

**Registered number: 11367824**  
**Charity number: 1182876**

**Creative Land Trust**  
**(A company limited by guarantee)**

**Trustees' report and financial statements**  
**for the year ended 31 May 2020**

**Creative Land Trust**  
**(A company limited by guarantee)**

**Contents**

|   | Page    |
|---|---------|
| <b>Reference and administrative details of the Charity, its Trustees and advisers</b> | 1       |
| <b>Trustees' report</b>   | 2 - 4   |
| <b>Independent auditors' report on the financial statements</b>                       | 5 - 8   |
| <b>Statement of financial activities</b>  | 9       |
| <b>Balance sheet</b>  | 10      |
| <b>Statement of cash flows</b>  | 11      |
| <b>Notes to the financial statements</b>  | 12 - 23 |

**Creative Land Trust**  
**(A company limited by guarantee)**

**Reference and administrative details of the Charity, its Trustees and advisers  
for the year ended 31 May 2020**

**Trustees**

P Bier (appointed 23 July 2019)  
N A P Carter (appointed 23 July 2019)  
J R C Cooksey (appointed 23 July 2019)  
M P Davis (appointed 23 July 2019)  
C Gertler  
A D Gibbon (resigned 6 November 2019)  
S Heng (appointed 23 July 2019)  
J M Lewis (appointed 23 July 2019)  
A Millest (appointed 23 July 2019)  
A K Notay (appointed 23 July 2019)  
P Sharma (appointed 23 July 2019)  
K Thakrar (appointed 23 July 2019)  
C H Webster (appointed 23 July 2019)

**Company registered number**

11367824

**Charity registered number**

1182876

**Registered office**

Third Floor  
24 Chiswell Street  
London  
EC1Y 4YX

**Company secretary**

Gordon Seabright

**Chief executive officer**

Gordon Seabright

**Independent auditors**

Kreston Reeves LLP  
Chartered Accountants  
Third Floor  
24 Chiswell Street  
London  
EC1Y 4YX

**Creative Land Trust**  
**(A company limited by guarantee)**

**Trustees' report**  
**for the year ended 31 May 2020**

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The Trustees present their annual report together with the financial statements of the charity for the year ended 31 May 2020.

The Trustees confirm that the Annual Report and financial statements of the charity comply with the current statutory requirements, the requirements of the charity's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

**Objectives and Activities**

**Policies and objectives**

Creative Land Trust is a new charitable organisation that aims to secure permanent affordable workspaces for artists in London by acquiring buildings to be run by studio providers. We aim to secure 1,000 affordable workspaces in our first five years, offering space to help artists keep their practices running and helping maintain London's status as an international cultural capital.

Our immediate area of focus is London as there is a significant loss of workspace that has been extensively studied and documented. The organisational strategy aims to expand beyond London in 5 years' time.

**Historical background**

In November 2016, the Mayor of London, Arts Council England and Outset Contemporary Art Fund jointly commissioned research into the options for a tailored initiative to address the crisis in affordable workspace provision. This provided the evidence base for the creation of the Creative Land Trust.

**Activities for achieving objectives**

Our primary activities will be:

1. Acquiring assets
2. Leasing assets
3. Advocacy and campaigning for the sector
4. Fundraising (including securing investment funding)

Creative Land Trust has been set up to acquire freehold or long-leasehold properties that will be leased to workspace providers, thereby safeguarding affordability and long-term stability for London's creative practitioners.

Creative Land Trust will secure further funds through a range of grant funding, donations and investment funds, particularly from impact investors seeking a blend of economic and social returns.

Creative spaces and communities have been shown to have a wider economic and social value, helping to regenerate areas by stimulating local business growth, attracting inward investment and infrastructure development including housing. We want to ensure that this value is recognised, and that the artists that add this value gain long term security. We will do this through a campaign of research and advocacy.

**Main activities undertaken to further the charity's purposes for the public benefit**

Creative Land Trust exists to support the arts and creative sector as a whole. We will ensure that we use transparent and fair criteria when leasing out buildings to studio providers to ensure that the public benefit test is met.

**Creative Land Trust**  
**(A company limited by guarantee)**

**Trustees' report (continued)**  
**for the year ended 31 May 2020**

**Achievements and performance**

**Review of activities**

The year began with the finalisation of £7.5m of funding from our three founder funders – the Greater London Authority, Arts Council England and Bloomberg Philanthropies.

Between them, the funders committed to a programme of funding that will fund an initial property purchase, and running costs for the organisation for the initial five year funding period.

We began the search for our first property. Unfortunately, this coincided with the worsening of the Covid-19 crisis, and the national lockdown period from April – June 2020 slowed down some of our activities. However, despite this, we are now in a position where we have made several offers for properties and have an active pipeline of further opportunities.

Earlier in the year we explored options for investment vehicles and philanthropic fund raising. However, we decided to postpone further activity on these workstreams until we have acquired a property so that we can demonstrate that our model works.

During 2019-20 the charity began to transition out of the start up phase. We recruited a full board of 12 professionals from art, finance, legal and property sectors.

Towards the end of the year, we recruited a Chief Executive and started recruitment for other permanent team members.

We put in place a suite of policies and procedures to ensure the organisation could run independently and had capacity and scope to expand, and ensured that we had the necessary technology to operate 100% remotely. As a result of this we have made the decision not to have an office, so that we can channel more of our funds into supporting the sector.

In May 2020 we began to administer the Creative Workspace Resilience Fund, which was part of the overall emergency funding package launched by Mayor of London Sadiq Khan in response to the coronavirus crisis. We recruited three temporary members of staff and set up the processes required for administering the fund quickly and efficiently.

The emergency funding was distributed shortly after the year end, so the impacts of this fund will be covered in more detail in our next report. However, in brief, the scheme was able to get urgently-needed money to studio providers quickly. 75% of the funding was distributed within four weeks of receiving it, with all funds dispersed within two months. 82 studio providers received grants, ranging from £1,000 to £127,000, with the average award being £16,000.

**Financial Review**

**Key financial performance indicators**

In 2019-20 we received £3,578,539 of the £7.5m funding committed. We also received £1,350,000 for the Creative Workspace Resilience Fund. Total expenditure was £436,764 which left a surplus of £4,491,989. However, the vast majority of this is restricted for initial property investment and for the Creative Workspace Resilience Fund, which was spent shortly after year end. Our biggest expense was consultants, because for most of the year the Trust had no employees but commissioned the services of the team at Workwild to progress our business plan.

As we have not yet bought a property, our balance sheet consists predominantly of cash. An increase in debtors at year end reflects a grant instalment invoiced at year end and paid shortly afterwards.

**Creative Land Trust**  
**(A company limited by guarantee)**

**Trustees' report (continued)**  
**for the year ended 31 May 2020**

**Going concern**

After making appropriate enquiries, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason we 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.

**Reserves Policy**

The charity aims to have at least three months' running costs in reserve. This means a reserve level of approximately £110,000. At present this is held in the charity's restricted reserves, reflecting the fact that we are currently funded by start-up grants. However, over time, we would expect to hold this level of reserves in unrestricted funds.

**Impact of Coronavirus**

The coronavirus crisis had a small impact on our operations, in that lockdown slowed our property acquisition activities and therefore delayed some of our programme. However, we do not expect it to affect our overall viability or business plan.

**Structure, governance and management**

**Constitution**

For the period ended 31 May 2020, the charity is registered as a charitable company limited by guarantee (charity number 1182876) and was set up by a Memorandum of Association on 25 March 2019. The Memorandum of Association has subsequently been amended on 6 November 2019.

The charitable objects are 'to promote arts, crafts and craftsmanship for the public benefit, in particular, but not exclusively, by providing or facilitating access to affordable workspace for the production of arts and crafts to those in need'.

**Method of appointment or election of Trustees**

The management of the charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association. The current Board was recruited through an open recruitment process.

**Organisational structure and decision making**

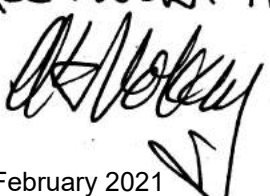
The Board of Trustees governs the charity. The Board meets at least four times a year.

The Board has three sub-committees, set up to consider issues in detail. These are;

- Finance, Audit and Risk committee
- Property Committee
- Development Committee

The organisation recently appointed a Chief Executive, and four other permanent members of staff were recruited after the year end. This Executive Team manages the day to day operations and development of the charity.

This report was approved by the Trustees, on:  
and signed on their behalf by:

ALEXANDRA NOTAY, CO-CHAIR  


Trustee

8 February 2021

**Creative Land Trust**  
**(A company limited by guarantee)**

**Independent auditors' report to the Members of Creative Land Trust**

**Opinion**

We have audited the financial statements of Creative Land Trust (the 'charitable company') for the year ended 31 May 2020 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 May 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

**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 United Kingdom, including the Financial Reporting Council'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.

**Creative Land Trust**  
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**Independent auditors' report to the Members of Creative Land Trust (continued)**

**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 Auditors' report 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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

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

**Responsibilities of trustees**

As explained more fully in the Trustees' responsibilities statement, 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.



**Independent auditors' report to the Members of Creative Land Trust (continued)**

**Auditors' responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Other matters**

The prior period financial statements of the charity for the period ended 31 May 2019 were not audited. Accordingly, the corresponding figures presented as part of the financial statements of the charity for the year ended 31 May 2020 are unaudited.

**Creative Land Trust**  
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**Independent auditors' report to the Members of Creative Land Trust (continued)**

**Use of our report**

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Kreston Reeves LLP  
Chartered Accountants  
Statutory Auditor  
London

Date: 24th February 2021

Kreston Reeves LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

**Creative Land Trust**  
(A company limited by guarantee)

**Statement of financial activities (incorporating income and expenditure account)  
for the year ended 31 May 2020**

|                                    | Note | Restricted<br>funds<br>2020<br>£ | Unrestricted<br>funds<br>2020<br>£ | Total<br>funds<br>2020<br>£ | Total<br>funds<br>2019<br>£ |
|------------------------------------|------|----------------------------------|------------------------------------|-----------------------------|-----------------------------|
| <b>Income from:</b>                |      |                                  |                                    |                             |                             |
| Donations and legacies             | 3    | 4,903,539                        | 25,000                             | 4,928,539                   | 215,000                     |
| Investments                        | 4    | -                                | 214                                | 214                         | -                           |
| <b>Total income</b>                |      | <b>4,903,539</b>                 | <b>25,214</b>                      | <b>4,928,753</b>            | <b>215,000</b>              |
| <b>Expenditure on:</b>             |      |                                  |                                    |                             |                             |
| Raising funds                      | 5    | 46,018                           | -                                  | 46,018                      | -                           |
| Charitable activities              | 6    | 373,936                          | 16,810                             | 390,746                     | 209,549                     |
| <b>Total expenditure</b>           |      | <b>419,954</b>                   | <b>16,810</b>                      | <b>436,764</b>              | <b>209,549</b>              |
| <b>Net movement in funds</b>       |      | <b>4,483,585</b>                 | <b>8,404</b>                       | <b>4,491,989</b>            | <b>5,451</b>                |
| <b>Reconciliation of funds:</b>    |      |                                  |                                    |                             |                             |
| Total funds brought forward        |      | -                                | 5,451                              | 5,451                       | -                           |
| Net movement in funds              |      | 4,483,585                        | 8,404                              | 4,491,989                   | 5,451                       |
| <b>Total funds carried forward</b> |      | <b>4,483,585</b>                 | <b>13,855</b>                      | <b>4,497,440</b>            | <b>5,451</b>                |

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

The notes on pages 12 to 23 form part of these financial statements.

**Creative Land Trust**  
**(A company limited by guarantee)**  
**Registered number: 11367824**

**Balance sheet**  
**as at 31 May 2020**

|  | Note | 2020<br>£               | 2019<br>£           |
|--|------|-------------------------|---------------------|
| <b>Fixed assets</b>                            |      |                         |                     |
| Tangible assets                                | 11   | 1,167                   | -                   |
|  |      | <u>1,167</u>            | <u>-</u>            |
| <b>Current assets</b>                          |      |                         |                     |
| Debtors  | 12   | 1,848,984               | 26,869              |
| Cash at bank and in hand                       |      | 2,665,699               | 34,806              |
|  |      | <u>4,514,683</u>        | <u>61,675</u>       |
| Creditors: amounts falling due within one year | 13   | (18,410)                | (56,224)            |
| <b>Net current assets</b>                      |      | <u>4,496,273</u>        | <u>5,451</u>        |
| <b>Total net assets</b>                        |      | <u><u>4,497,440</u></u> | <u><u>5,451</u></u> |
| <b>Charity funds</b>                           |      |                         |                     |
| Restricted funds                               | 14   | 4,483,585               | -                   |
| Unrestricted funds                             | 14   | 13,855                  | 5,451               |
| <b>Total funds</b>                             |      | <u><u>4,497,440</u></u> | <u><u>5,451</u></u> |

The entity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006. However, an audit is required in accordance with section 144 of the Charities Act 2011.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

  
**A K Notay**

Trustee

Date: 08/02/21

The notes on pages 12 to 23 form part of these financial statements.

**Creative Land Trust**  
**(A company limited by guarantee)**

**Statement of cash flows**  
**for the year ended 31 May 2020**

|  | 2020<br>£        | 2019<br>£     |
|--|------------------|---------------|
| <b>Cash flows from operating activities</b>                |                  |               |
| Net cash used in operating activities                      | <b>2,637,093</b> | 29,806        |
| <b>Cash flows from investing activities</b>                |                  |               |
| Purchase of tangible fixed assets                          | <b>(1,200)</b>   | -             |
| <b>Net cash (used in)/provided by investing activities</b> | <b>(1,200)</b>   | -             |
| <b>Cash flows from financing activities</b>                |                  |               |
| Cash inflows from new borrowing                            | -                | 5,000         |
| Repayments of borrowing                                    | <b>(5,000)</b>   | -             |
| <b>Net cash (used in)/provided by financing activities</b> | <b>(5,000)</b>   | <b>5,000</b>  |
| <b>Change in cash and cash equivalents in the year</b>     | <b>2,630,893</b> | <b>34,806</b> |
| Cash and cash equivalents at the beginning of the year     | <b>34,806</b>    | -             |
| <b>Cash and cash equivalents at the end of the year</b>    | <b>2,665,699</b> | <b>34,806</b> |

The notes on pages 12 to 23 form part of these financial statements

**Creative Land Trust**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 May 2020**

**1. General information**

The charity is a company limited by guarantee. The members of the charity are the Trustees named on page 2. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

The address of the charity's registered office is: Third Floor, 24 Chiswell Street, London EC1Y 4YX

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements 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 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Creative Land Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

**2.2 Going concern**

The financial statements are prepared on a going concern basis. There are no material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern. The impact of COVID-19 has been included in the charity's planning for the future and the going concern assumption takes this into consideration.

**2.3 Income**

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

**2.4 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Charity to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

**Creative Land Trust**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 May 2020**

**2. Accounting policies (continued)**

**2.4 Expenditure (continued)**

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

**2.5 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

**2.6 Tangible fixed assets and depreciation**

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

|                    |   |                   |
|--------------------|---|-------------------|
| Computer equipment | - | 33% straight line |
|--------------------|---|-------------------|

**2.7 Debtors**

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

**2.8 Cash at bank and in hand**

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**2.9 Liabilities and provisions**

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

**Creative Land Trust**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 May 2020**

**2. Accounting policies (continued)**

**2.10 Financial instruments**

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**2.11 Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

**3. Income from donations and legacies**

|  | Restricted<br>funds<br>2020<br>£ | Unrestricted<br>funds<br>2020<br>£ | Total<br>funds<br>2020<br>£ |
|--|----------------------------------|------------------------------------|-----------------------------|
| <b>Grants</b>                          |                                  |                                    |                             |
| GLA                                    | 2,340,798                        | 25,000                             | 2,365,798                   |
| ACE                                    | 262,875                          | -                                  | 262,875                     |
| Bloomberg                              | 949,866                          | -                                  | 949,866                     |
| GLA Creative Workspace Resilience Fund | 1,350,000                        | -                                  | 1,350,000                   |
| <b>Subtotal</b>                        | <b>1,350,000</b>                 | <b>-</b>                           | <b>1,350,000</b>            |
|  | <b>4,903,539</b>                 | <b>25,000</b>                      | <b>4,928,539</b>            |
|  |                                  |                                    |                             |
|  |                                  | Unrestricted<br>funds<br>2019<br>£ | Total<br>funds<br>2019<br>£ |
| Grants                                 |                                  | 215,000                            | 215,000                     |



**Creative Land Trust**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 May 2020**

**4. Investment income**

|                   | <b>Unrestricted<br/>funds<br/>2020<br/>£</b> | <b>Total<br/>funds<br/>2020<br/>£</b> | <b>Total<br/>funds<br/>2019<br/>£</b> |
|-------------------|--|---------------------------------------|---------------------------------------|
| Investment income | 214  | 214                                   | -                                     |

**5. Expenditure on raising funds**

**Costs of raising voluntary income**

|            | <b>Restricted<br/>funds<br/>2020<br/>£</b> | <b>Total<br/>funds<br/>2020<br/>£</b> | <b>Total<br/>funds<br/>2019<br/>£</b> |
|------------|--|---------------------------------------|---------------------------------------|
| Consulting | 46,018                                     | 46,018                                | -                                     |

**Creative Land Trust**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 May 2020**

**6. Analysis of expenditure on charitable activities**

**Summary by fund type**

|                                    | <b>Restricted<br/>funds<br/>2020<br/>£</b> | <b>Unrestricted<br/>funds<br/>2020<br/>£</b> | <b>Total<br/>funds<br/>2020<br/>£</b> |
|------------------------------------|--|--|---------------------------------------|
| Acquiring property                 | 90,661                                     | -  | <b>90,661</b>                         |
| Policy and campaign                | 21,640                                     | -  | <b>21,640</b>                         |
| Creative Workspace Resilience Fund | 15,541                                     | -  | <b>15,541</b>                         |
| Central support costs              | 246,094                                    | 16,810                                       | <b>262,904</b>                        |
|                                    | <b>373,936</b>                             | <b>16,810</b>                                | <b>390,746</b>                        |

|                       | <b>Unrestricted<br/>funds<br/>2019<br/>£</b> | <b>Total<br/>funds<br/>2019<br/>£</b> |
|-----------------------|--|---------------------------------------|
| Central support costs | 209,549                                      | <b>209,549</b>                        |

**Creative Land Trust**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 May 2020**

**7. Analysis of expenditure by activities**

|                                    | Activities<br>undertaken<br>directly<br>2020<br>£ | Support<br>costs<br>2020<br>£ | Total<br>funds<br>2020<br>£ |
|------------------------------------|---|-------------------------------|-----------------------------|
| Acquiring property                 | 90,661  | -                             | 90,661                      |
| Policy and campaign                | 21,640  | -                             | 21,640                      |
| Creative Workspace Resilience Fund | 15,541  | -                             | 15,541                      |
| Central support costs              | -   | 262,904                       | 262,904                     |
|                                    | <u>127,842</u>                                    | <u>262,904</u>                | <u>390,746</u>              |

|                       | Support<br>costs<br>2019<br>£ | Total<br>funds<br>2019<br>£ |
|-----------------------|-------------------------------|-----------------------------|
| Central support costs | <u>209,549</u>                | <u>209,549</u>              |

**Analysis of direct costs**

|                             | Acquiring<br>property<br>2020<br>£ | Policy and<br>campaign<br>2020<br>£ | Creative<br>Workspace<br>Resilience<br>Fund<br>2020<br>£ | Total<br>funds<br>2020<br>£ | Total<br>funds<br>2019<br>£ |
|-----------------------------|------------------------------------|-------------------------------------|--|-----------------------------|-----------------------------|
| Staff costs                 | 7,202                              | -                                   | 6,544  | 13,746                      | -                           |
| Consulting                  | 80,984                             | 20,640                              | 8,910  | 110,534                     | -                           |
| Legal expenses              | 2,475                              | -                                   | -  | 2,475                       | -                           |
| IT Software and Consumables | -                                  | -                                   | 87   | 87                          | -                           |
| Irrecoverable VAT           | -                                  | 1,000                               | -  | 1,000                       | -                           |
|                             | <u>90,661</u>                      | <u>21,640</u>                       | <u>15,541</u>  | <u>127,842</u>              | <u>-</u>                    |

**Creative Land Trust**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 May 2020**

**7. Analysis of expenditure by activities (continued)**

**Analysis of support costs**

|                             | <b>Acquiring<br/>property<br/>2020<br/>£</b> | <b>Total<br/>funds<br/>2020<br/>£</b> |
|-----------------------------|--|---------------------------------------|
| Staff costs                 | 9,004  | 9,004                                 |
| Advertising & Marketing     | 528  | 528                                   |
| Consulting                  | 230,294                                      | 230,294                               |
| Legal expenses              | 2,495  | 2,495                                 |
| Printing & Stationary       | 13   | 13                                    |
| IT Software and Consumables | 1,172  | 1,172                                 |
| Auditor remuneration        | 5,100  | 5,100                                 |
| Irrecoverable VAT           | 9,380  | 9,380                                 |
| Insurance                   | 709  | 709                                   |
| Depreciation                | 33   | 33                                    |
| Meeting expenses            | 120  | 120                                   |
| Subscriptions               | 144  | 144                                   |
| Travel & Subsistence        | 12   | 12                                    |
| Bank charges                | 74   | 74                                    |
| Accountancy fees            | 3,826  | 3,826                                 |
|                             | <b>262,904</b>                               | <b>262,904</b>                        |

|                             | <b>Acquiring<br/>property<br/>2019<br/>£</b> | <b>Total<br/>funds<br/>2019<br/>£</b> |
|-----------------------------|--|---------------------------------------|
| Advertising & Marketing     | 17,240                                       | 17,240                                |
| Consulting                  | 184,929                                      | 184,929                               |
| Legal expenses              | 1,000  | 1,000                                 |
| Printing & Stationary       | 972  | 972                                   |
| Recruitment costs           | 1,874  | 1,874                                 |
| IT Software and Consumables | 34   | 34                                    |
| Independent examination     | 3,500  | 3,500                                 |
|                             | <b>209,549</b>                               | <b>209,549</b>                        |

**Creative Land Trust**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 May 2020**

**8. Auditors' remuneration**

The auditors' remuneration amounts to an auditor fee of £5,100 (2019 - £ -).

**9. Staff costs**

|                       | 2020<br>£     | 2019<br>£ |
|-----------------------|---------------|-----------|
| Wages and salaries    | 20,346        | -         |
| Social security costs | 2,404         | -         |
|                       | <u>22,750</u> | <u>-</u>  |

The average number of persons employed by the Charity during the year was as follows:

|       | 2020<br>No. | 2019<br>No. |
|-------|-------------|-------------|
| Total | <u>3</u>    | <u>-</u>    |

No employee received remuneration amounting to more than £60,000 in either year.

The Charity considers its key management personnel comprise to be the Chief Executive Officer. The total employment benefits of the key management personnel were £18,006 (2019: £nil).

**10. Trustees' remuneration and expenses**

During the year, no Trustees received any remuneration or other benefits (2019 - £NIL).

During the year ended 31 May 2020, no Trustee expenses have been incurred (2019 - £NIL).

**Creative Land Trust**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 May 2020**

**11. Tangible fixed assets**

|                       | Computer<br>equipment<br>£ |
|-----------------------|----------------------------|
| <b>Cost</b>           |                            |
| Additions             | 1,200                      |
| At 31 May 2020        | <u>1,200</u>               |
| <b>Depreciation</b>   |                            |
| Charge for the year   | 33                         |
| At 31 May 2020        | <u>33</u>                  |
| <b>Net book value</b> |                            |
| At 31 May 2020        | <u><u>1,167</u></u>        |
| At 31 May 2019        | <u><u>-</u></u>            |

**12. Debtors**

|                                | 2020<br>£               | 2019<br>£            |
|--------------------------------|-------------------------|----------------------|
| <b>Due within one year</b>     |                         |                      |
| Trade debtors                  | 498,984                 | -                    |
| Other debtors                  | -                       | 8,529                |
| Prepayments and accrued income | 1,350,000               | 18,340               |
|                                | <u><u>1,848,984</u></u> | <u><u>26,869</u></u> |

**13. Creditors: Amounts falling due within one year**

|                                    | 2020<br>£            | 2019<br>£            |
|------------------------------------|----------------------|----------------------|
| Trade creditors                    | 4,647                | 47,724               |
| Other taxation and social security | 9,513                | -                    |
| Other creditors                    | -                    | 5,000                |
| Accruals and deferred income       | 4,250                | 3,500                |
|                                    | <u><u>18,410</u></u> | <u><u>56,224</u></u> |

**Creative Land Trust**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 May 2020**

**14. Statement of funds**

**Statement of funds - current year**

|                                    | Balance at 1<br>June 2019<br>£ | Income<br>£      | Expenditure<br>£ | Balance at<br>31 May 2020<br>£ |
|------------------------------------|--------------------------------|------------------|------------------|--------------------------------|
| <b>Unrestricted funds</b>          |                                |                  |                  |                                |
| Reserves                           | 5,451                          | 25,214           | (16,810)         | 13,855                         |
| <b>Restricted funds</b>            |                                |                  |                  |                                |
| Capital funding                    | -                              | 3,190,798        | (177,389)        | 3,013,409                      |
| Revenue funding                    | -                              | 362,741          | (227,024)        | 135,717                        |
| Creative Workspace Resilience Fund | -                              | 1,350,000        | (15,541)         | 1,334,459                      |
|                                    | -                              | 4,903,539        | (419,954)        | 4,483,585                      |
| <b>Total of funds</b>              | <b>5,451</b>                   | <b>4,928,753</b> | <b>(436,764)</b> | <b>4,497,440</b>               |

Capital funding - Seed funding given to purchase properties.

Revenue funding - Seed funding given to support the operations of the Creative Land Trust for the first five years.

Creative Workspace Resilience Fund - This fund is being used to provide financial support to studio providers experiencing financial difficulties due to Covid-19.

**Statement of funds - prior year**

|                           | Income<br>£ | Expenditure<br>£ | Balance at<br>31 May 2019<br>£ |
|---------------------------|-------------|------------------|--------------------------------|
| <b>Unrestricted funds</b> |             |                  |                                |
| Reserves                  | 215,000     | (209,549)        | 5,451                          |

**Creative Land Trust**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 May 2020**

**15. Analysis of net assets between funds**

**Analysis of net assets between funds - current period**

|                               | <b>Restricted<br/>funds<br/>2020<br/>£</b> | <b>Unrestricted<br/>funds<br/>2020<br/>£</b> | <b>Total<br/>funds<br/>2020<br/>£</b> |
|-------------------------------|--|--|---------------------------------------|
| Tangible fixed assets         | 1,167                                      | -  | 1,167                                 |
| Current assets                | 4,500,828                                  | 13,855                                       | 4,514,683                             |
| Creditors due within one year | (18,410)                                   | -  | (18,410)                              |
| <b>Total</b>                  | <b>4,483,585</b>                           | <b>13,855</b>                                | <b>4,497,440</b>                      |

**Analysis of net assets between funds - prior period**

|                               | <b>Unrestricted<br/>funds<br/>2019<br/>£</b> | <b>Total<br/>funds<br/>2019<br/>£</b> |
|-------------------------------|--|---------------------------------------|
| Current assets                | 61,675                                       | 61,675                                |
| Creditors due within one year | (56,224)                                     | (56,224)                              |
| <b>Total</b>                  | <b>5,451</b>                                 | <b>5,451</b>                          |

**16. Reconciliation of net movement in funds to net cash flow from operating activities**

|  | <b>2020<br/>£</b> | <b>2019<br/>£</b> |
|--|-------------------|-------------------|
| Net income for the period (as per Statement of Financial Activities) | <b>4,491,989</b>  | 5,451             |
| <b>Adjustments for:</b>  |                   |                   |
| Depreciation charges   | 33                | -                 |
| Increase in debtors  | (1,822,115)       | (26,869)          |
| Increase/(decrease) in creditors                                     | (32,814)          | 51,224            |
| <b>Net cash provided by operating activities</b>                     | <b>2,637,093</b>  | 29,806            |



**Creative Land Trust**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 May 2020**

**17. Analysis of cash and cash equivalents**

|  | <b>2020</b>      | 2019   |
|--|------------------|--------|
|  | <b>£</b>         | £      |
| Cash in hand                           | <b>2,665,699</b> | 34,806 |
| <b>Total cash and cash equivalents</b> | <b>2,665,699</b> | 34,806 |

**18. Analysis of changes in net debt**

|                          | <b>At 1 June</b> | <b>Cash flows</b> | <b>At 31 May</b> |
|--------------------------|------------------|-------------------|------------------|
|                          | <b>2019</b>      | <b>£</b>          | <b>2020</b>      |
|                          | <b>£</b>         |                   | <b>£</b>         |
| Cash at bank and in hand | 34,806           | 2,630,893         | 2,665,699        |
| Debt due within 1 year   | (5,000)          | 5,000             | -                |
|                          | <b>29,806</b>    | <b>2,635,893</b>  | <b>2,665,699</b> |

**19. Related party transactions**

During the year C Gertler, a trustee, was repaid £5,000 which had previously been owed to her (2019: £5,000 paid to the charity by C Gertler). At the balance sheet date a balance of £nil (2019: £5,000) was owed to C Gertler.