

a. Constitution

The charity is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 7 December 1994. We have permission not to use 'Ltd' in our name. The charity is constituted under a Memorandum of Association dated 7 December 1994 and is a registered charity number 1043197.

b. Method of appointment or election of trustees

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements are listed on page 1.

The management of the charity is the responsibility of the trustees who are elected or co-opted under the terms of the Articles of Association. The board of trustees aim to maintain a broad mix of business, artistic and community based skills, and to this end an audit of trustee skills is carried out on a regular basis. When particular skills are lost, individuals with relevant skills are approached to offer themselves for election to the board of trustees. Members are elected to serve for a period of three years after which they can offer themselves for re-election at the next Annual General Meeting.

c. Organisational structure and decision making

ADEC has a board of trustees of up to 15 members who meet six times a year and are responsible for the strategic direction and policy of the charity. At the 2018/19 year end, the committee was made up of eight members from a variety of backgrounds relevant to the work of the charity. The board is accountable for the general management of ADEC, and responsible for the direction of its affairs; it determines all policy matters including ADEC's strategy, business plan and budget, and the board determines the delegated powers to its chair and any sub-committees. Sub-committees report to the board and a sub-committee may authorise its chair to take appropriate executive action, according to its delegated powers. We have two sub-committees, a Finance and General Purposes Sub-Committee and a Gallery Advisory Sub Committee.

ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts

Company Limited by Guarantee

Trustees' annual report (incorporating the directors' report) *(continued)*

Year ended 31 March 2019

Structure, governance and management *(continued)*

d. Policies adopted for the induction and training of trustees

Potential trustees are provided with an information pack, including information about the structure and activities of the charity, and the role of the trustee in the operation of the charity, and are invited to visit ADEC and meet the staff team. All trustees are regularly invited to attend events and activities run by the charity.

e. Related party relationships

In so far as it is complementary to the charity's objects, the charity is guided by both local and national policy. These policies fall into two main categories; arts and cultural policy, and broader non-arts policies, where the arts are able to play a positive role in meeting policy needs. Owing to the nature of the charity's operations and the composition of the board of trustees being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the charity's financial regulations and normal procurement procedures.

f. Risk management

The trustees have assessed the major risk to which the charity is exposed, in particular those related to the operations and finances of the charity, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks. A risk register has been established which is reviewed annually. Where appropriate, systems have been established to mitigate the risks faced by the charity. External risks to funding have led to the development of a strategic plan, which allows for the diversification of funding and activities. Internal risks are minimised by the implementation of procedures for authorisation of all transactions and projects and to ensure consistent quality of delivery for all operational aspects of the charitable company. These procedures are periodically reviewed to ensure that they still meet the needs of the charity.

ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts

Company Limited by Guarantee

Trustees' annual report (incorporating the directors' report) *(continued)*

Year ended 31 March 2019

Structure, governance and management *(continued)*

g. Chair's Report

This year has been one of important strategic change for Babylon Arts when in August 2018 we were joined by our new CEO, Claire Somerville. Claire, with responsibility across the whole organisation, has enabled us to work in a more cohesive way across all of our work at Babylon. Our new company secretary, Iain Downey, together with Claire and the board, have reviewed our governance documents and ensured our policies and procedures are up to date.

We were awarded a Catalyst grant from Arts Council England to support our fundraising capacity and were also selected for a place on Arts Fundraising & Philanthropy's Culture Change Programme, which came just at the right time for the organisation. Work with Cause4, the lead consortium partner for Arts Fundraising & Philanthropy, Claire and the Board, has enabled us to move forward with a stronger sense of purpose and ambition to become 'the creative heart of Ely and West Anglia'.

The end of 2018 saw one of our most successful ever exhibitions in the Babylon Gallery when we featured prints by Storm Thorgerson. This was followed with a competition for members of our community to submit their own album cover, 70 were chosen to be exhibited and an event, attended by many whose first visit it was to the Gallery, saw those shortlisted presented with copies of Storm's book. An exhibition of Marc Chagall's lithographs followed in the New Year as well as many exhibitions by local artists.

In terms of Ely Cinema, we had 93 film screenings and 15 live or encore theatre screenings over the year, with over 6,000 tickets sold. Highlights included Bohemian Rhapsody and The Favourite which both attracted large audiences. The board and staff have been reviewing the cinema's performance in light of a gradual decline in attendance over the last few years and will be launching a fundraising and audience development campaign for the Cinema at the start of the 2019/20 financial year.

As lead partner for MarketPlace, Babylon Arts has now developed its core mission to ensure it aligns with the Creative People and Places (CPP) approach. We have clarified how we view our delivery area, so that our work through MarketPlace is not seen as separate to our core purpose. The staff and trustees have assessed the work we want to deliver within East Cambridgeshire, so that all projects and activities sit within a clear strategic framework that is not at odds with CPP. We were successful in being awarded Phase 2 of MarketPlace which began in November 2018 and will run until October 2021. We also continue our collaboration with Cambridgeshire County Council's Library Service to develop 'The Library Presents' varied list of events.

The Summer of 2018 was busy bringing Phase 1 of Market Place to a successful conclusion, evaluating our National Lottery Heritage Funded 'Talkin 'bout my Generation' project which was a huge success and brought together people to share their musical experiences from the 60s and 70s with a younger generation, who were amazed that people like The Rolling Stones played in March! Having developed our business plan for the coming years, the trustees and Chief Executive are now actively working to recruit a new Chair to lead the board and support the Chief Executive in the business plan's implementation. This is a crucial appointment for Babylon Arts and having consulted with a range of stakeholders, we have identified the key values we will recruit against. In the meantime, the existing trustees continue to offer their time and expertise to support effective governance for the organisation, and safeguard the charity.

Funding our core activities continues to be a challenge, but we still punch above our weight with the range of activities we develop and deliver. None of it would be possible without our small team of staff and volunteers to whom we are eternally grateful.

**ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts
Company Limited by Guarantee**

Trustees' annual report (incorporating the directors' report) *(continued)*

Year ended 31 March 2019

The trustees' annual report and the strategic report were approved on 19 October 2019 and signed on behalf of the board of trustees by:



Mr D Johnson (Acting Co-Chair) (Appointed 2 May
2018)
Trustee

ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts

Company Limited by Guarantee

Independent examiner's report to the trustees of ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts

Year ended 31 March 2019

I report to the charity trustees on my examination of the financial statements of the company for the year ended 31 March 2019 which comprise the statement of financial activities (including income and expenditure account), balance sheet and the related notes.

Responsibilities and basis of report

As the charity's trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the financial statements of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your company's financial statements as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Association of Chartered Certified Accountants, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

L. Thurston 24/10/19

Leigh Thurston FCCA
Independent Examiner

Lovewell Blake LLP
Chartered accountants
11 Lynn Road
Ely
CB7 4EG

ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts

Company Limited by Guarantee

Statement of financial activities (including income and expenditure account)

Year ended 31 March 2019

		Unrestricted funds	2019 Restricted funds	Total funds	2018 Total funds
	Note	£	£	£	£
Income and endowments					
Donations and legacies	5	16,952	351,885	368,837	419,787
Charitable activities	6	70,866	–	70,866	86,315
Other trading activities	7	9,741	–	9,741	9,259
Investment income	8	8	–	8	6
Total income		<u>97,567</u>	<u>351,885</u>	<u>449,452</u>	<u>515,367</u>
Expenditure					
Charitable activities	9	<u>119,321</u>	<u>408,581</u>	<u>527,902</u>	<u>487,849</u>
Total expenditure		<u>119,321</u>	<u>408,581</u>	<u>527,902</u>	<u>487,849</u>
Net (expenditure)/income and net movement in funds					
		<u>(21,754)</u>	<u>(56,696)</u>	<u>(78,450)</u>	<u>27,518</u>
Reconciliation of funds					
Total funds brought forward		<u>41,723</u>	<u>105,691</u>	<u>147,414</u>	<u>119,896</u>
Total funds carried forward		<u>19,969</u>	<u>48,995</u>	<u>68,964</u>	<u>147,414</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 16 to 27 form part of these financial statements.

ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts

Company Limited by Guarantee

Balance sheet

31 March 2019

		2019		2018 (restated)	
	Note	£	£	£	£
Fixed assets					
Tangible fixed assets	15		932		980
Current assets					
Stocks	16	576		613	
Debtors	17	14,029		17,934	
Cash at bank and in hand		99,954		211,015	
		<u>114,559</u>		<u>229,562</u>	
Creditors: Amounts falling due within one year	18	<u>(45,488)</u>		<u>(82,089)</u>	
Net current assets			<u>69,071</u>		<u>147,473</u>
Total assets less current liabilities			<u>70,003</u>		<u>148,453</u>
Creditors: Amounts falling due after more than one year	19		<u>(1,039)</u>		<u>(1,039)</u>
Net assets			<u>68,964</u>		<u>147,414</u>
Funds of the charity					
Restricted funds			48,995		105,691
Unrestricted funds			19,969		41,723
Total charity funds	22		<u>68,964</u>		<u>147,414</u>

For the year ending 31 March 2019 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The balance sheet
continues on the following page.

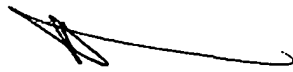
The notes on pages 16 to 27 form part of these financial statements.

**ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts
Company Limited by Guarantee**

Balance sheet *(continued)*

31 March 2019

These financial statements were approved by the board of trustees and authorised for issue on ~~19 October 2019~~ and are signed on behalf of the board by:



Mr D Johnson (Acting Co-Chair) (Appointed 2 May
2018)
Trustee



Mr M Macey FCA (Treasurer)
Trustee

Company registration number: 2999055

The notes on pages 16 to 27 form part of these financial statements.

ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts

Company Limited by Guarantee

Notes to the financial statements

Year ended 31 March 2019

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is Babylon Gallery, Babylon Bridge, Waterside, Ely, Cambs, CB7 4AU.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Companies Act 2006 and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity, and rounded to the nearest pound.

Going concern

There are no material uncertainties about the charity's ability to continue.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Restricted funds are subjected to restrictions on their expenditure declared by the donor. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Incoming resources

All income is included in the statement of financial activities when entitlement has passed to the charity, it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 31 March 2019

3. Accounting policies *(continued)*

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

Depreciation

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

Gallery equipment - 20% straight line

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Financial instruments

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

4. Limited by guarantee

The charity is a company limited by guarantee and accordingly does not have share capital. Every member of the company undertakes to contribute such an amount as may be required (not exceeding £10) to the company's assets if it should be wound up whilst they are a member, or within one year after they cease to be a member, to cover the liabilities of the company.

ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 31 March 2019

5. Donations and legacies

	Unrestricted Funds	Restricted Funds	Total Funds 2019
	£	£	£
Donations			
Donations received	3,409	2,184	5,593
Gift Aid tax reclaimed	848	–	848
Donated goods, facilities and services	254	–	254
Other	–	–	–
Grants			
Kick Start	–	–	–
Arts Festival	–	–	–
CPP (Creative People and Places) (Arts Council England)	–	245,139	245,139
BFI Dementia Friendly screening	–	–	–
Catalyst (Arts Council England)	–	26,495	26,495
Herritage Lottery Fund	–	51,537	51,537
Live Events	–	305	305
The Library Presents	–	25,575	25,575
Youth Bank Workshop	2,841	–	2,841
Gallery Workshops Grant	–	650	650
Other donations and legacies			
Donated use of Maltings Cinema by Ely Council	9,600	–	9,600
	<u>16,952</u>	<u>351,885</u>	<u>368,837</u>
	Unrestricted Funds	Restricted Funds	Total Funds 2018 <i>(restated)</i>
	£	£	£
Donations			
Donations received	4,701	415	5,116
Gift Aid tax reclaimed	1,330	–	1,330
Donated goods, facilities and services	309	–	309
Other	750	–	750
Grants			
Kick Start	–	7,020	7,020
Arts Festival	–	6,657	6,657
CPP (Creative People and Places) (Arts Council England)	–	340,620	340,620
BFI Dementia Friendly screening	–	2,000	2,000
Catalyst (Arts Council England)	–	235	235
Herritage Lottery Fund	–	32,100	32,100
Live Events	–	2,400	2,400
The Library Presents	–	3,100	3,100
Youth Bank Workshop	–	8,550	8,550
Gallery Workshops Grant	–	–	–

ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 31 March 2019

5. Donations and legacies *(continued)*

	Unrestricted Funds	Restricted Funds	Total Funds 2018 <i>(restated)</i>
	£	£	£
Other donations and legacies			
Donated use of Maltings Cinema by Ely Council	9,600	–	9,600
	<u>16,690</u>	<u>403,097</u>	<u>419,787</u>

6. Charitable activities

	Unrestricted Funds	Restricted Funds	Total Funds 2019
	£	£	£
Babylon Gallery	26,383	–	26,383
Ely Cinema	40,252	–	40,252
ADeC live events	1,195	–	1,195
Sundry earned income	3,036	–	3,036
	<u>70,866</u>	<u>–</u>	<u>70,866</u>

	Unrestricted Funds	Restricted Funds	Total Funds 2018 <i>(restated)</i>
	£	£	£
Babylon Gallery	14,497	–	14,497
Ely Cinema	45,703	2,890	48,593
ADeC live events	6,528	–	6,528
Sundry earned income	1,527	15,170	16,697
	<u>68,255</u>	<u>18,060</u>	<u>86,315</u>

7. Other trading activities

	Unrestricted Funds	Total Funds 2019	Unrestricted Funds	Total Funds 2018 <i>(restated)</i>
	£	£	£	£
Rental income from Gallery lettings	<u>9,741</u>	<u>9,741</u>	<u>9,259</u>	<u>9,259</u>

8. Investment income

	Unrestricted Funds	Total Funds 2019	Unrestricted Funds	Total Funds 2018 <i>(restated)</i>
	£	£	£	£
Interest receivable	<u>8</u>	<u>8</u>	<u>6</u>	<u>6</u>

ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 31 March 2019

9. Expenditure on charitable activities

	Unrestricted Funds	Restricted Funds	Total Funds 2019
	£	£	£
Fundraising costs	1,179	–	1,179
Costs of goods sold - general Projects	37,533	231,611	269,144
Advertising	1,831	8,016	9,847
Use of Maltings Cinema	9,600	–	9,600
Staff costs	12,887	128,817	141,704
Depreciation and impairment	45	–	45
Support costs	56,246	40,137	96,383
	<u>119,321</u>	<u>408,581</u>	<u>527,902</u>
	Unrestricted Funds	Restricted Funds	Total Funds 2018 <i>(restated)</i>
	£	£	£
Fundraising costs	226	–	226
Costs of goods sold - general Projects	46,977	216,319	263,296
Advertising	1,167	846	2,013
Use of Maltings Cinema	9,600	–	9,600
Staff costs	32,760	123,077	155,837
Depreciation and impairment	7,059	–	7,059
Support costs	16,458	33,360	49,818
	<u>114,247</u>	<u>373,602</u>	<u>487,849</u>

10. Analysis of support costs

	Unrestricted Funds	Restricted Funds	Total Funds 2019
	£	£	£
Premises costs	13,979	11,669	25,648
Staff costs	36,532	23,560	60,092
General office costs	5,735	4,908	10,643
	<u>56,246</u>	<u>40,137</u>	<u>96,383</u>
	Unrestricted Funds	Restricted Funds	Total Funds 2018
	£	£	£
Premises costs	10,660	–	10,660
Staff costs	–	32,936	32,936
General office costs	5,798	424	6,222
	<u>16,458</u>	<u>33,360</u>	<u>49,818</u>

**ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts
Company Limited by Guarantee**

Notes to the financial statements (continued)

Year ended 31 March 2019

11. Net (expenditure)/income

Net (expenditure)/income is stated after charging/(crediting):

	2019	2018 <i>(restated)</i>
	£	£
Depreciation of tangible fixed assets	<u>280</u>	<u>7,059</u>

12. Independent examination fees

	2019	2018 <i>(restated)</i>
	£	£
Fees payable to the independent examiner for: Independent examination of the financial statements	<u>1,700</u>	<u>1,900</u>

13. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2019	2018 <i>(restated)</i>
	£	£
Wages and salaries	<u>201,796</u>	<u>188,773</u>

The average head count of employees during the year was 12 (2018: 12). The average number of full-time equivalent employees during the year is analysed as follows:

	2019 No.	2018 No.
Charitable activities	10	10
Administrative activities	<u>2</u>	<u>2</u>
	<u>12</u>	<u>12</u>

No employee received employee benefits of more than £60,000 during the year (2018: Nil).

Key Management Personnel

Key management personnel include all personnel that have the authority and responsibility for planning, directing and controlling the activities of the charity. The total compensation paid to key management personnel for services provided to the charity was £37,382 (2018: £65,376).

14. Trustee remuneration and expenses

During the year no trustee received any remuneration or expenses other than travel and subsistence costs for attending various seminars and meetings for the charity. These amounted to £761 (2018 - £470).

ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 31 March 2019

15. Tangible fixed assets

	Gallery and cinema equipment £
Cost	
At 1 April 2018 (as restated)	47,215
Additions	232
At 31 March 2019	<u>47,447</u>
Depreciation	
At 1 April 2018	46,235
Charge for the year	280
At 31 March 2019	<u>46,515</u>
Carrying amount	
At 31 March 2019	<u>932</u>
At 31 March 2018	<u>980</u>

16. Stocks

	2019	2018 <i>(restated)</i>
	£	£
Raw materials and consumables	<u>576</u>	<u>613</u>

17. Debtors

	2019	2018 <i>(restated)</i>
	£	£
Trade debtors	2,836	3,239
Prepayments and accrued income	4,558	4,745
Other debtors	6,635	9,950
	<u>14,029</u>	<u>17,934</u>

18. Creditors: Amounts falling due within one year

	2019	2018 <i>(restated)</i>
	£	£
Trade creditors	7,820	39,909
Accruals and deferred income	17,656	26,703
Social security and other taxes	16,764	14,474
Other creditors	3,248	1,003
	<u>45,488</u>	<u>82,089</u>

**ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts
Company Limited by Guarantee**

Notes to the financial statements (continued)

Year ended 31 March 2019

19. Creditors: Amounts falling due after more than one year

	2019	2018 <i>(restated)</i>
	£	£
Other creditors	<u>1,039</u>	<u>1,039</u>

20. Deferred income

Deferred income comprises advance cinema ticket sales and gallery hire.

	£
Balance as at 1 April 2018	18,189
Amount released to income earned from charitable activities	(13,189)
Amount deferred in year	<u>7,956</u>
Balance as at 31 March 2019	<u>12,956</u>

21. Pensions and other post retirement benefits

The charity operates a defined benefit pension scheme. The pension cost charge for the period represents contributions payable by the charity to the scheme and amounted to £12,926 (2018: £20,288).

Contributions totalling £1,627 (2018: £1,763) were payable to the scheme at the end of the period and are included in creditors.

The defined benefit scheme is provided by Northampton District Council, therefore no liability is recognised in respect of a pension schemes deficit.

ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 31 March 2019

22. Analysis of charitable funds

Unrestricted funds

	At 1 April 2018 £	Income £	Expenditure £	Transfers £	At 31 March 2019 £
General funds	41,723	97,567	(119,321)	–	19,969

Restricted funds

	At 1 April 2018 £	Income £	Expenditure £	Transfers £	At 31 March 2019 £
Creative People and Places	95,936	245,139	(313,127)	–	27,948
Heritage Lottery Fund	8,856	26,937	(35,793)	–	–
Kick Start	100	–	(100)	–	–
Summer of Music	200	–	(200)	–	–
Save the Ely Eel	300	2,166	(2,231)	–	235
Youth Band Workshop	300	–	(300)	–	–
Catalyst	–	26,495	(16,262)	–	10,233
Centre-E Crew	–	105	(105)	–	–
Folk Festival	–	218	(218)	–	–
Gallery Participation	–	650	(320)	–	330
HLF Origins	–	24,600	(17,351)	–	7,249
Library Presents	–	25,575	(22,575)	–	3,000
	<u>105,691</u>	<u>351,885</u>	<u>(408,581)</u>	<u>–</u>	<u>48,995</u>

Unrestricted funds

	At 1 April 2017 £	Income £	Expenditure £	Transfers £	At 31 March 2018 £
General funds	69,688	94,210	(114,245)	(7,930)	41,723

Restricted funds

	At 1 April 2017 £	Income £	Expenditure £	Transfers £	At 31 March 2018 £
Creative People and Places	46,546	344,479	(303,019)	7,930	95,936
Test 31 Embed Project	1,000	–	(1,000)	–	–
Ely Youth Hub	1,000	–	(1,000)	–	–
Heritage Lottery Fund	–	32,100	(23,244)	–	8,856
Arts Awards	96	747	(843)	–	–
Kick Start	–	7,020	(6,920)	–	100
Fenland Poet	–	249	(249)	–	–
Folk Festival	30	200	(230)	–	–
MusicArts Project	–	1,269	(1,269)	–	–
Ouse washes	343	–	(343)	–	–
Twilight Museutu	943	–	(943)	–	–
Interfaith week	250	–	(250)	–	–
Summer of Music	–	–	200	–	200
Save the Ely Eel	–	300	–	–	300

**ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts
Company Limited by Guarantee**

Notes to the financial statements *(continued)*

Year ended 31 March 2019

Youth Band Workshop	–	8,550	(8,250)	–	300
Projects started and finished in the year	–	26,243	(26,243)	–	–
	<u>50,208</u>	<u>421,157</u>	<u>(373,603)</u>	<u>7,930</u>	<u>105,691</u>

Creative People and Places

A large-scale project called MarketPlace to increase arts engagement in Fenland and West Suffolk, funded primarily by Arts Council England.

Heritage Lottery Fund - Talkin ' Bout My Generation Project

A cross generational music project in Fenland and Forest Heath (now part of West Suffolk).

Kick Start

KickstART was a public art project connected to the creation of 106 new homes on the site of Cambridge City Football Club's grounds in Milton Road by developers Crest Nicolson. This is just the remaining website costs.

Summer of Music

We had musicians playing in the band stand on Jubilee Gardens each weekend through the summer holiday.

Save Ellie the Eel

A fundraising campaign through the Big Give, led to funds to repair the two eels and provide community workshops to get people involved in their repair.

Youth Band Workshop

Final workshops of the young band project.

Catalyst

An Arts Council England programme, which helped support our fundraising objectives and procure a new CRM system.

Centre E Crew

Music nights for Young People.

Folk Festival

Babylon ARTS delivered music and craft activities at the Ely Folk Festival.

Gallery Participation

Workshops and activities for people to learn more about different artists and have a go at creative activities.

HLF Origins

ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts

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Notes to the financial statements *(continued)*

Year ended 31 March 2019

A Word Garden Project, funded by the National Lottery Heritage Fund, on which Babylon ARTS carried our project management and marketing work.

The Library Presents

Babylon ARTS is the arts partner (to Cambridge County Council's NPO) for two seasons of arts events and activities taking place in libraries across Cambridgeshire each year.

23. Analysis of net assets between funds

As at 31 March 2019

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £
Tangible fixed assets	932	-	932
Current assets	20,076	48,995	69,071
Long term liabilities	(1,039)	-	(1,039)
Net Assets	<u>19,969</u>	<u>48,995</u>	<u>68,964</u>

As at 31 March 2018

	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £
Tangible fixed assets	980	-	980
Current assets	41,782	105,691	147,473
Long term liabilities	(1,039)	-	(1,039)
Net Assets	<u>41,723</u>	<u>105,691</u>	<u>147,414</u>

24. Financial instruments

The carrying amount for each category of financial instrument is as follows:

	2019 £	2018 <i>(restated)</i> £
Financial assets measured at fair value through income and expenditure		
Trade debtors (note 17)	2,836	3,239
Prepayments and accrued income (note 17)	4,558	4,745
Other debtors (note 17)	6,635	9,950
	<u>14,029</u>	<u>17,934</u>

ADEC (Arts Development In East Cambridgeshire) T/A Babylon Arts

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Notes to the financial statements *(continued)*

Year ended 31 March 2019

24. Financial instruments *(continued)*

	2019	2018 <i>(restated)</i>
	£	£
Financial liabilities measured at fair value through income and expenditure		
Trade creditors (note 18)	7,820	39,909
Accruals and deferred income (note 18)	17,656	26,703
Other creditors (note 18)	3,248	1,003
	<u>28,724</u>	<u>67,615</u>

25. Related parties

During the year several trustees made donations to the charity.