

**REGISTERED COMPANY NUMBER: 04441388 (England and Wales)**  
**REGISTERED CHARITY NUMBER: 1097718**

**REPORT OF THE TRUSTEES AND**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2017**  
**FOR**  
**ESCAPE: COMMUNITY ART IN ACTION LIMITED**

Murphy Salisbury Limited  
Chartered Accountants and Statutory Auditors  
15 Warwick Road  
Stratford upon Avon  
Warwickshire  
CV37 6YW

**ESCAPE: COMMUNITY ART IN ACTION LIMITED**

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**FOR THE YEAR ENDED 31 MAY 2017**

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**ESCAPE: COMMUNITY ART IN ACTION LIMITED**

**REFERENCE AND ADMINISTRATIVE DETAILS**  
**FOR THE YEAR ENDED 31 MAY 2017**

<b>TRUSTEES</b>	Ms M E Morgan (Chair of Trustees) D Senter P Mills (Treasurer) (resigned 28.9.17) Mrs C Pitney Ms S Walpole (appointed 6.7.16) Ms Sarah Methuen (appointed 24.4.17 & resigned 23.10.17)
<b>COMPANY SECRETARY</b>	Mrs R Wade (resigned 21.8.17) Mrs J Newton (appointed 21.8.17)
<b>REGISTERED OFFICE</b>	The Old Slaughterhouse Sheep Street Stratford upon Avon Warwickshire CV37 6EE
<b>REGISTERED COMPANY NUMBER</b>	04441388 (England and Wales)
<b>REGISTERED CHARITY NUMBER</b>	1097718
<b>AUDITORS</b>	Murphy Salisbury Limited Chartered Accountants and Statutory Auditors 15 Warwick Road Stratford upon Avon Warwickshire CV37 6YW
<b>BANKERS</b>	CAF Bank Ltd 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ

**ESCAPE: COMMUNITY ART IN ACTION LIMITED**

**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 MAY 2017**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 May 2017. The trustees have adopted the provisions of 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 2015).

**OBJECTIVES AND ACTIVITIES**

**Objectives and aims**

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning activities.

**Vision**

Escape: 'Bringing people together through creativity and culture to support wellbeing and inspire strong communities.'

**Mission**

Our core belief is that enriching people's lives strengthens our communities.

Escape uses arts and heritage to respond to social, health, educational and well-being needs, through integrated sessions and targeted interventions. It offers inclusive access to high quality, creative activity addressing isolation and empowering individual achievement, progression and recognition.

The project provides locally led community activities through innovative schools delivery, heritage projects, festivals, arts and health initiatives and celebrations.

**Significant activities**

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit. The charity relies mainly on grants and donations to cover its operating costs. The Trustees have given careful consideration to the accessibility of the activities for those on low income so no fees are charged to individuals for the core activities offered, however following a consultation with participants Escape has instigated a donation process for those who can afford to contribute to delivery costs. Escape anticipates that those in receipt of 'individualised/personalised budget' will contribute to the cost of provision.

**Summary of Escapes Organisational Targets 2016-2017**

**Increase Escapes overall capacity to reach and interact with new audiences**

Over the past year Escape's scope has continued to develop its heritage focus, developing its creative programmes that highlight local identity and respond directly to local needs, encouraging participation through direct consultation with local people and through our partner agencies.

With continued support from Stratford Town Trust the Old Slaughterhouse Arts and Heritage Studio continues to grow, developing local led exhibitions and events. This growth has been supported by the Big Lottery Arts & Heritage Media Bus which has supported an extended outreach programme of festivals and events across the region.

## **ESCAPE: COMMUNITY ART IN ACTION LIMITED**

### **REPORT OF THE TRUSTEES** **FOR THE YEAR ENDED 31 MAY 2017**

#### **OBJECTIVES AND ACTIVITIES**

##### **Significant activities**

Two year Arts Council funding for the 'Changing Landscape' project from May 2015 has resulted in new projects delivery across a wider demographic across the county. This programme supported work across Escape's existing delivery of work with young people and adults, as well as extending our work with an increasingly elderly population, helping people who are living longer to continue to maintain their health and feel involved in their community.

##### **To increase skills within the Escape Team to underpin management capacity and support organisational growth**

**Governance** - the Board and Artistic Directors have been reviewing its operational and policy requirements, in-line with the organisational growth and to ensure charity compliance. To manage this sudden growth and to ensure effective management of this investment The Board established sub-committee governance groups to oversee crucial aspects of the organisation, these being HR, Finance and Operations. Each has agreed terms of reference and undertaken specific risk assessments within these areas.

**Strategic Review** - Each sub-committee has been working on key features to ensure the future infrastructure and compliance of the organisation against the threat/risks identified. In doing this, the needs of a strategic review were clearly identified. In light of the initial unsuccessful resilience grant application the HR sub-group developed the review structure and worked with external consultant Sally Fort to undertake key consultation across the organisation feeding into a staff visioning training day to help re-establish our vision, mission and values after huge organisational change. This underpins the strategic review providing clarity of identity and purpose, leading to the development of the core charity objectives and the organisational needs required to deliver these. With several large grants nearing completion, short term funding was a priority and a short term finance plan action implemented. This supported key changes to the organisational staffing structure, which identified clear gaps in business and financial development, administration and volunteer support. The restructure underpinned the need to provide a staffing framework to bring the project together and streamline administration and communication across the team, including looking at how work could be evaluated to best support future funding opportunities.

**Staffing Development** - There is a small staff team of 18 part-time staff and skilled workers who lead on different projects, all project funded. This includes, two community-based Programme Managers (North & South), two Project Coordinators and a team of project specific Project Link Coordinators who manage sessions and support access/inclusion for participants. Youth Link Workers/Young Heritage Recruits work alongside Link Coordinators to support project activities. We have an in-house designer who works on a free-lance basis and freelance consultants are bought in to develop short term project interventions, such as IT, Evaluation, Direct Payments Referrals.

We have just completed our first Cultural Management Apprenticeship and have recently run two 3 month Heritage internships with Warwick University. The project has a bank of 33 freelance heritage craftspeople, artists and tutors who are bought in to deliver project activity.

The charity has an established volunteer framework with 105 recorded volunteers, with 76 active volunteers.

##### **Increase levels of advocacy, demonstrating the multiple benefits on health and wellbeing through involvement in participatory arts and heritage activities**

As part of the Arts Council funded 'Changing Landscapes' project, investment enabled an external evaluation of the impact of this particular programme on the health and wellbeing of participants.

Escapes continued engagement in a programme of research and promotion across the Midlands, targeting health and social services organisations who support or care for people in the community, has gained increased recognition of the service we can offer and underpins its reputation. This work is enhanced by recognition in the West Midlands of Escapes capacity for offering quality and excellence in an Arts & Health delivery environment and sharing best practice with other arts organisations in a continued partnership with West Midlands Arts, Health and Wellbeing Network. Investment in the evaluation process and applying for and attaining Quality for Health Quality Assurance makes Escape a leader in this sector and one of the first small charities to be awarded this commissioning benchmark in Warwickshire.

## ESCAPE: COMMUNITY ART IN ACTION LIMITED

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MAY 2017

#### **OBJECTIVES AND ACTIVITIES**

##### **Significant activities**

##### **Develop the profile of the organisation**

Increased investment across the Escape delivery programme has increased the charity profile across the region, enabling the charity to work in new areas and develop new working partnerships. Strategic partnerships across the arts, heritage and health sectors has increased our profile leading to joint funding and delivery opportunities including the inclusion for office space within a community charity hub. Escape was shortlisted for the Coventry and Warwickshire Culture and Heritage Awards.

##### **Increase levels of unrestricted fund reserves**

The Old Slaughterhouse offers diverse income opportunities and we have grown a strong portfolio of room hires and commissioned heritage education work; piloted a café and small heritage shop; led successful corporate events and supported county strategic youth heritage work. Escape continues to establish an increased level of sustainable income and reduce dependency on grant funding through increased commissioned and health partnership work within Educational, Health, Heritage and Arts settings, fundraising and donation policy, and through a Personalised Budget Strategy. A 12 financial strategy and action plan will frame these opportunities and further develop our unrestricted, mixed economy framework of fundraising alongside our grant funding development plan.

#### **PROGRAMME ACTIVITY 2016-2017**

**The Old Slaughterhouse Heritage Studio** - is the home of Escape, its' mission is to engage local audiences, bringing together historical communities and fusing heritage and local stories within a locally driven contemporary, vibrant exhibition space.

We curate quarterly local heritage exhibitions based on local research and untold Stratford stories, alongside a programme of community engagements events and activities that are both diverse and stimulating. These have included:

**WW1 – Stratford Untold Stories** with a schools engagement programme working with over 700 children and hosting two exhibitions, funded with Heritage Lottery Fund in partnership with Stratford Regional Schools.

**Yesterday & Today** – Photographic Exhibition celebrations Stratford Lost Landscapes

**Stratford in the 60s** – in partnership with Stratford Herald and Stratford College, complete with 60s party and local scooter meet.

**Community Arts & Heritage Programme** – workshops developed through the Arts Council Funded through 'Changing Landscapes' programme, Big Lottery Reaching Communities programme and Stratford Town Trust. Includes:

##### **Key Flagship Adult Activities**

- **Stratford Escape** -weekly artist led sessions for inclusive adult groups working toward project themes.
- **Nuneaton Escape** - weekly artist led session for inclusive adult groups working towards project themes.
- **Paper Moon** - weekly artist led session supporting adults with learning disabilities.

##### **Multigenerational Programmes**

The Old Slaughterhouse Arts & Heritage Studio - quarterly exhibitions & events:

- **Social History Group** - led by Volunteers
- **VIPs** - monthly session supporting Veterans and Older People - led by volunteers.
- **Tiny Trotters** - Toddler Arts Group

**Changing Landscapes** - Warwickshire Outreach Multigenerational Arts & Wellbeing Programme

- **Community Library Project**, Bidford upon Avon- Over 16 adult group
- **Clay Club**, Sydni Centre, Leamington Spa- weekly artist led session supporting adults with learning disabilities
- **Imagine Over 60's Group** - weekly artist led sessions supporting quality of life for the elderly
- **Stratford Dementia Wellbeing Café** – sessions supporting people living with dementia, partnership delivery.
- **Atherstone Arts Group** - supporting the older generation.
- **Men's Sheds** - Self-help groups for retired men in Nuneaton.
- **Nuneaton Stitch Group**- supporting a volunteer led mixed age group in the Nuneaton area.
- **Who I am** – creative programme support adults with dementia.

## **ESCAPE: COMMUNITY ART IN ACTION LIMITED**

### **REPORT OF THE TRUSTEES** **FOR THE YEAR ENDED 31 MAY 2017**

#### **OBJECTIVES AND ACTIVITIES**

##### **Significant activities**

##### **Youth Arts Programmes**

- **Aspire Recordings** - music development work with young people.
- **National Arts Award** - weekly national accreditation in youth arts leadership.
- **Escape Radio** - weekly media sessions leading to fortnightly live performances.
- **Holiday Art Camps** - a range of youth arts events and courses over the holidays.
- **Lego animation**
- **Schools Offer** - commissions, heritage projects, arts award, arts week activities.

##### **Celebratory/Promotional Exhibitions and Events 2016-17**

A key part of Escapes work is to contribute to local community events and celebrate the achievements of our participants. Over the past Year Escape has collaborated with local organisations to contribute to:

- Shakespeare's Birthday Celebrations
- Stratford River Festival
- Nuneaton Arts Festival
- Art In the Park – Leamington
- Stratford Home and Gardens Show
- Stratford Christmas Show
- Stratford Christmas Light Switch ON
- FABFEST - Folk Festival
- Warwickshire Open Studios
- Stratford Motor Festival
- Heritage Open Days

##### **Stakeholders**

The charity works closely with a range of stakeholders and benefits from the ongoing support of: Stratford Town Trust, Big Lottery, Arts Council, Children in Need, Lloyds TSB, Rugby Borough Council, Warwickshire County Council, Warwickshire Children's Voluntary Youth Services (WCVYS), Citizens Advice Bureau, Clifford Chambers Charities, Bidford on Avon Parish Council, Warwick District Council and North Warwickshire Borough Council, Nuneaton and Bedworth Borough Council, Warwickshire CAVA, Warwick University, Groundworks UK, The Guild Estate all of which provide advice and funding to enable the charity to carry out its charitable objectives.

##### **Partnerships**

In addition, Escape has also developed links with local organisations and schools in order to support delivery, promotion, research and celebration of the project. These include: Stratford Arts House, Stratford Area Regional Schools, The Shakespeare, Atherstone Leisure Centre, UHC NHS Trust, South Warwickshire NHS Wellbeing Centre, Stratford Garden Centre, Connect Well Warwickshire, Arts Health & Wellbeing Network, Creative Alliance, Warwick University, Shakespeare Birthplace Trust, Stratford Town Council, Stratford Literary Festival, STRATFORWARD, Stratford College, Nuneaton Community Centre, Nuneaton Town Management, Shakespeare Hospice, Shakespeare's England, Supporting Stratford, Stratford Herald, Historic Buildings Trust, and Tesco.

**Sponsors:** Stratford Visual Arts Forum, Art Alert, Stratford in Bloom, TESCO.

##### **Public benefit**

The Trustees confirm that they have complied with their duty in Section 4 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit.

##### **Volunteers contribution**

Volunteers play an essential part in the operational delivery of Escape Arts, with 76 active volunteers they assist across a range of roles from project support, events/fundraising, exhibition hosting, cake making and bus driving. Investment from Stratford Town Trust has been secured to provide a Volunteer Coordinator role commencing October 2017 this will enable the charity to further develop its Volunteer recruitment, support and training across the organisation.

**ESCAPE: COMMUNITY ART IN ACTION LIMITED**

**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 MAY 2017**

**FINANCIAL REVIEW**

**Financial position**

**Statement of Financial Activities**

The results for the year are contained in the Statement of Financial Activities on page 11. The net deficit for the year £83,735 (2016: Surplus £2,549) comprising total incoming resources of £200,630 (2016: £303,771) and total resources expended of £284,365 (2016: £301,222).

**Balance Sheet**

Total funds decreased from £317,242 to £233,507 reflecting the net deficit as outlined above.

Tangible fixed assets decreased from £175,223 to £151,557. Cash at Bank decreased from £126,300 to £83,879.

Creditors due within one year decreased from £21,906 to £15,770.

**Reserves policy**

The trustees have agreed a policy, in line with SORP, to maintain unrestricted funds held by the Charity, of £15000 to cover the organisation for a six month period. This resource will enable the organisation to support its financial security, regular overheads and provide for basic staff to manage the existing grant funded programme.

A high percentage of the Charity expenditure is covered by restricted grant funding with appropriate staff contracted within the grant funded period and conditions.

Unrestricted funding is established through fundraising activities, a donation policy and a percentage of income generated through commissioned work, venue hire and events.

This reserve policy is monitored regularly and reviewed annually to ensure the Charity has sufficient funds to maintain its activity.

The financial statements comply with statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice - accounting and Reporting by Charities.

**Plans for the future**

Escape has recently secured funding through Heritage Lottery Fund Resilience grants scheme to support the organisational strategic review. This will enable the charity to access external consultancy support/training to determine the organisational strategic objectives for the next 5, 10 years. This consultancy will support the development of a clear finance strategy and the recruitment of a Business Manager to ensure the delivery of strategic outcomes and development, establishing a mixed economy of income underpinning the future of the charity and its work across Warwickshire.

**ESCAPE: COMMUNITY ART IN ACTION LIMITED**

**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 MAY 2017**

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing document**

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

**Recruitment and appointment of new trustees**

The trustees may appoint a person who is willing to act to be a trustee either to fill a vacancy or to increase the skills of the board provided that the appointment does not cause the number of trustees to exceed any number fixed by or in accordance with the articles as the maximum number of trustees. The number of trustees shall not be less than three but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum.

Trustee Appointment and Induction Procedure ensures all trustees are properly selected and both new and existing trustees are given training. Under the memorandum and articles of association, the charity has the power to make any investment which the trustees see fit. The board of Trustees meet quarterly for full board meetings, with quarterly subcommittee meetings to manage Operations, Finance policy and Human Resources.

The Artistic Directors are appointed by the Trustees to manage the day to day operation of the charity. The Artistic Directors meet regularly to track existing project delivery and action future plans and development of project progression. These action plans contribute to the Board of Trustees Management Report which is presented at full Trustee meetings.

The Management Report clearly presents status information on each of the projects, including financial status, participation and resources including the appointment of sessional workers. At these meetings the project budget and financial forecasting is confirmed and agreed, giving updates of new income/expenditure and budgets which are reviewed and re-allocated. It is within these budgets that the Artistic Directors deliver the agreed programmes.

The Report also addresses action points for discussion with Trustees. These action points relate to project progression and often require Trustee decision, for which a voting system operates. The Board work within the operational structures of the Memorandum and Articles, which set out clear procedures for organisation meetings and decision making. All meetings are minuted in accordance to our Company and Charity requirements.

Artistic Directors have quarterly meetings with programme managers and coordinators to plan program development and provide supervision of roles for all staff, to evaluate project delivery, feed-back on Trustee decisions. Occasionally issues may arise for which professional advice is sought, in such cases, identified professional persons will be invited to the Trustee Meeting. Votes directly relating to Artistic Directors are passed in their absence.

**ESCAPE: COMMUNITY ART IN ACTION LIMITED**

**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 MAY 2017**

**STATEMENT OF TRUSTEES RESPONSIBILITIES**

The trustees (who are also the directors of Escape: Community Art in Action for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

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

**AUDITORS**

The auditors, Murphy Salisbury Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on ..... and signed on its behalf by:

.....  
Ms M E Morgan - Chair of Trustees

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF**  
**ESCAPE: COMMUNITY ART IN ACTION LIMITED**

**Opinion**

We have audited the financial statements of Escape: Community Art in Action (the 'charitable company') for the year ended 31 May 2017 on pages 11 to 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 May 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
ESCAPE: COMMUNITY ART IN ACTION LIMITED**

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

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

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

**Responsibilities of trustees**

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

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

**Our responsibilities for the audit of the financial statements**

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 a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Mark Bullock FCA (Senior Statutory Auditor)  
for and on behalf of Murphy Salisbury Limited  
Chartered Accountants and Statutory Auditors  
15 Warwick Road  
Stratford upon Avon  
Warwickshire  
CV37 6YW

Date: .....

**ESCAPE: COMMUNITY ART IN ACTION LIMITED**

**STATEMENT OF FINANCIAL ACTIVITIES**  
**(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)**  
**FOR THE YEAR ENDED 31 MAY 2017**

		Unrestricted fund	Restricted funds	2017 Total funds	2016 Total funds
	Notes	£	£	£	£
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	2	27,308	-	27,308	17,696
<b>Charitable activities</b>	5				
Grants received for projects		26,136	103,971	130,107	250,037
Other trading activities	3	43,055	-	43,055	35,764
Investment income	4	<u>160</u>	<u>-</u>	<u>160</u>	<u>274</u>
<b>Total</b>		96,659	103,971	200,630	303,771
 <b>EXPENDITURE ON</b>					
Raising funds	6	13,397	-	13,397	14,190
<b>Charitable activities</b>	7				
Grants and other income received for projects		<u>65,560</u>	<u>205,408</u>	<u>270,968</u>	<u>287,032</u>
<b>Total</b>		<u>78,957</u>	<u>205,408</u>	<u>284,365</u>	<u>301,222</u>
<b>NET (EXPENDITURE)/INCOME</b>		17,702	(101,437)	(83,735)	2,549
<b>Transfers between funds</b>	18	<u>5,385</u>	<u>(5,385)</u>	<u>-</u>	<u>-</u>
<b>Net movement in funds</b>		23,087	(106,822)	(83,735)	2,549
<b>RECONCILIATION OF FUNDS</b>					
<b>Total funds brought forward</b>		<u>35,587</u>	<u>281,655</u>	<u>317,242</u>	<u>314,693</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u><u>58,674</u></u>	<u><u>174,833</u></u>	<u><u>233,507</u></u>	<u><u>317,242</u></u>

The notes form part of these financial statements

**ESCAPE: COMMUNITY ART IN ACTION LIMITED**

**BALANCE SHEET**  
**AT 31 MAY 2017**

	Notes	2017 £	2016 £
<b>FIXED ASSETS</b>			
Tangible assets	13	151,557	175,223
<b>CURRENT ASSETS</b>			
Debtors	14	13,841	37,625
Cash at bank		<u>83,879</u>	<u>126,300</u>
		97,720	163,925
<b>CREDITORS</b>			
Amounts falling due within one year	15	(15,770)	(21,906)
<b>NET CURRENT ASSETS</b>		<u>81,950</u>	<u>142,019</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>233,507</u>	<u>317,242</u>
<b>NET ASSETS</b>		<u>233,507</u>	<u>317,242</u>
<b>FUNDS</b>	18		
Unrestricted funds		58,674	35,587
Restricted funds		<u>174,833</u>	<u>281,655</u>
<b>TOTAL FUNDS</b>		<u>233,507</u>	<u>317,242</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements were approved by the Board of Trustees on ..... and were signed on its behalf by:

.....  
Ms M E Morgan – Chair of Trustees

**ESCAPE: COMMUNITY ART IN ACTION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MAY 2017**

**1. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

**Income**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

**Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

**Tangible fixed assets**

Tangible fixed assets are stated at cost less depreciation. Only individual tangible fixed assets costing £1,000 or more are capitalised.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Improvements to property	- over the term of the lease
Fixtures and fittings	- 25% on straight line basis
Motor vehicles	- 25% on straight line basis
Computer equipment	- 25% on straight line basis

**Taxation**

The charity is exempt from corporation tax on its charitable activities.

**Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

**Government grants and lottery awards**

Grants of a revenue nature are credited to income in the period in which the charity is entitled to receipt. Income is only deferred where the donor has specified that the income is to be expended in a future period.

**Operating leases**

Rentals payable under operating leases are charged in the Statement of Financial Activities as incurred.

**2. DONATIONS AND LEGACIES**

	2017	2016
	£	£
Donations	<u>27,308</u>	<u>17,696</u>

**ESCAPE: COMMUNITY ART IN ACTION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 MAY 2017**

**3. OTHER TRADING ACTIVITIES**

	2017	2016
	£	£
Fundraising activities	23,042	22,004
Events, workshops and commissions	18,348	13,070
Hire of building	<u>1,665</u>	<u>690</u>
	<u>43,055</u>	<u>35,764</u>

**4. INVESTMENT INCOME**

	2017	2016
	£	£
Deposit account interest	<u>160</u>	<u>274</u>

**5. INCOME FROM CHARITABLE ACTIVITIES**

	2017	2016
Activity	£	£
Arts Council England	8,385	33,544
BBC Children in Need	-	8,893
Bidford Parish Council	500	1,000
Big Lottery - Reaching Community	76,314	80,839
Canal and River Trust	300	-
Citizens Advice Bureau	1,250	-
Creative Alliance	375	2,625
Groundworks UK	3,750	-
The Guild Estate	1,005	-
Heritage Lottery Fund	-	9,900
Lloyds Bank Foundation	-	8,450
North Warwickshire Borough Council	2,500	2,500
Nuneaton and Bedworth Borough Council	5,000	-
Rugby Borough Council	-	933
Stratford Town Trust	13,608	90,529
University of Warwick	5,970	-
Warwickshire CAVA	-	674
Warwick District Council	1,500	-
Warwickshire County Council	9,650	10,150
	<u>130,107</u>	<u>250,037</u>

**6. RAISING FUNDS**

	2017	2016
	£	£
Goods purchased for resale	<u>13,397</u>	<u>14,190</u>

**ESCAPE: COMMUNITY ART IN ACTION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 MAY 2017**

**7. CHARITABLE ACTIVITIES COSTS**

	2017	2016
	£	£
Session and event costs	18,321	17,956
Premises costs	15,886	16,274
Administration costs	14,649	15,826
Artists, staff and consultants costs	192,181	208,674
Depreciation of fixed assets	23,666	24,383
<b>Governance costs:</b>		
- Audit and accountancy fees	<u>6,265</u>	<u>3,919</u>
	<u>270,968</u>	<u>287,032</u>

**8. SUPPORT COSTS**

	Governance costs £
Grants received for projects	<u>6,265</u>

<b>Activity</b>	<b>Basis of allocation</b>
Governance costs	100% allocation

**9. NET INCOME/(EXPENDITURE)**

Net income/(expenditure) is stated after charging:

	2017	2016
	£	£
Operating lease - property	8,460	9,088
Depreciation - owned assets	23,665	24,383
Auditors' remuneration	<u>3,180</u>	<u>1,450</u>

**10. TRUSTEES' REMUNERATION AND BENEFITS**

None of the Trustees received any remuneration or other benefits during either the current year or previous year.

**Trustees' expenses**

There were no expenses reimbursed to Trustees during the year (2016: Nil).

**ESCAPE: COMMUNITY ART IN ACTION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 MAY 2017**

**11. STAFF COSTS**

	2017	2016
	£	£
Wages and salaries	114,751	114,061
Social security costs	<u>4,497</u>	<u>3,998</u>
	<u>119,248</u>	<u>118,059</u>

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

2017	2016
<u>11</u>	<u>11</u>

No employees received emoluments in excess of £60,000.

**12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted fund £	Restricted funds £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>			
Donations and legacies	17,696	-	17,696
<b>Charitable activities</b>			
Grants received for projects	7,099	242,938	250,037
Other trading activities	35,764	-	35,764
Investment income	<u>274</u>	<u>-</u>	<u>274</u>
<b>Total</b>	60,833	242,938	303,771
<b>EXPENDITURE ON</b>			
Raising funds	13,768	422	14,190
<b>Charitable activities</b>			
Grants and other income received for projects	<u>33,825</u>	<u>253,207</u>	<u>287,032</u>
<b>Total</b>	47,593	253,629	301,222
<b>NET INCOME/(EXPENDITURE)</b>	13,240	(10,691)	2,549
<b>Transfers between funds</b>	<u>5,420</u>	<u>(5,420)</u>	<u>-</u>
<b>Net movement in funds</b>	18,660	(16,111)	2,549
<b>RECONCILIATION OF FUNDS</b>			
<b>Total funds brought forward</b>	16,927	297,766	314,693
<b>TOTAL FUNDS CARRIED FORWARD</b>	<u>35,587</u>	<u>281,655</u>	<u>317,242</u>

**ESCAPE: COMMUNITY ART IN ACTION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 MAY 2017**

**13. TANGIBLE FIXED ASSETS**

	Improvements to property £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>					
At 1 June 2016	161,498	28,998	41,271	8,003	239,770
Additions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 May 2017	<u>161,498</u>	<u>28,998</u>	<u>41,271</u>	<u>8,003</u>	<u>239,770</u>
<b>DEPRECIATION</b>					
At 1 June 2016	17,007	18,902	20,635	8,003	64,547
Charge for year	<u>8,499</u>	<u>4,849</u>	<u>10,318</u>	<u>-</u>	<u>23,666</u>
At 31 May 2017	<u>25,506</u>	<u>23,751</u>	<u>30,953</u>	<u>8,003</u>	<u>88,213</u>
<b>NET BOOK VALUE</b>					
At 31 May 2017	<u>135,992</u>	<u>5,247</u>	<u>10,318</u>	<u>-</u>	<u>151,557</u>
At 31 May 2016	<u>144,491</u>	<u>10,096</u>	<u>20,636</u>	<u>-</u>	<u>175,223</u>

**14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2017 £	2016 £
Other debtors	2,700	1,035
Prepayments and accrued income	<u>11,141</u>	<u>36,590</u>
	<u>13,841</u>	<u>37,625</u>

**15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2017 £	2016 £
Other creditors	7,118	10,877
Accrued expenses	<u>8,652</u>	<u>11,029</u>
	<u>15,770</u>	<u>21,906</u>

**16. OPERATING LEASE COMMITMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2017 £	2016 £
Expiring:		
Within one year	2,820	7,680
Between two and five years	<u>1,900</u>	<u>4,720</u>

**ESCAPE: COMMUNITY ART IN ACTION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 MAY 2017**

**17. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds £	Restricted funds £	2017 Total funds £	2016 Total funds £
Fixed assets	-	151,557	151,557	175,223
Current assets	69,486	28,234	97,720	163,925
Current liabilities	<u>(10,812)</u>	<u>(4,958)</u>	<u>(15,770)</u>	<u>(21,906)</u>
	<u>58,674</u>	<u>174,833</u>	<u>233,507</u>	<u>317,242</u>

**18. MOVEMENT IN FUNDS**

	At 1.6.16 £	Net movement in funds £	Transfer between funds £	At 31.5.17 £
<b>Unrestricted funds</b>				
General fund	35,587	17,702	5,385	58,674
<b>Restricted funds</b>				
Stratford Escape	-	7,792	(2,059)	5,733
Nuneaton Escape	3,015	(3,015)	-	-
Youth development	53	-	(53)	-
Arts Award	1,657	(1,385)	(272)	-
Slaughterhouse projects	198,787	(60,187)	(80)	138,520
WCC - Slaughterhouse capital equipment	-	4,773	-	4,773
Odyssey	35,673	(10,050)	(2,000)	23,623
Media studio	1,608	(799)	(9)	800
Councillors fund	925	(925)	-	-
Changing Landscapes	31,836	(29,612)	(840)	1,384
Rugby Escape	1,597	(1,597)	-	-
WCC - Tourism	1,197	(1,152)	(45)	-
World War 1	4,492	(4,465)	(27)	-
Other	<u>815</u>	<u>(815)</u>	<u>-</u>	<u>-</u>
<b>Total restricted funds</b>	<u>281,655</u>	<u>(101,437)</u>	<u>(5,385)</u>	<u>174,833</u>
<b>Total funds</b>	<u>317,242</u>	<u>(83,735)</u>	<u>-</u>	<u>233,507</u>

**ESCAPE: COMMUNITY ART IN ACTION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 MAY 2017**

**18. MOVEMENT IN FUNDS - continued**

Net movements in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	96,659	(78,957)	17,702
<b>Restricted funds</b>			
Stratford Escape	13,608	(5,816)	7,792
Nuneaton Escape	-	(3,015)	(3,015)
Youth Development	-	-	-
Arts Award	-	(1,385)	(1,385)
Slaughterhouse development	-	(60,187)	(60,187)
WCC – Slaughterhouse capital equipment	6,450	(1,677)	4,773
Odyssey	76,314	(86,364)	(10,050)
Media Studio	-	(799)	(799)
Councillors fund	-	(925)	(925)
Changing Landscapes	8,385	(37,997)	(29,612)
Rugby Escape	-	(1,597)	(1,597)
WCC – Tourism	-	(1,152)	(1,152)
World War 1	-	(4,465)	(4,465)
Other	(786)	(29)	(815)
<b>Total restricted funds</b>	103,971	(205,408)	(101,437)
<b>Total funds</b>	<u>200,630</u>	<u>(284,365)</u>	<u>(83,735)</u>

**Transfers between funds**

Movements from restricted to unrestricted funds are comprised of the following:

- internal transfers for project costs including venue hire, equipment hire, media bus hire, administration and other agreed costs relating to full project recovery.
- the transfer of any balance remaining on completion of a restricted project, with the full permission of each donor.

**Flag ship Project Activities:**

**Stratford Escape** -weekly artist led sessions for inclusive adult groups working toward project themes.

Funded by Stratford Town Trust with additional funding from unrestricted resources; earned income and donations. On-going.

**Nuneaton Escape** - weekly artist led sessions for inclusive adult groups working towards project themes including a Men's Shed Group and sewing group. Funded by WCC & Town Centre Footfall funding with additional funding from unrestricted sources, crowd funding, donations and local fundraising. On-going.

**Youth Development** - management costs for Stratford youth programme. Funded by Stratford Town Trust. Now complete.

**Arts Award** - weekly sessions working towards national accreditation in youth arts leadership.

Funded by Lloyds TSB. Completed August 2016

**Slaughterhouse Development** - redevelopment of derelict building to house Escape's Arts & Heritage Studio, providing space for workshop sessions, community engagement and a programme of quarterly exhibitions & events. Funded by Stratford Town Trust.

**WCC Slaughterhouse capital equipment grant** – provided to develop a private consultation area and improve the building by funding alterations to heating, air-conditioning and storage.

**Odyssey** - five year youth programme including an arts bus studio on wheels delivering media, arts and heritage activities at events, Escape radio programme, holiday activities, and schools programmes.

Funded by Big Lottery - Reaching Communities Fund.

**ESCAPE: COMMUNITY ART IN ACTION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 MAY 2017**

**18. MOVEMENT IN FUNDS - continued**

**Media Studio** - reserved for technology equipment. Funded by Stratford District Council.

**Councillors Fund** - funding to support volunteer programmes in Stratford & Nuneaton areas.

**Changing Landscapes** - two year Arts Council funded outreach programme working across Warwickshire to increase delivery capacity and reach new multi-generational audiences, with a focus on developing more quality of life opportunities for people living longer. Completed July 2017.

**Rugby Escape** - community engagement programme - arts on prescription in Rugby. Funded by Rugby Borough Council until December 2016.

**WCC - Tourism Grant** - provided to invest in a programme of community engagement to increase visitor numbers to the Old Slaughterhouse and footfall within Stratford on Avon. This included a festive Christmas programme of events and local heritage exhibition, with key pieces of public art commissioned. Completed August 2017.

**World War I** - Stratford's Untold Stories funded through Heritage Lottery Fund. This project has worked across all Stratford Schools and within the community to research and tell the stories of WW1 soldiers and their families. The project worked with over 700 school children and resulted in a major exhibition at Stratford Town Hall on 1st July 2016 and a second 3 month exhibition at the Old Slaughterhouse. Completed February 2017.

**19. RELATED PARTY DISCLOSURES**

**R E Wade**

The charity's company secretary.

During the year RE Wade and R Baker (husband of R E Wade) jointly received £Nil (2016: £693) in rental income, paid by the charity. The balance outstanding at the year end was £Nil (2016: Nil). R Baker also received £Nil (2016: £2,000) for work done for the charity. The balance due at the year end was £Nil (2016: £Nil).

**P Mills**

A charity Trustee

During the year J De Bastion (related to P Mills) received £400 (2016: £839) as fees, paid by the charity. The balance outstanding at the year end was £Nil (2016: £Nil).

During the year R de Bastion (related to P Mills) received £Nil (2016: £5,800) as fees, paid by the charity. The balance outstanding at the year end was £Nil (2015: £1,800).

**20. STATUS**

Escape: Community Art in Action Limited is a company limited by guarantee not having any share capital.

**21. FIRST YEAR ADOPTION**

This is the first year that the charity has presented its results under FRS102. The last financial statements under old UK GAAP were for the year ended 31 May 2016. The charity transitioned to FRS102 on 1 June 15. There was no impact on funds or net income/(expenditure) previously reported.