

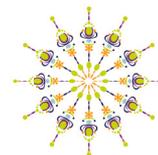


Company registered number 05288784
Registered charity number 1107607

Arts for Recovery in the Community

**Annual Report and
Financial Statements**

for the year ended 31st March 2017



Arts for Recovery in the Community
Report of the Directors for the year ended 31st March 2017

The Directors present their annual report and unaudited financial statements for the year ended 31st March 2017.

Reference and Administrative Information

Charity name	Arts for Recovery in the Community
Charity Registration Number	1107607
Company Registration Number	05288784
Registered Office	Unit 33M Vauxhall Industrial Estate Greg Street Stockport SK5 7BR

Directors

Julia McBryde	Chairperson
Kevin Brosnahan	
Safia Griffin	Appointed 1 December 2016
Wendy Jones	Appointed 1 December 2016
Matthew Lynn	Resigned 16 February 2017
Rachel Lake	
Steven Pepperell	
Nichola Lawless	Resigned 16 June 2016

Company Secretary

Rachel Lake

Principal staff

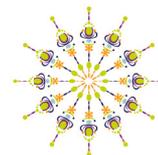
Michael Anderson	Chief Executive
Jacqui Wood	Artistic Director
Linda Beckwith	Finance administrator

Independent Examiner

Paul Cowham MA FCA DChA
Green Fish Resource Centre
46 – 50 Oldham Street
Manchester
M4 1LE

Bankers

Yorkshire Bank plc	Barclays Bank PLC
34 Princess Street	Leicester
Stockport	LE87 2BB
SK1 1RE	



Arts for Recovery in the Community

Report of the Directors for the year ended 31st March 2017

Structure, governance and management

Company status

The company, is a charitable company, incorporated under the Companies Act of 1985 as a private limited company on the 17th November 2004 and entered into the Central Register of Charities on the 13th January 2005. The company is limited by guarantee and all members have agreed to contribute a sum not exceeding £1 in the event of a winding-up. The number of guarantees at 31st March 2017 was 6.

Governing document

The company is controlled via its Memorandum and Articles of Association. Members of the company are volunteers, directors of the company and trustees of the charity. The number of members must be a minimum of three and a maximum of twelve.

An AGM is held by the company and the Board of directors meets at least six times per year. The board is responsible for policy and overseeing the strategic direction of the Company. It ensures company documents and key policies are reviewed on a regular basis.

Recruitment and appointment of Directors

Directors are recruited from a number of sources, including personal recommendation, GMCVO, Reach, Manchester User Network (MUN), ex Social Work Student placements and ex-participants of Arc. The Board has defined the skill profiles required for its make up and seeks people with the necessary background experience. The Board actively seeks to establish a diversity of backgrounds and experience of its members.

Prospective directors are invited to tour the premises and to meet key people. They are subsequently interviewed by the Board and required to present a personal statement of their potential contribution to Arc. They are made aware of their responsibilities and are also required to provide two referees who are contacted before appointment is ratified. All directors are checked via the Disclosure and Barring Service (DBS).

Induction and training of trustees

New trustees are given a pack containing governance information about Arc, its policies and procedures, and the roles and responsibilities of trustees. They are invited to attend training courses relevant to their roles.

Organisational structure

The Chairperson leads the Board and has a close working relationship supporting the Chief Executive. There are three board sub-committees that meet in between the board meetings, reporting back to the full board:-

Strategy including Impact & Quality

Finance including Fundraising & Risk

HR including Health & Safety and Safeguarding

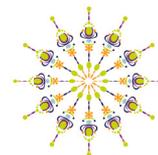
The minimum expected attendance for any sub-committee is at least one principle staff member and two trustees. All trustees are encouraged to attend sub-committees meetings and expected to when their specialist expertise is required.

Risk management

The Company has established a policy of regular checking all the activities and job roles of the Company for risk. A comprehensive Risk Assessment is undertaken annually with regular monthly checks made and reported to the Board. DBS checks are carried out for employees, volunteers, contractors, freelance artists and social work students, when their job role requires it. Policies and procedures are reviewed regularly. Insurance is in place to cover all liabilities.

Related parties

The Company operates independently and there are no related party transactions. Board members and their immediate relatives have no contractual relationships, other than at arm's length, with any suppliers or fund providers.



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Objectives and activities

Objects and aims

The Company is established to relieve sickness and protect mental good health through the use of the arts and creative activity in North West England, in particular but not exclusively in Stockport. The aims of the Company are to promote positive images of mental health by facilitating high quality arts projects, which reach out into the community and encourage service users to take further steps towards education, volunteering or employment. It seeks to empower the service users to develop their personal potential and to connect with the wider community.

Mission Statement

Arc provides accessible opportunities for people from all backgrounds to experience high quality creative projects, commissions, training workshops, enterprise activities and exhibitions.

We include people who are in difficulty, vulnerable, excluded, ill, or isolated. We do this in our centre and in the wider community. We carry our arts and health offer to many different places.

We work in partnership and share our skills and experience. We try to leave behind something of value to people wherever we go.

Activities undertaken for public benefit in relation to objects

In planning our activities for the year we kept in mind the Charity Commission's guidance on public benefit. Regular reports on activities are submitted to the directors at board meetings from the Chief Executive and the Artistic Director to enable the directors to monitor progress. This and other mechanisms, such as the annual rolling strategic plan, enabled the trustees to ensure that new and current activities are in line with the company's aims and objectives and the Charity Commission's guidance.

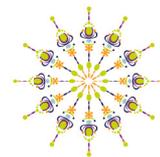
Main activities undertaken to further the charity's purposes for the public benefit

At Arc we help people to manage their mental health and increase their wellbeing by exploring what it means to live well, to experience meaning and purpose; to flourish and to make a difference. We provide opportunities for people to explore their creativity, connect with each other and learn new skills.

- Vulnerable adults & young people benefit from our structured programmes of support which help them on a journey through recovery to wellbeing and independence.
- For health partners and commissioners Arc offers a specialist service which uses the unique power of the arts to support recovery from mental ill health. We have unrivalled experience in the development of high impact, bespoke support programmes for people in all stages of recovery.
- For communities we offer the opportunity to experience, design and co-produce inspirational arts events which build capability and change perspectives about where they live.
- We offer artists training, space, opportunities and resources to develop their practice in socially engaged settings.
- Members of the public with a creative interest are given the opportunity to develop their creativity and learn new practical skills.

Achievements and performance

2016/17 has been a year of increased activity at Arc. We have dramatically extended the range of our offer, delivering a comprehensive programme which reaches those in acute need, people who are isolated or



Arts for Recovery in the Community

Report of the Directors for the year ended 31st March 2017

vulnerable, as well as the wider population, those with an interest in the arts and wellbeing, and those with a desire to use the arts to make our communities a better place.

We have engaged with more people than ever before - in our Centre in Reddish, throughout the Borough of Stockport and at events across the North West. We have also developed a stronger regional voice, playing a key role in cultural networking events and partnership projects.

During the year we sharpened our focus on social media, which led to a surge of interest from stakeholders, participants, supporters and a widening of our audience. We orchestrated our social media campaigns along with a variety of printed materials, which made them more effective and wide-reaching. The result is that Arc is more widely known locally, sub-regionally and nationally.

The true impact of our work is reflected not only in the figures of participation and audiences but also powerfully in the individual stories of progression, the journeys that participants engage in with us.

Arts For Wellbeing

The Challenge Programme

Arc has engaged 51 working age people as part of our Challenge programme over the past year.

"I came to Challenge looking for inspiration to tap into my creativity and my spiritual well being to meet new people and to have fun. I now have the time to discover who I am, what I enjoy doing and to socialise after nursing my husband for several years."

In 2016/17 the Challenge 6 month developmental arts programme has more than doubled its numbers of attendees. By year's end, there were three Challenge programmes running weekly in structured 2 hour blocks. Since its conception two years ago, Challenge has gone from strength to strength, sharpening its focus whilst remaining fluid and flexible in its approach to supporting individuals. Challenge provides a structure which encourages individual reflection throughout the journey and helps embrace closure at the end of the programme. Challenge aims to develop confidence, collaboration, resilience and self-reliance. All Challenge participants are supported in those aspects of their life which may be preventing them from taking the next forward steps towards self-fulfillment.

Each Challenge programme dovetailed with Outreach so that participants could move seamlessly from one well-being programme to the next. This created continuity and reassurance. Challenge participants were also given the opportunity to take part in the wider Arc offer whether this be joining Arc's Community Choir, developing their exhibition and retail skills, supporting Saturday events or signing up for workshops on the public programme.

In 2016/17 Arc provided over 500 sessions to adults on our wellbeing programmes including our regular programmes, trips to cultural events and venues, the community choir mentioned above, creative writing sessions and other short arts projects, and 1-1 input from the team of social work students.

"I have really enjoyed Challenge. It has been great getting out, meeting new people and making friends, creating art work and learning new things. It has helped me to combat feelings of anxiety and isolation. The people who run Arc are friendly and caring, and help anyone who is experiencing problems. Arc has improved my life and well-being tremendously and I am very grateful."

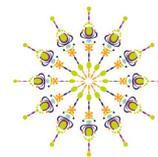
"I have enjoyed every minute of it"

The Community Outreach Programme

It has been a positive and successful year for the neighbourhood community outreach programme reaching out to over 120 vulnerable people across Stockport.

The programme delivered 11 courses across priority Stockport neighbourhoods (Adswold, Offerton, Brinnington, Heaton Norris) and 3 new bespoke projects targeted at communities of need (refugees, homeless and vulnerable women).

The results were very positive and showed that 74% of participants had experienced improved mental health/well-being and 76% of participants felt less isolated within their community.



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During the year we held 4 public exhibitions at the Arc Centre Gallery, celebrating the artwork produced by participants on the Community Outreach courses.

"I've met people, made friendships and Outreach has given me back the confidence that had been destroyed by my illnesses"

Community Outreach in the neighbourhoods

"I feel like a different person after joining the group, my confidence is surprising me!"

The programme delivered in priority neighbourhoods brings art-making and team building together in a relaxed small group setting. Divided into 2 thematic blocks, each course was delivered by a professional community artist, alongside an Arc volunteer (in some cases, a previous service user) and a social work student.

The first module of the course introduced participants gently to art-making with a focus on playful and explorative creativity. The second block brought a fresh medium and creative project to the group. Projects over the year included book-making, 3D modelling, t-shirt designs, cushion covers, surrealist animation and mixed media portraits/landscapes on canvas.

"This course has built up my confidence in myself and my artwork. It's giving me new focus and I'm starting to believe in myself again."

"I wish every day of the week was like my Wednesday at Arc"

Set up as a consequence of one of the Heaton Norris neighbourhood outreach groups, a self-led group flourished and continued to grow throughout the year. 8 participants from the outreach programme joined during the year.

Refugee Project

This outreach project was set up in partnership with Refugee Action, designed to help refugees in Stockport increase their wellbeing and feel less isolated. Based at Heaton Norris Community Centre, we worked with 13 refugees from Somalia, DR Congo, Iraq and Iran. For many of the refugees, the session was the only time of the week they had any social contact. The experience for the participants was very positive.

"I feel stressed when I think about the past. When I am at home, I'm too much in my head, but when I am here in the session, I feel like I am a different person – more relaxed."

The majority of participants then moved onto Arc's neighbourhood community outreach programme, joining the wider local community. Refugee Action's development worker stated, *"This is one of the very few projects where clients have integrated with mainstream services, we cannot underestimate the value of that."*

The project took place at the time as the EU referendum and when hate crime was on the rise. One refugee said, *"I was scared to leave my flat, scared of what people would say to me. It has been really good to meet people here. I feel safe and relaxed here"*.

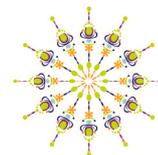
A member of the local community described her experience with the refugees, *"Getting to know the refugees has been a huge eye opener and life changing experience for me."*

Homelessness Project

The homeless project was set up in partnership with the Wellspring, a day centre for the homeless in Stockport. Over the course of 3 months, our artists worked with over 20 Wellspring service users and explored different art forms from print-making to photography to express their experiences. The final piece contained messages of hope and inspiration alongside illustrations of the people taking part in the project and some of the characters at the centre.

Women's Centre Project

"I found seeing the finished mosaic emotional, you don't realise what can be achieved."



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At the beginning of 2017, Arc delivered a creative project at Stockport Women's Centre with a group of 10 vulnerable women. The project looked at the themes of change and transition through the medium of mosaic. The idea that chipped/broken second hand china could be put back together in a totally different way to create something beautiful was a reflection of some of the journeys the women had experienced on the project. Most of the project participants have since joined Arc's outreach programme.

"I have found the project positive, therapeutic and uplifting"

Young People's Arc

In 2016/17 Arc engaged with 177 young people aged between 8 and 25.

The main programme included

- a photography project exploring issues around identity with care leavers aged 16 – 25, in partnership with Pure Insight
- 'Dream World' project in partnership with After Adoption. Children aged 7-11, designed their own dream scenario out of junk materials
- a ceramics project with Mosaic 'Treatment Team', young people 17+ with drug and alcohol issues. Made, fired, glazed and took home a vase/pot
- 'Dream World' and sketchbook-making projects with Mosaic 'COSMP' team (Children of Substance Misusing Parents) for primary age children
- an animation project with Mosaic COSMP team (secondary age)
- a music project in partnership with Young Carers for secondary age children who wrote, edited and produced their own song
- a photography project, with Pendlebury Pupil Referral Unit. Young people (11-16yrs) struggling to stay within education photographed 'nature' before digitally manipulating images
- screen printing sessions with Mosaic 'Treatment Team.' Young people 17+
- 'Journeys on Canvas' project, with Young Carers. Each week the artist worked with a different age group to produce a cityscape collage.

"The photography project with Tamzin worked very well in bringing our KS3 students together as a whole group; developing their social skills and leading to some positive peer relationships which have continued even as the students move on to their individual schools." Alison Waters, Pendlebury Pupil Referral Unit

"Just wanted to say a big thank you for Saturday. N said it was the best session ever. T spent the whole of Saturday adding extra bits to her cardboard box bedroom. It looks fab! What a great opportunity you are giving our children." Parent of adopted children

ArtSpace

In January 2017, Arc launched a new YPA initiative, ArtSpace.

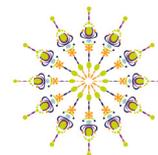
"Even though there is some structure, I like that I can interpret ideas in my own way"

The initial 3 month pilot engaged young people, aged 14-20 from a diverse range of backgrounds. ArtSpace gave young people the opportunity to socialise, work with a professional artist, expand on their creative skills and develop their own ideas. The pilot group worked with Manchester Camerata, merging music and visual art, culminating in an exhibition. ArtSpace attracted new referrals to Arc from Community CAMHS, children of participants on our adult programmes, young people who are currently 'looked after' and young people who are NEET (not accessing education, employing or training).

"I'm beginning to enjoy using tools that I didn't used to like".

The pilot was a huge success and had a 100% retention rate. As a result of the success of the pilot, ArtSpace is continuing in to 2017/8.

"I would love for the project to carry on."



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Volunteering

This year saw 54 volunteers involved in a huge range of Arc's programmes and activities. 20 of those contributed to our wellbeing programmes (Outreach and Challenge) – racking up more than 350 volunteering hours between them. Volunteers supporting these programmes undertook various duties: setting up and tidying away; cleaning the studio; encouraging participants to take part; developing and preparing activities and contributing to planning.

Other projects and activities that volunteers were involved in included :

- Creating products for Arc to sell in the gallery shop (ArcWare)
- 'Front of House' duties at the Arc Centre, meeting and greeting visitors
- Marketing, including social media and leaflet design
- Assisting with events both at Arc and in other venues
- Curating and hanging exhibitions in the Arc Gallery
- Supporting our work with young people.

During the year Arc's volunteering systems were reviewed and updated, leading to improved systems for recruitment, induction and record keeping. These will be tested and refined during the coming year.

New and exciting volunteer roles were developed and recruited for – such as marketing, office assistant and ceramics technicians.

The second half of the year saw the start of our 'enterprise' residencies with artists Lydia Meiyng and Pentimento Ceramics training and inspiring a group of Arc volunteers to create a new series of 'Arcware' products to sell through the Gallery.

"It is a pleasure to work with such an enthusiastic and talented team of Arc volunteers. We watch all the volunteers grow in confidence and develop the necessary practical and technical skills to take their ideas through to a series of successful final ceramic products." Pentimento Ceramics

This project was funded by the Cabinet Office's Local Sustainability Fund. In developing their design and business skills, our teams of volunteer designer makers created new print and ceramics products and a potential income stream from their sales. There will be opportunities in 2017/18 for the trained volunteers to carry on creating work and to pass on their skills to others.

"It felt like quite a daunting task for many of us but with support and encouragement we have all produced some lovely work. I am so proud of what we have achieved and grateful to have been involved." volunteer

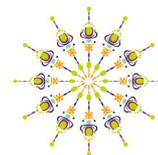
The Arc Centre

The refurbished and rebranded Arc Centre was launched this year, with events including an Open Week, the founding of a public programme and daily opening of our gallery, cafe and shop.

Systems for daily operations developed during the year; we can now take card payments, process sales through our till and track sales efficiently. Systems for working with artist-sellers also improved ensuring that all sellers followed consistent guidelines, all artist sales were recorded and artists are paid by bank transfer.

Shop stock was streamlined and the quality of our display improved by rotating stock regularly, working with new sellers, introducing artist guidelines and working on creative professional displays. Sales were strong throughout the year with participants, visitors, volunteers, staff and students all choosing to shop with us! In the café, guidelines for health and safety were in place so that our offer is safe and professional. We supported trusted, good quality local suppliers for refreshments including cakes and coffee.

The Gallery programme was rich and varied, and helped to position the Arc Centre as a destination venue. We welcomed guest artists such as Manchester-based urban photographer Rod Kippen and were also a venue in the Heatons Arts Trail, attracting over 140 people. Our annual Art Bazaar was successful, with nearly 200 visitors, and sales strong both on the day and in the weeks up to Christmas. In the year we attracted more high quality artwork from a wider range of artists than ever before.



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The monthly Saturday Art Clubs for families grew steadily in popularity – regularly bringing in members of the local community of all ages, alongside Arc supporters, volunteers, participants and many local artists. The exhibition programme provided a focus for our new public leisure courses, based in the Centre. We launched our full public programme of leisure arts and crafts courses in September 2016, and have offered 26 workshops covering visual arts, writing, textiles, photography, ceramics and professional development for artists to over 170 people.

There are increasingly busy days now in the Centre, with groups and individuals visiting the Gallery as well as workshops in our Wellbeing, Young People's and Public programmes using the studios simultaneously during the daytime and evening.

The Forge - Pioneering new areas of work

The Forge is Arc's vehicle for innovation. It is pioneering; instrumental in developing new strategies and partnerships, and delivering innovative projects.

In 2016/17, the Forge incorporated a range of creative conversations, quality arts engagements, collaborations with artists and organisations, and pilot projects that took Arc in to new creative and geographical territory. We increased the number and range of professional artists we worked with, including associates for our wellbeing programmes, sellers for our Gallery shop, tutors for our public programme and associates/trainers to help us develop our income generating collection of artwork and build teams of designer-makers.

Through the Forge, we developed products and projects, methodologies and processes which are tourable, repeatable and adaptable.

A Love Letter to Macc

"The Love Letter project is inspiring in its simplicity – its all-round effectiveness. the project demonstrates how to deliver a process which engaged a wide range of people in thoughtful, creative and expressive activities with a lightness of touch and good humour, without condescending."

Dr Abigail Gilmore, Manchester University

The 'Love Letter to Macc' project was developed by Arc with Macclesfield's Barnaby Festival in June 2016, to invite 'Macc' residents to pen a letter to their home town. The result was incredible. People of every age, residents and visitors, joined us to share a secret place, or a special moment, stories of what the town means to them, to their families and their lives.

"It has been incredible to see such an out pouring of love and affection for Macclesfield from its community"

Karl Wallace, Festival Director.

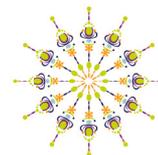
270 letters were written by nearly 400 people over that weekend. A communal Love Letter to the town from its people was composed by Arc from elements of those letters, printed on to a large silk panel by renowned Macclesfield silk printers, RA Smart and presented to the Mayor of the town at Macclesfield Library. It remains on display there and has also been seen at the Treacle Market & the Print Mill, as well as on cards which are on sale in various venues in the town.

The model of 'Love Letters' has appealed to organisations across the North West and we will in future develop similar projects in association with the Whitworth Art Gallery, the Bureau in Glossop and Rochdale Development Agency.

"I thought Love Letter to Macc was an inspired project, combining fun and accessibility with a real community vibe. A sense of ourselves and where we are is always important, but never more so than in these uncertain times." Ailsa Holland, artist in residence, Barnaby Festival 16

PAPER, Transformed

In early 2017 we collaborated with Manchester-based commercial gallery, PAPER, to produce an innovative exhibition entitled PAPER, Transformed.



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Six artists represented by PAPER and six Arc-based artists (people recovering from mental ill health) contributed to the exhibition. Hosted by Arc and curated by PAPER, the project provided a platform for Arc artists developing a body of work and an individual practice to show their work alongside that of professional artists.

To complement the exhibition, we also designed a series of workshops which connected it to our wellbeing programmes and to our new public workshops.

Unpicked: Restitched tour

Our ACE-funded textiles and writing exhibition, included work commissioned from internationally established author Sarah Butler and textile artist Julie Mosley and secured further exhibitions in 2016/17 at Manchester Metropolitan University's studios in Stockport, Stockport Art Gallery, Arc, Stockport Central Library and the Heaton's Arts Trail. This extended tour brought the exhibition and its themes exploring sense of place and connection, to audiences of well over 1,000 people.

Creative Steps

"I felt grounded, relaxed and refreshed." Challenge participant

Arc's Artistic Director took part in NCVO's Charity Leadership Programme which led to a collaboration with Ramblers UK, to examine the mental and physical health benefits of doing creative activities whilst walking. The project included photography walks with the general public, an exhibition by Manchester-based artist Tamzin Forster and creative walks for Arc's participants and volunteers.

"I reflected on how simple and yet how effective the session had been in improving my wellbeing and installing a quick joy in taking more thoughtful photos" Participant on public photography walk

Creative Mums and Motherhood

With funding from Awards for All, we began a new partnership with our local Surestart Children's Centre and the Perinatal Mental Health Forum to offer creative projects to mums experiencing mental health issues including post- natal depression.

At the same time, award-winning mixed media artist Sarah Greaves was commissioned to undertake a period of research and development around the expectations and experience of motherhood. Consulting with professionals and academics in the field, as well as parents' groups in Stockport and Manchester, the aim was to make a bid to Arts Council England to create a large-scale touring visual installation in Arc's portable dome space in 2017/18.

This is indicative of how The Forge operates to establish connections across our programmes, creating opportunities for vulnerable people to participate in high quality artistic outcomes.

Networking

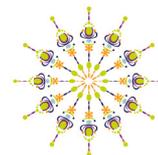
The networking opportunities in this year have led to Arc having a stronger regional voice and presence, with many potential partnerships.

Funding from the Cabinet Office Local Sustainability Fund, freed up more of the Artistic Director's time to visit, network and build relationships with organisations and artists from a much wider spectrum than had previously been possible.

Represented by our Artistic Director, we were thereby active in the emerging GM-wide Live Well Make Art network, represented on a planning group for the '100 Moments' campaign and IMPACT: Led by You for Cartwheel Arts .

We presented on Arts and Social Change at an event for PANDA (the performing Arts network) in central Manchester.

We were significant partners in the Manchester Histories and Stockport Library Service visual arts engagement project, Picture Stockport, hosting workshops, exhibiting in Central Library and contributing to the final exhibition.



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At conferences and symposia in Doncaster and Manchester we were able to place our work in a larger regional and national context, learning from good practise and renewing confidence in our own model. Arc helped secure a major arts and health installation for Stockport as part of SICK! Festival 2017. The installation of Candy Chang's provocative piece "*Before I die I want to...*", in Merseyway Shopping Centre captured people's aspirations, anxieties, hopes and fears and reached many thousands of people in 4 weeks. The piece had previously been presented in countries around the world, including Iraq, China, Brazil, Kazakhstan, and South Africa.

Building an international partnership

Over the years Arc has learned a great deal about the value of thinking globally, through our ongoing relationship with Paddyfield School, a small NGO near Kolkata, India.

According to our participants, knowing about life in a poor Indian village gave them a different perspective on themselves, on Arc, and their place in the wider world. They told us that it helped them feel that their own difficulties seemed less great, and gave them greater strength to overcome them. And they wanted to help people worse off than themselves, which helped them feel that they could make a meaningful difference. So since 2007 we have been delighted to present and sell embroideries made by women from the village.

In 2016 Arc established a connection with Roshni ('Light'), a women-led community group in Rajabazaar, one of the most densely populated districts in Kolkata, where women and children face daily oppression. Here in one of the poorest parts of Kolkata, Roshni tackles domestic violence against women and children; illiteracy, poor health among mothers and adolescent girls; substance abuse by early adolescents and youths; and child trafficking.

Roshni's core activities include:

1. Right Based work on domestic violence with women
2. Computer Training to the youths and adolescents
3. Free coaching on communication / spoken English to the youths and adolescents
4. Counselling given to the children on early abuse
5. Life training to mothers and children
6. Raising awareness on community health & sanitation

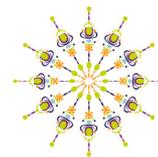
Their current beneficiaries include 150 adolescents, 50 children and 40 mothers. In the course of 2016/17 Arc engaged a Kolkata based freelance development coordinator, Purnabha Dasgupta and helped Roshni to raise funds to establish a proper base from which to operate, develop a web site (www.rosniumedki.org), and a social media presence. Arc also acted in an advisory capacity in the establishment of an educational scholarship programme for some of the poorest girls.

Case Studies

'Debbie'

Debbie's social worker referred her to Arc because she had suffered a lot of trauma in her life and, as a consequence, had a diagnosis of post-traumatic stress disorder, depression, anxiety and social phobia. Debbie began her Arc journey by attending Outreach. Initially she found this very difficult as she was not used to leaving her family home. She cried every week for the first few weeks but managed to see the programme through with the support of the Outreach team. From Outreach Debbie was able to seamlessly move over to the Challenge programme. She has described this smooth transition as being invaluable to her recovery. If there had been a lack of continuity between the two programmes, Debbie has stated that she would have lost momentum and would have felt unable to join Challenge.

Whilst Debbie found Challenge daunting to begin with, she continued to attend and slowly began to make friends with other participants. Debbie's self-esteem has improved all round and she particularly enjoyed



Arts for Recovery in the Community

Report of the Directors for the year ended 31st March 2017

having her work on display and getting positive feedback from both people at Arc and external visitors. Since Challenge finished Debbie has helped support an Outreach group, joined the textile and photography groups and is a regular member of Arc Community Choir. She has exhibited her work at the Oasis Cafe and is now designing a mindfulness colouring book for adults which she will sell in the Arc Gallery and other places. *Debbie has felt that coming to Arc is a 'haven' and is somewhere that she feels 'secure and safe.'* Six months on, Debbie is still socialising with her group of friends outside of Arc and they are able to offer each other independent support. *Debbie would love to move towards helping teenagers build up confidence through art. Debbie has said: 'I don't know what I would have done without Arc's support. I'd just be staring at the walls in my house.'*

'Gemma'

Gemma was referred to The YPA Project, ArtSpace, through Community CAMHS. She was described by her key worker as *'one of the most vulnerable young people I've come across.'* She has a diagnosis of autism and OCD.

When Gemma first attended ArtSpace she had stopped attending school because she was finding the environment very stressful. She had no friends and was socially isolated. The transition to ArtSpace was difficult for Gemma because she had spent the previous 4 months at home with her mother. Gemma finds social interaction and following instructions very difficult.

During the first session at ArtSpace Gemma became very distressed and spent her time either pacing around the building or sitting with her head on the table. Her mother continued to bring her and over a period of weeks, Gemma began to start drawing although she would not contribute to any group activity. Gradually, Gemma became more confident and relaxed within the environment. After 7 weeks, Gemma became the main contributor to the Soundscape produced with the Manchester Camerata. Gemma also attended the exhibition and was visibly proud of her work.

Gemma continues to attend ArtSpace and has helped some of the new young people settle in. Whilst Gemma's behaviour remains challenging, ArtSpace has proved to be an environment in which she can express herself safely and begin to connect with other young people. Outside of ArtSpace, she has just started a Duke of Edinburgh award.

Future Plans

Partnerships will be a key theme in the coming year – from those with local agencies which help us to offer our services to a wider range of participants, to partnerships of a regional, national and international nature, extending our remit way beyond Stockport .

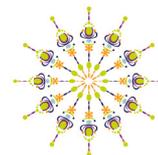
We will build our professional networks and collaborate across Greater Manchester, as well as with organisations in other parts of the country who share our values and aims for social impact.

Our relationship with partners in India will feature in a major exhibition, *Indian Summer*, in Autumn 2017. A partnership project will connect women in Kolkata to those in Stockport and Manchester, generating artwork on themes of 'identity, choice and empowerment'. This project will enable them to benefit from sharing and exchanging ideas, experiences and creativity. We hope to share the results of this creative collaboration in our Gallery on International Women's Day in 2018.

Our outreach programme now includes a town centre venue. We will use this as an opportunity to connect with the new neighbourhood teams and mental health navigators, and through these to reach GPs surgeries, to promote our social prescribing model.

Following a successful application for funding from Youth Music, our Young People's Programme in 2017/18 will introduce a stronger music element than previously, with short and longer-term music-skills projects and training for staff and mentors.

We will develop arts and wellbeing programmes for isolated older people in the Reddish and Heaton areas, offering creative activities in a relaxed and sociable environment. We will also create a bespoke programme to engage carers and will work closely with local partners to ensure this opportunity is accessible to those most in need of respite and support.



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Report of the Directors for the year ended 31st March 2017

We will expand our Enterprise in 2017, launching the new range of Arcware and nurturing our recently-formed teams of designer-makers. This will enable us to renew and refresh our in-house stock and attend local and regional selling events and markets. Other income generation will be explored, such as hire of our facilities, increasing the ways people can support or donate to Arc and extending the range of artists who sell with us.

More volunteer roles will emerge in response to our evolving programme in 2017/18, building a comprehensive, multi-skilled and motivated team. Training, fundraising and social activities will help to ensure that this growing team have a greater understanding of the organisation and recognition of the value we place on them.

Having increased the range of professional artists we work with, recruited associates for our participatory programmes, sellers for our Gallery shop and trainers for our Enterprise projects, we intend to develop our artists' cohort further in 2017/18. Through networking events, exhibition opportunities, studio & facilities hire, commissions and CPD training, we will develop the Arc Centre as a hub for North West creatives.

Financial review

Reserves policy

The reserves policy is to endeavour to keep unrestricted reserves to cover:- our contractual obligations to our employees, landlords, suppliers, clients and funders; legal requirements as specified by HMRC, Companies House and the Charity Commission. In addition three months worth of fixed running cost to allow time for the organisation to complete its contractual obligations and plan an orderly closure.

Reserves amount calculated as of 30 August 2017

- Employee redundancy & notice costs £54,600
 - Property & equipment lease commitments £26,926
 - Three months fixed running costs £7,800
 - Accountancy fees £2,000.00
- TOTAL £91,326

The accounts show unrestricted current assets less current liabilities to be £103,080 as of 31 March 2017.

The reserves are used to cover cash flow fluctuations. They can also be used to cover short term gaps in funding; to progress with grant-funded projects which require a funding match, before the match has been secured; towards fundraising; for training and other expenses designed to improve the effectiveness of the organisation.

This policy is reviewed annually. The amount is calculated annually and when there are major changes, such as changes in the staffing levels and the taking on of additional leases.

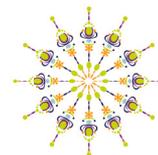
Investment policy

The company holds no funds that can be invested for any long period of time. It aims to retain six weeks worth of expenditure in the current account and any assets above that to be held in interest earning accounts. The board annually reviews its investments to earn the best possible rate of secure interest.

Principal funding sources

For 2016/17 the principle income sources were:-

Big Lottery Reaching Communities (£82,026); NHS Stockport CCG (£59,590); Cabinet Office Local Sustainability Fund (£47,750); Henry Smith Charity (£21,300); Esmee Fairbairn Foundation (£20,000); BBC Children in Need (£18,438); Big Lottery Awards for All (£9,450); SMBC Children Services (£5,000); Social Work Student Placement Income (£7,720).



Arts for Recovery in the Community

Report of the Directors for the year ended 31st March 2017

Principal sources of funding carried forward into 2016/17 were:-

SMBC ASC Capital (£123,141); SMBC ASC revenue (£31,849); Big Lottery Building Capabilities (£4,729);

How funding has supported key objectives

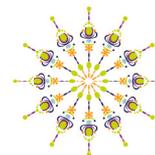
Organisation development is crucial for sustainability. The following funding sources have been key in our recent development :-

- The Big Lottery awarded Arc in 2015/16 a Building capabilities grant to help the people of Arc increase their skills knowledge and confidence. This project was completed in early 2016/17 and has resulted in a stronger and more adaptable management team and Trustee board.
- A capital grant received from SMBC Adult Social Care in 2015/16 started a process of refurbishing and rebranding that resulted in the launch this year of the Arc Centre. This unique arts and Wellbeing space enables Arc to reach out to more people in the community through it's public programme, cafe and exhibitions; create new income streams and provide additional opportunities for vulnerable adults to volunteer, learn and train.
- The Cabinet Office Local Sustainability grant received 16/17 enabled the Arc Centre to come to life by providing the funds to
 - research, develop and implement a wide and varied public programme of events
 - to train participants and volunteers in supporting these events and producing Arc Ware for sale
 - to develop and implement a marketing strategy to provide an audience and clients
- In addition the the Cabinet Office Local Sustainability grant continued on from the Big Building capacities grant by funding building capacity in the following ways:-
 - leadership and other training of staff and trustees
 - consultancy advice to research & develop new fundraising opportunities and outcome reporting tools
 - additional project managers to release the Artistic Director for 1.5 days to research and develop new opportunities for Arc
- Key to our future development is the Esmee Fairbairn Foundation grant. This is the first of a three year grant which fully funds the 'Forge'; an integrated, multi-strand programme that enables vulnerable and isolated people to become active and engaged citizens through enterprising arts-based community projects. This is critical for the future of Arc, enabling it to engage with more vulnerable and isolated people throughout the country and the world.

Stability has been provided by our long standing relationship with the local statutory services. Stockport's NHS Clinical Commissioning Group has been a key donor since Arc's inception. This along with SMBC ASC revenue funding made a significant contribution towards core staff and running costs. They have also been essential in providing the bedrock to support other funding bids and to give confidence to potential funding bodies that Arc is a viable concern and a “safe bet” for further investment.

Delivery of our services is supported by other donors whom Arc has had relationships with for many years. Together they have enable Arc to create an amazing well-being **programme** and in this last year not only to have increased the number of participants and volunteers involved but to have reached new communities through new partnerships.

- The BIG Lottery Reaching Communities, five year grant ending in 31 May 2020, partly funds the “Arc Challenge Model 2020” enabling all its parts; challenge, community outreach and volunteering to work seamlessly together to support vulnerable people, It's contribution to key staff is vital to the organisation.



Arts for Recovery in the Community

Report of the Directors for the year ended 31st March 2017

- The Henry Smith Charity completes the picture by covering the community outreach programme running costs including vital contributions towards marketing the programme. This is a three year grant ending in September 2018.
- BBC Children in Need and SMBC Children Services grants are the bedrock of our Young People's Arc programme. The CiN grant is for three years ending on the 31 March 2019. SMBC have been a long time supporter of our YPA programme and Arc works hard to maintain this relationship. This programme is all about partnerships and providing a tailored programme of short creative projects for targeted groups of disadvantaged and vulnerable children and young people.
- The BIG Lottery Awards for All grant is for one year starting January 2017 and to support Stockport Mother's suffering from perinatal depression. This is an important part of our community outreach programme.

Flexibility is another key element to ensure a bright future. This is provided by our reserves and unrestricted income which enable Arc to quickly take advantage of opportunities that arise and to research and develop new ideas and build new partnerships. Our key unrestricted income is from Social Work Student placements although commissions and other earned income is increasing. Our unrestricted reserves, excluding fixed assets, at the end of 2016/17 were £103,080 up from the previous year figure of £99,460.

Principal funding sources for the future

Principal income sources for 17/18 which carry on from 16/17 for the same purpose are:-

Big Lottery Reaching Communities (£82,604); NHS Stockport CCG (£59,590); Henry Smith Charity (£21,300); Esmee Fairbairn Foundation (£20,000); BBC Children in Need (£18,871); Cabinet Office Local Sustainability Fund (£10,000); SMBC Children Services (£5,000);

New income sources for 17/18:-

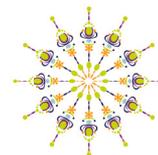
Garfield Weston Foundation (£15,000); Youth Music Programme (£11,350); Co-op Local Community Fund (£1,304); Manchester Guardian Society Charitable Trust (£1,000); Equity Foundation (£1,000)

The Garfield Weston Foundation is a one year grant critical for the **stability** of Arc. It is to cover core costs with the primary aim of developing the Arc Centre, which is run with and for people experiencing mental illness, to provide new skill, connections and opportunities for 200 of the most vulnerable and marginalised people in Stockport.

Delivery of our services is consolidated by the following one-off grants:-

- This is our first grant from the Youth Music Programme and is to enhance our Young People's Arc programme with an 18 month project called MusicSpace. This will offer young people at risk of mental health problems in the Stockport area (including Cheshire East) participation in high quality music activities to improve wellbeing, confidence & resilience.
- The Co-op Local Community Fund grant is money raised by the members and customers of our local co-op and will be used to run a one-off project with isolated older people.
- Manchester Guardian Society Charitable Trust is a grant to support a project for carers of people with mental ill-health.
- Equity Foundation is a grant to deliver a 12 month programme of creative workshops Young People (aged 14-25) in Stockport who are experiencing or at risk of mental health problems.

It is of interest that the last three of these grants are for relatively small but vital amounts and that this is an emerging pattern. At the time of writing the Arc Budget for 17/18 relies on earning over £15,000 of unrestricted income by means of social work student placements, commissions, sales & donations. For 18/19 our funding target is to raise over £31,000 from grants in order to continue with the same level of service delivery.



Arts for Recovery in the Community

Report of the Directors for the year ended 31st March 2017

Statement of Directors' responsibilities

The Directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the income and expenditure of the charitable company for that period. In preparing these financial statements the Directors are required to:

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose at any time the financial position of the charitable company and to enable it 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 taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors, who are directors for the purposes of company law, and trustees for the purposes of charity law, who served during the year and up to the date of this report are set out on page 1.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005) and in accordance with the provisions applicable to companies subject to the small companies' regime of the Companies Act 2006.

Approved by the Directors and signed on its behalf by:

Julia McBryde (Chairperson)

Date

**Independent Examiner's Report to the Trustees of
Arts for Recovery in the Community**

I report on the accounts of the company for the year ended 31st March 2017 which are set out on pages 17 to 30.

Respective responsibilities of trustees and examiner

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 43(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants in England & Wales.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedure laid down in the general Directions given by the Charity Commission under section 145 (5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with general Directions given by the Charity Commission. 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 no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In the course of my examination, no matter has come to my attention:

- which gives me reasonable cause to believe that in any material respect the requirements:
- to keep accounting records in accordance with section 386 of the Companies Act 2006; and
- to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities have not been met; or
- to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Paul Cowham FCA DChA
Green Fish Resource Centre
46 – 50 Oldham Street
Manchester
M4 1LE

Date

Arts for Recovery in the Community
Statement of Financial Activities
(including Income and Expenditure account)
for the year ended 31 March 2017

	Note	Unrestricted funds £	Restricted funds £	Total funds 2017 £	Total funds 2016 £
Income					
Donations and legacies	3	896	-	896	3,757
Charitable activities	4	59,590	205,063	264,653	332,693
Fees and other income	5	16,751	-	16,751	22,375
Investments	6	912	-	912	898
Total income		78,149	205,063	283,212	359,723
Expenditure					
Raising funds	7	10,159	-	10,159	11,359
Charitable activities	8	84,777	220,529	305,306	222,153
Total expenditure		94,936	220,529	315,465	233,512
Net income/(expenditure) for the year	10	(16,787)	(15,466)	(32,253)	126,211
Transfer between funds		80,843	(80,843)	-	-
Net movement in funds for the year		64,056	(96,309)	(32,253)	126,211
Reconciliation of funds					
Total funds brought forward		115,644	200,988	316,632	190,421
Total funds carried forward		179,700	104,679	284,379	316,632

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

Arts for Recovery in the Community
Company number 05288784

Balance sheet as at 31 March 2017

	Note	2017		2016	
		£	£	£	£
Fixed assets					
Tangible assets	15		76,620		16,184
Total fixed assets			76,620		16,184
Current assets					
Debtors	16	2,415		8,318	
Cash at bank and in hand		214,170		298,794	
Total current assets		216,585		307,112	
Liabilities					
Creditors: amounts falling due in less than one year	17	(8,826)		(6,664)	
Net current assets			207,759		300,448
Total assets less current liabilities			284,379		316,632
Net assets			284,379		316,632
Funds of the charity					
Restricted income funds	18		104,679		200,988
Unrestricted income funds	19		179,700		115,644
Total charity funds			284,379		316,632

For the year in question, the company was entitled to exemption from an audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

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

These accounts are prepared in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The notes on pages 19 to 30 form part of these accounts.

Approved by the trustees on

and signed on their behalf by:

Name

Signed

Arts for Recovery in the Community

Notes to the accounts for the year ended 31 March 2017

1 Accounting policies

The principal accounting policies adopted, judgments and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (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 Companies Act 2006.

Arts for Recovery in the Community 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 note.

b Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required. No such restatement was required.

c Preparation of the accounts on a going concern basis

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

There are no key judgments which the trustees have made which have a significant effect on the accounts.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next reporting period.

Arts for Recovery in the Community

Notes to the accounts for the year ended 31 March 2017 (continued)

d Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of a provision of a specified service is deferred until the criteria for income recognition are met.

e Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised; refer to the trustees' annual report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

f 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 Bank.

Arts for Recovery in the Community

Notes to the accounts for the year ended 31 March 2017 (continued)

g Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of charity.

Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose.

Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

h Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

i Operating leases

Operating leases are leases in which the title to the assets, and the risks and rewards of ownership, remain with the lessor. Rental charges are charged on a straight line basis over the term of the lease.

j Tangible fixed assets

Individual fixed assets costing £1,000 or more are capitalised at cost and are depreciated over their estimated useful economic lives on a straight line basis as follows:

Motor vehicles:	4 years
Office fixtures and equipment	4 years
Improvements to premises:	4 years

k Debtors

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

l Cash at bank and in hand

Cash at bank and cash 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.

m Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Arts for Recovery in the Community

Notes to the accounts for the year ended 31 March 2017 (continued)

n 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.

o Pensions

Arc operates a work place pension scheme with NEST as well as making contributions to an employee's own scheme which is a Qualifying Workplace Pension Scheme (QWPS).

2 Legal status of the charity

The charity is a company limited by guarantee registered in England and Wales and has no share capital. 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 registered office address is disclosed on page 1.

3 Income from donations and legacies

	Unrestricted £	Restricted £	Total 2017 £	Total 2016 £
Donations	896	-	896	3,757
Total	896	-	896	3,757
<i>Total by fund 31 March 2016</i>	3,757	-	3,757	

Arts for Recovery in the Community

Notes to the accounts for the year ended 31 March 2017 (continued)

4 Income from charitable activities

	Unrestricted £	Restricted £	Total 2017 £	Total 2016 £
Grants				
Arts Council England	-	99	99	14,423
Big Lottery - Awards for All	-	9,450	9,450	-
BBC Children in Need	-	18,438	18,438	-
Big Lottery Fund - Building Capabilities	-	-	-	15,000
Big Lottery Fund - Reaching Communities	-	82,026	82,026	78,465
ESF Community Learning Grant	-	-	-	1,768
Esmee Fairbairn Foundation	-	20,000	20,000	-
Henry Smith Charity	-	21,300	21,300	21,300
Local Sustainability Fund	-	47,750	47,750	-
Manchester Guardian	-	1,000	1,000	-
NHS Stockport CCG	59,590	-	59,590	59,590
People's Health Trust	-	-	-	3,603
SMBC Capital	-	-	-	133,544
SMBC Children	-	5,000	5,000	5,000
Total	59,590	205,063	264,653	332,693
<i>Total by fund 31 March 2016</i>	<i>59,590</i>	<i>273,103</i>	<i>332,693</i>	

5 Fees and other income

	Unrestricted £	Restricted £	2017 £	2016 £
Student placements	7,720	-	7,720	12,900
Commissions and sales	7,723	-	7,723	8,467
Other income	1,308	-	1,308	1,008
	16,751	-	16,751	22,375

All income from fees and trading is unrestricted.

6 Investment income

	Unrestricted £	Restricted £	2017 £	2016 £
Income from bank deposits	912	-	912	898
	912	-	912	898

All of the charity's investment income arises from money held in interest bearing deposit accounts. All investment income is unrestricted.

Arts for Recovery in the Community

Notes to the accounts for the year ended 31 March 2017 (continued)

7 Analysis of expenditure on raising funds

	Total 2017 £	<i>Total 2016</i> £
Fundraising costs	10,159	11,359
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8 Analysis of expenditure on charitable activities

	Total 2017 £	<i>Total 2016</i> £
Staff costs	83,011	74,610
Depreciation	20,407	4,841
Premises costs	20,997	19,750
General running costs	53,584	23,540
Programme costs	117,657	94,112
Research and development	8,350	-
Other governance costs		
Independent examination	1,300	1,300
Board development	-	4,000
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	305,306	222,153
	<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>
	2017 £	<i>2016</i> £
Restricted expenditure	220,529	154,330
Unrestricted expenditure	84,777	67,823
	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>
	305,306	222,153
	<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>

Arts for Recovery in the Community

Notes to the accounts for the year ended 31 March 2017 (continued)

10 Net income/(expenditure) for the year

This is stated after charging/(crediting):	2017 £	2016 £
Depreciation	20,407	4,841
Independent examiner's remuneration		
- accountancy	500	500
- independent examination	800	800
	<u> </u>	<u> </u>

11 Staff costs

Staff costs during the year were as follows:

	2017 £	2016 £
Wages and salaries	74,534	68,154
Social security costs	3,928	4,512
Employers pension contributions	1,200	1,154
Staff expenses and training	3,349	790
	<u> </u>	<u> </u>
	<u>83,011</u>	<u>74,610</u>

No employee has employee benefits in excess of £60,000 (2016: Nil).

The average number of staff employed during the period was 3 (2016: 3).

The average full time equivalent number of staff employed during the period was 2.3 (2016: 2.1).

The key management personnel of the charity comprise the trustees, the Chief Executive Officer, the Artistic Director and the Finance Administrator. The total employee benefits of the key management personnel of the charity were £74,534 (2016: £68,154).

12 Trustee remuneration and expenses, and related party transactions

Neither the trustees nor any persons connected with them received any remuneration during the year (2016: Nil), in addition no travel expenses were claimed in the year (2016 £161).

Aggregate donations from related parties were £nil (2016: £nil).

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

No trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity, including guarantees, during the year (2016: nil).

Arts for Recovery in the Community

Notes to the accounts for the year ended 31 March 2017 (continued)

13 Government grants

The government grants recognised in the accounts were as follows:

	2017 £	2016 £
NHS Stockport	59,590	59,590
Stockport Metropolitan Borough Council	5,000	5,000
	5,000	5,000
	5,000	5,000

There were no unfulfilled conditions and contingencies attaching to the grants.

14 Corporation tax

The charity is exempt from tax on income and gains falling within Chapter 3 of Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity.

15 Fixed assets: tangible assets

	Motor Vehicles £	Improvements to premises £	Office equipment & furniture £	Total £
Cost				
At 1 April 2016	-	44,187	26,610	70,797
Additions	16,854	33,940	30,049	80,843
Disposals	-	-	(8,912)	(8,912)
	16,854	78,127	47,747	142,728
	16,854	78,127	47,747	142,728
Depreciation				
At 1 April 2016	-	30,909	23,704	54,613
Charge for the year	4,213	7,813	8,381	20,407
Disposals	-	-	(8,912)	(8,912)
	4,213	38,722	23,173	66,108
	4,213	38,722	23,173	66,108
Net book value				
At 31 March 2017	12,641	39,405	24,574	76,620
	12,641	39,405	24,574	76,620
<i>At 31 March 2016</i>	-	13,278	2,906	16,184
	-	13,278	2,906	16,184

Arts for Recovery in the Community

Notes to the accounts for the year ended 31 March 2017 (continued)

16 Debtors

	2017 £	2016 £
Accrued income	1,260	6,663
Prepayments & other debtors	1,155	1,655
	2,415	8,318
	2,415	8,318

17 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	6,811	5,707
Other creditors and accruals	2,015	957
	8,826	6,664
	8,826	6,664

18 Analysis of movements in restricted funds

	Balance at 1 April 2016 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2017 £
Arts Council England	-	99	(99)	-	-
BBC Children in Need	-	18,438	(18,438)	-	-
Big Lottery – Awards for All		9,450	(921)		8,529
Big Lottery - Building Capabilities	4,729	-	(4,729)	-	-
Big Lottery - Reaching Communities	15,812	82,026	(82,275)	-	15,563
Esmee Fairbairn Foundation	-	20,000	(19,091)	-	909
Henry Smith Charity	15,896	21,300	(23,228)	-	13,968
Local Sustainability Fund (LSF)		47,750	(40,202)	-	7,548
Manchester Guardian	-	1,000	-	-	1,000
SMBC Adult Social Care	31,849	-	(15,499)	-	16,350
SMBC ASC Capital	123,141	-	(11,307)	(80,843)	30,991
SMBC Capital	9,561	-	(381)	-	9,180
SMBC Children's services	-	5,000	(4,359)	-	641
	200,988	205,063	(220,529)	(80,843)	104,679
	200,988	205,063	(220,529)	(80,843)	104,679

Arts for Recovery in the Community

Notes to the accounts for the year ended 31 March 2017 (continued)

18 Analysis of movements in restricted funds (continued)

Previous reporting period	Balance at 1 April 2015 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2016 £
Arts Council England	-	14,423	(14,423)	-	-
Big Lottery - Building Capabilities	-	15,000	(10,271)	-	4,729
Big Lottery - Reaching Communities	-	78,465	(62,653)	-	15,812
Equity Foundation	2,000	-	(2,000)	-	-
ESF Community Learning Grants	-	1,768	(1,768)	-	-
Esmee Fairbairn Foundation	2,063	-	(2,063)	-	-
Henry Smith Charity	-	21,300	(5,404)	-	15,896
NLDC Capital	850	-	(300)	(550)	-
People's Health Trust	2,527	3,603	(6,130)	-	-
Santander SEDA	8,725	-	(8,725)	-	-
SMBC Adult Social Care	60,000	-	(28,151)	-	31,849
SMBC ASC Capital	-	133,544	(1,386)	(9,017)	123,141
SMBC Capital	10,684	-	(566)	(557)	9,561
SMBC Children's services	-	5,000	(5,000)	-	-
SMBC Culture	5,000	-	(5,000)	-	-
SMBC MGS (children)	490	-	(490)	-	-
	<u>92,339</u>	<u>273,103</u>	<u>(154,330)</u>	<u>(10,124)</u>	<u>200,988</u>

Name of	Description, nature and purposes of the fund
Arts Council England	Grant to enable the socially-engaged arts project, Unpicked:Restitched, resulting in a series of large scale textile banners and a publication celebrating the project which explored the question 'Where is the Heart of Stockport'. The Project was completed early in 16/17.
BBC Children in Need	A three year grant to fund a tailored programme of short creative projects for targeted groups of disadvantaged children and young people.
Big Lottery - Awards for All	A grant to fund our Creative Mums' project designed to support Stockport Mothers experiencing perinatal depression.
Big Lottery - Building Capabilities	A grant to help the people of Arc increase their skills, knowledge and confidence, so as to deliver more effective and sustainable services to beneficiaries.
Big Lottery - Reaching Communities	Grant to partly fund the Arc Challenge Model 2020 which covers the Challenge, Community Outreach & Volunteer Project Management posts, contributes 50% of the CEO salary, contributes to consultancy and other programme related costs and overheads.
Equity Foundation	Grant to cover the challenge programme project management prior to the Big Lottery Reaching Communities grant.

Arts for Recovery in the Community

Notes to the accounts for the year ended 31 March 2017 (continued)

18 Analysis of movements in restricted funds (continued)

ESF Community Learning Grants	A main grant was awarded for Challenge participants' training, followed by a supporting capacity building grant for staff training.
Esmee Fairbairn Foundation	Towards development of ArcProductions, The 'Forge', an integrated, multi-strand programme that enables vulnerable and isolated people to become active and engaged citizens through enterprising arts-based community projects.
Henry Smith Charity	Running costs of the project providing a community outreach programme.
Cabinet Office Local Sustainability Fund (LSF)	To improve Arc sustainability through enterprise & marketing development and staff capacity through leadership training.
Manchester Guardian	Support for the carers of people with mental ill-health.
NLDC Capital	Funding for upgrading equipment.
People's Health Trust	To support the Brinnington Arts Festival (part of Community Outreach)
Santander SEDA	Arc was a winner of the Santander Social Enterprise Development awards for the North of England region. The prize of £10,000 was awarded to go towards the enterprise co-ordinator post. (FY 15/16)
SMBC Adult Social Care -Revenue	Transition funding, to be spent from April 2015 onwards, to support Arc's future development, including the development of an Arts centre venue.
SMBC Adult Social Care – Capital	Expanding and refurbishment of our Reddish studios into an Arts Centre accessible to all, development of a town centre venue and other capital expenditure to enable the growth and expansion of Arc's service to the community.
SMBC Capital	General capital purchases
SMBC Children Services	A grant to support Young People's Arc
SMBC Culture	To support the Unpicked:Restitched project 'Where is the Heart of Stockport' (FY 15/16)
SMBC MGS	A grant to support Young People's Arc (FY 15/16)

19 Analysis of movement in unrestricted funds

	Balance at 1 April 2016 £	Income £	Expenditure £	Transfers £	As at 31 March 2017 £
General fund	110,644	76,298	(94,936)	85,843	177,849
Research and development (designated fund)	5,000	-	-	(5,000)	-
The Luke Holland Fund (designated)	-	1,851	-	-	1,851
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	115,644	78,149	(94,936)	80,843	179,700
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Arts for Recovery in the Community

Notes to the accounts for the year ended 31 March 2017 (continued)

19 Analysis of movement in unrestricted funds (continued)

Previous reporting period	Balance at 1 April 2015 £	Income £	Expenditure £	Transfers £	As at 31 March 2016 £
General fund	98,082	81,620	(79,182)	10,124	110,644
Research and development (designated fund)	-	5,000	-	-	5,000
	<u>98,082</u>	<u>86,620</u>	<u>(79,182)</u>	<u>10,124</u>	<u>115,644</u>

Name of	Description, nature and purposes of the fund
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Research and development The Luke Holland Fund	These funds are for future investment to develop new areas of work For Arc partnership projects with Roshni in India.
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20 Analysis of net assets between funds

	General fund £	Designated funds £	Restricted funds £	Total £
Tangible fixed assets	76,620	-	-	76,620
Net current assets/(liabilities)	101,229	1,851	104,679	207,759
	<u>177,849</u>	<u>1,851</u>	<u>104,679</u>	<u>284,379</u>

21 Lease commitments

The charity had the following annual commitments under non-cancellable operating leases:

	Land and buildings		Equipment	
	2017 £	2016 £	2017 £	2016 £
Leases expiring in:				
One year	1,449	1,596	-	-
Two to five years	-	-	1,236	-
	<u>1,449</u>	<u>1,596</u>	<u>1,236</u>	<u>-</u>