

Charity registration number: SC042142

Alchemy Film and Arts

A Scottish Charitable Incorporated Organisation
Annual Report and Financial Statements

for the Year Ended 30 June 2020

Alchemy Film and Arts

Contents

Reference and Administrative Details	1
Trustees' Report	2 to 5
Statement of Trustees' Responsibilities	6
Independent Examiner's Report	7
Statement of Financial Activities	8
Balance Sheet	9
Notes to the Financial Statements	10 to 15

Alchemy Film and Arts

Reference and Administrative Details

Trustees

Irene Young
Alexander Devers
Karen Gateson, Chair
Miwa Nagato-Apthorp
Mrs Irene Faith, Treasurer
Mrs Sarah Perks
Mrs Rachel Pronger
Mr Mark Timmins

Principal Office

Room 305
Heart of Hawick
Kirkstyle
Hawick
TD9 0AE

Charity Registration Number

SC042142

Bankers

Co-operative Bank

Independent Examiner

David Campbell
Deans
27 North Bridge Street
Hawick
TD9 9BD

Alchemy Film and Arts

Trustees' Report

The trustees present the annual report together with the financial statements of the charity for the year ended 30 June 2020.

Objectives and activities

Objects and aims

The principal objects of the company are:-

- (a) To champion the development of the arts, predominantly but not exclusively, in the Scottish Borders and beyond. We aim to encourage the people of the Scottish Borders, in particular its young people, visitors to the region and its creative residents in high quality arts experiences, thus generating creative, cultural and economic benefit for the region. We aim to stimulate local talent, social and community cohesion, and engage people with the unique Borders landscape and heritage, thus enriching their quality of life, and in furtherance of those objects.
- (b) To advance the arts, heritage, culture and science in the Scottish Borders, predominantly but not exclusively, particularly by the practice, knowledge, understanding and appreciation of visual arts, music, literature, performance, film and craft (herein after known as the arts) and not excluding other art forms as may be relevant.
- (c) To advance education through the arts and to promote, maintain and improve education through the arts.
- (d) To promote equality and diversity through the arts, and to increase the accessibility of the arts to the public throughout the region by providing facilities for the presentation and practice of the arts.
- (e) Any other purpose that may reasonably be regarded as analogous to any of the preceding purposes.

Use of volunteers

The directors wish to record their appreciation of the time and efforts contributed by volunteer helpers who have worked extremely hard to ensure that the events have proceeded.

Achievements and performance

One of Alchemy Film & Arts' constitutional purposes is to 'champion the development of the arts and engage the people of the Scottish Borders, in particular its young residents in high quality arts experiences, generating creative, cultural and economic benefit for the region.'

In 2019-20, our Film Town initiative spoke directly to this objective and delivered impressive results in both quantitative and qualitative ways. Overall, 2752 people engaged with Film Town via screenings, exhibitions, discussions, film quizzes and workshops sessions. Participants ranged between 4 and 98 years old and included BAME people, those with additional support needs and those living in areas of multiple deprivation.

Film Town's community partners included Hawick's Escape Youth Café, Hawick Cubs, Jedburgh Scout Group, Burnfoot Community Hub, the volunteer befriending charity Interest Link and Reaching Out (Hawick Congregational Community Church). The latter group premiered Soupalunch Heroes, made prior to lockdown, as part of the closing programme of Alchemy Live – the highest attended in the history of our annual film festival.

Anyone who has borne witness to such demonstrations of achievement – e.g., by attending the Film Town showcase of films made with Hawick Cubs, Jedburgh Scout Group and Interest Link at Heart of Hawick in December 2019, or by looking at our progress tracker maintained for all participants – will endorse the impact they are having on the lives of those involved.

It is significant that Film Town engages the generation and sectors of our local population that will be most impacted by COVID-19. We are well-placed, going forward, to continue our now-established programmes to address the impact of COVID-19 on the mental wellbeing of our community.

Alchemy Film and Arts

Trustees' Report

Our constitution also states an aim to 'stimulate local talent, social and community cohesion, and engage people with the unique Borders landscape and heritage, thus enriching their quality of life,' and to 'advance education through the arts and to promote, maintain and improve education through the arts'.

In commissioning artist in residence Karel Doing to partner with both the Moving Image Makers Collective and Burnfoot Community Hub, we developed a 'home-grown' film installation, Bog Myrtle and Flamethrowers, whose opening night evidenced a local partnership that extended our reach. Invigilating the exhibition, I noted a number of new faces who crossed the threshold due to knowing someone who had participated in the film's production.

The Once Upon a Time in Hawick project – exploring the identities, industries and stories of Hawick – builds cohesion within our community by engaging local talent to develop locally inspired projects; creating works that showcase the history of Hawick; developing programmes that feature proud moments in the town's history; and creating works that breathe new life into archive footage.

Events delivered prior to COVID-19 as part of this year-round programme included the sold-out launch screening of *From Wool to Wearer*, the 1913 documentary sponsored by Peter Scott; and a sold-out screening of Hawick Film and Video Group's 1964 film *Sons of Heroes*.

An unexpected consequence of COVID-19 was that in 2020 our exceptional operational team managed to turn adversity into opportunity. Events initially planned to be part of Once Upon a Time in Hawick, including Jessie Growden's *I've Only Been Here Half My Life* exhibition, Leah Millar's artist residency, our Archive, Verb artists' symposium, and Borders Movie Month – a month-long regionwide film festival coordinated by Alchemy on behalf of the Borders Screen Network, a group of exhibitor venues initiated by Regional Screen Scotland – have since been rescheduled for 2020-21.

At the beginning of 2020 we were all looking forward to celebrating the tenth edition of our flagship event, Alchemy Film and Moving Image Festival. After a heart-wrenching rollercoaster journey we dared to hope, dared to dream, that the spirit of Alchemy would survive in a virtual world.

It did. Our exceptional and resourceful Directors led their team to deliver Alchemy Live, a virtual festival that delivered on all fronts and has become a benchmark for other virtual events, with Alchemy now positioned as a 'go-to' organisation for advice on delivering the ultimate virtual film festival experience.

Our virtual festival afforded the organisation the opportunity, in a very difficult year, to still achieve our stated objectives:

- To promote equality and diversity through the arts
- To advance the arts, heritage, culture and science in the Scottish Borders, predominantly but not exclusively, particularly by the practice, knowledge, understanding and appreciation of visual arts, music, literature, performance, film and craft
- To increase the accessibility of the arts to the public throughout the region by providing facilities for the presentation and practice of the art

Thoughtful consideration and meticulous planning delivered a virtual event that attracted a worldwide audience and engaged new viewers via social media during the festival and its five-week engagement campaign. The event also expanded audience numbers and diversity, with 15,334 screening visits recorded across 5345 attendees; 53% of our festival audience were new to Alchemy – a small increase from 51% in 2019 – and 73% were not participating artists – a significant increase from 50% in 2019.

The unqualified success of our 2020 festival speaks directly to our aim of increasing the accessibility of the arts to the public. The vision to produce a digital event rather than just simply posting content online – and the recognition of this differential within the business and by our audience – places Alchemy in a unique position to lead the conversation around digital and in-person programming and accessibility.

It is a credit to our Directors that they have developed a guide to share their experiences and learning with other organisations: *Please Refresh the Page: Delivering Your Digital Event as an Event*. This resource demonstrates the ongoing contribution Alchemy Film & Arts can make to the arts.

Alchemy Film and Arts

Trustees' Report

Financial review

A surplus of £46,630 was earned in 19/20, mainly due to funders advancing grants earlier than normal due to the Covid pandemic. These funds are restricted and will be retained to meet the criteria of the funders. Unrestricted reserves amount to £20,732 at the year end and the trustees will continue to build these reserves.

Policy on reserves

A small amount of unrestricted funds are maintained to meet the running costs of the charity. The reserves policy will be reviewed as time progresses.

Principal funding sources

The principal funding has been from grants and donations as well as ticket and merchandising sales.

Plans for future periods

Activities planned to achieve aims

Among the events rescheduled for 2020-21 are guest-curated festival programmes by Queer City Cinema and curator Greg de Cuir, exploring queer and Black bodies respectively; and Borders Movie Month, a month-long celebration of Scottish film that we are coordinating on behalf of the Borders Screen Network, which aims to boost cinemagoing at 14 distinct exhibition venues, including village halls, that serve the Borders' rurally isolated communities. Such programmes are in addition to our decision to increase artist fees for the 2021 festival while not increasing submission fees, and our new commitment, following the success of the online festival, to provide captions for D/deaf and Hard of Hearing audiences on all virtual content. Such initiatives, as well as our forthcoming artist residency with Glasgow-based Natasha Ruwona exploring the legacy of Hawick-raised Tom Jenkins, Britain's first Black schoolteacher, demonstrate our dedication to making the arts as accessible and inclusive as possible. The launch of the Borders Community Film Archive will both ensure a proper legacy for Hawick and is our response to demand from local partners to use our passion for film to serve the community in a meaningful way.

Going concern

The trustees consider that the charity is a going concern.

Structure, governance and management

Nature of governing document

The company was a company limited by guarantee and was set up by a Memorandum of Association on 17 June 2013. On the 4 August 2017 the company converted to a SCIO, a Scottish Charitable Incorporated Organisation, governed by a revised constitution.

Recruitment and appointment of trustees

The management of the organisation is the responsibility of the Trustees who are elected and co-opted under the terms of the new constitution.

Arrangements for setting key management personnel remuneration

Trustees are not remunerated for their services.

Organisational structure

The trustees meet on a bi-monthly basis to discuss the charity's affairs. All trustees participate in the decision-making process.

Funds held as custodian trustee on behalf of others

No funds are held on behalf of other organisations.

Alchemy Film and Arts

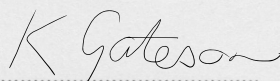
Trustees' Report

Creditor payment policy

It is the policy to settle invoices within normal supplier credit terms.

Finally, I would like to acknowledge the agility, resilience and governance that the team have brought to the organisation and how this positions us for the future.

The annual report was approved by the trustees of the charity on 3 November 2020 and signed on its behalf by:



.....
Karen Gateson
Trustee

Alchemy Film and Arts

Statement of Trustees' Responsibilities

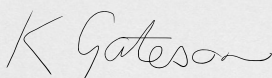
The trustees are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

The law applicable to charities requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the applicable Charities Accounts (Scotland) Regulations 2006, and the provisions of the constitution. The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the trustees of the charity on 3 November 2020 and signed on its behalf by:



.....
Karen Gateson
Trustee

Alchemy Film and Arts

Independent Examiner's Report to the trustees of Alchemy Film and Arts

I report on the accounts of the charity for the year ended 30 June 2020 which are set out on pages 8 to 15.

Respective responsibilities of trustees and examiner

The trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The trustees consider that the audit requirement of Regulation 10(1)(d) of the 2006 Accounts Regulations does not apply.

It is my responsibility to:

- examine the accounts as required under section 44(1)(c) of the Act;
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with Regulation 11 of the 2006 Accounts Regulations. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently I do not express an audit opinion on the view given by the accounts.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with section 44(1)(a) of the 2005 Act; and
- to prepare accounts which accord with the accounting records and comply with Regulation 9 of the 2006 Accounts Regulations

have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

.....
David Campbell
Deans
ICAS

27 North Bridge Street
Hawick
TD9 9BD

Date:.....

Alchemy Film and Arts

Statement of Financial Activities for the Year Ended 30 June 2020

	Note	Unrestricted funds £	Restricted funds £	Total 2020 £
Income and Endowments from:				
Donations and legacies		390	175,665	176,055
Other trading activities	3	-	6,663	6,663
Total income	2	390	182,328	182,718
Expenditure on:				
Charitable activities	4	(324)	(136,114)	(136,438)
Total expenditure		(324)	(136,114)	(136,438)
Net income		66	46,214	46,280
Gross transfers between funds		13,302	(13,302)	-
Net movement in funds		13,368	32,912	46,280
Reconciliation of funds				
Total funds brought forward		7,364	60,986	68,350
Total funds carried forward	12	20,732	93,898	114,630
	Note	Unrestricted funds £	Restricted funds £	Total 2019 £
Income and Endowments from:				
Donations and legacies	2	-	130,816	130,816
Other trading activities	3	-	12,565	12,565
Total income		-	143,381	143,381
Expenditure on:				
Charitable activities	4	-	(150,475)	(150,475)
Total expenditure		-	(150,475)	(150,475)
Net expenditure		-	(7,094)	(7,094)
Gross transfers between funds		(214)	214	-
Net movement in funds		(214)	(6,880)	(7,094)
Reconciliation of funds				
Total funds brought forward		7,578	67,866	75,444
Total funds carried forward	12	7,364	60,986	68,350


All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2019 is shown in note 12.

Alchemy Film and Arts
(Registration number: SC042142)
Balance Sheet as at 30 June 2020

	Note	2020 £	2019 £
Current assets			
Debtors	9	-	350
Cash at bank and in hand	10	114,880	68,250
		114,880	68,600
Creditors: Amounts falling due within one year	11	(250)	(250)
Net assets		114,630	68,350
Funds of the charity:			
Restricted income funds			
Restricted funds		93,898	60,986
Unrestricted income funds			
Unrestricted funds		20,732	7,364
Total funds	12	114,630	68,350

The financial statements on pages 8 to 15 were approved by the trustees, and authorised for issue on 3 November 2020 and signed on their behalf by:



 Karen Gateson
 Trustee

Alchemy Film and Arts

Notes to the Financial Statements for the Year Ended 30 June 2020

1 Accounting policies

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Accounts (Scotland) Regulations 2006.

Basis of preparation

Alchemy Film and Arts 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 notes.

The accounts have been prepared in sterling and are rounded to the nearest £1.

Exemption from preparing a cash flow statement

The charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Income and endowments

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

Donations and legacies

Donations and legacies are recognised on a receivable basis when receipt is probable and the amount can be reliably measured.

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Charitable activities

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

Alchemy Film and Arts

Notes to the Financial Statements for the Year Ended 30 June 2020

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses.

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

Alchemy Film and Arts

Notes to the Financial Statements for the Year Ended 30 June 2020

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

2 Income from donations and legacies

	Unrestricted funds General £	Restricted funds £	Total funds £
Donations and legacies;			
Donations from individuals	390	-	390
Grants, including capital grants;			
Government grants	-	136,365	136,365
Grants from other charities	-	39,300	39,300
Total for 2020	390	175,665	176,055
Total for 2019	-	130,816	130,816

3 Income from other trading activities

	Restricted funds £	Total funds £
Other income from other trading activities	6,663	6,663
Total for 2020	6,663	6,663
Total for 2019	12,565	12,565

4 Expenditure on charitable activities

	Note	Unrestricted funds General £	Restricted funds £	Total funds £
Events		-	127,892	127,892
Allocated support costs		-	7,666	7,666
Governance costs		324	556	880
Total for 2020		324	136,114	136,438
Total for 2019		-	150,475	150,475

Alchemy Film and Arts

Notes to the Financial Statements for the Year Ended 30 June 2020

	Activity undertaken directly £	Activity support costs £	Total expenditure £
Events- Artist fees	6,816	-	6,816
Events- Hospitality and accommodation	6,029	-	6,029
Events- Performance costs	58,918	-	58,918
Events- Equipment and installation	13,505	-	13,505
Events- Project management	39,525	-	39,525
Events- Publicity materials and adverts	1,964	-	1,964
Events- Travel and refreshments	1,135	-	1,135
Rent	-	4,500	4,500
Insurance	-	1,105	1,105
Phone	-	275	275
Stationery	-	266	266
Admin	-	1,170	1,170
Bad debts	-	350	350
Total for 2020	<u>127,892</u>	<u>7,666</u>	<u>135,558</u>

5 Analysis of governance and support costs

Governance costs

	Unrestricted funds General £	Restricted funds £	Total funds £
Independent examiner fees			
Examination of the financial statements	324	-	324
Other governance costs	-	556	556
Total for 2020	<u>324</u>	<u>556</u>	<u>880</u>
Total for 2019	<u>-</u>	<u>930</u>	<u>930</u>

6 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

7 Independent examiner's remuneration

	2020 £	2019 £
Examination of the financial statements	<u>324</u>	<u>324</u>

Alchemy Film and Arts

Notes to the Financial Statements for the Year Ended 30 June 2020

8 Taxation

The charity is a registered charity and is therefore exempt from taxation.

9 Debtors

	2020 £	2019 £
Trade debtors	-	350

10 Cash and cash equivalents

	2020 £	2019 £
Cash on hand	16	35
Cash at bank	114,864	68,215
	<u>114,880</u>	<u>68,250</u>

11 Creditors: amounts falling due within one year

	2020 £	2019 £
Accruals	250	250

12 Funds

	Balance at 1 July 2019 £	Incoming resources £	Resources expended £	Transfers £	Balance at 30 June 2020 £
Unrestricted funds					
General	7,364	390	(324)	13,302	20,732
Restricted funds	<u>60,986</u>	<u>182,328</u>	<u>(136,114)</u>	<u>(13,302)</u>	<u>93,898</u>
Total funds	<u>68,350</u>	<u>182,718</u>	<u>(136,438)</u>	<u>-</u>	<u>114,630</u>
	Balance at 1 July 2018 £	Incoming resources £	Resources expended £	Transfers £	Balance at 30 June 2019 £
Unrestricted funds					
General	7,578	-	-	(214)	7,364
Restricted funds	<u>67,866</u>	<u>143,381</u>	<u>(150,475)</u>	<u>214</u>	<u>60,986</u>
Total funds	<u>75,444</u>	<u>143,381</u>	<u>(150,475)</u>	<u>-</u>	<u>68,350</u>

The specific purposes for which the funds are to be applied are as follows:

Restricted funds represent unspent grants and specific items of income that have been earmarked for future expenditure, in accordance with the donors wishes.

Alchemy Film and Arts

Notes to the Financial Statements for the Year Ended 30 June 2020

The transfers from restricted funds represent underspent grants where the donor has allowed the balance to be used for any purpose.

13 Analysis of net assets between funds

	Unrestricted funds General £	Restricted funds £	Total funds at 30 June 2020 £
Current assets	20,982	93,898	114,880
Current liabilities	(250)	-	(250)
Total net assets	<u>20,732</u>	<u>93,898</u>	<u>114,630</u>
	Unrestricted funds General £	Restricted funds £	Total funds at 30 June 2019 £
Current assets	7,614	60,986	68,600
Current liabilities	(250)	-	(250)
Total net assets	<u>7,364</u>	<u>60,986</u>	<u>68,350</u>