

ZION ARTS CENTRE LIMITED

England & Wales · Charity number 1093556

Details

Other names	Z-ARTS
Status	Registered
Legal form	Charitable company
Company number	04101324
Registered	2002-08-27
Register	View on the Charity Commission register

Contact

Address	Fao The Ceo Z-Arts Stretford Road Manchester M15 5ZA
Phone	01612261912
Email	info@z-arts.org
Website	www.z-arts.org

Activities

Objects: TO PROMOTE, MAINTAIN, DEVELOP AND ADVANCE PUBLIC EDUCATION AND TRAINING IN THE ARTS FOR THE BENEFIT OF BUT NOT LIMITED TO, YOUNG PEOPLE, BY ESTABLISHING AND OPERATING A CENTRE OR CENTRES IN MANCHESTER, FOR THE PRESENTATION FOR THE PUBLIC OF MUSIC, OPERA, DANCE, DRAMA, THE VISUAL ARTS, FILMS, VIDEO, MULTIMEDIA, SOUND EXHIBITIONS OF ALL KINDS AS ARE CONDUCTIVE TO THE PROMOTION, MAINTENANCE, IMPROVEMENT AND PARTICIPATION IN AND ADVANCEMENT OF EDUCATION OR TO THE ENCOURAGEMENT OF THE ARTS, WHETHER ON PREMISES OWNED OR LEASED BY THE COMPANY ELSEWHERE.

Activities: Zion Arts Centre Ltd t/a Z-arts is committed to inspiring and enabling generations of young people from Manchester and beyond to use creativity to reach their potential. We offer a wide range of creative activities across all art forms including visual art, drama, music and dance as well as a varied theatre programme specifically aimed at children and family audiences.

Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services
- **What:** Education/training, Arts/culture/heritage/science
- **Who:** Children/young People

Geography

- **Area of benefit:** MANCHESTER
- Bolton
- Bury
- Manchester City
- Oldham
- Rochdale
- Salford City
- Stockport
- Tameside
- Trafford
- Wigan

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£1,390,196	£1,510,411	£739,613	47
2024-03-31	£1,618,528	£1,518,593	£859,828	48
2023-03-31	£1,444,793	£1,466,613	£759,893	45
2022-03-31	£1,208,164	£1,241,460	£781,712	32
2021-03-31	£1,261,747	£1,020,198	£815,008	33

Trustees

Name	Role	Appointed
Amy Barkatali		2022-03-09
Elizabeth Ransome		2019-12-11
Emma Clare Kane		2023-03-08
Freya-Dana Victoria Bennett-Nielsen		2021-03-10
JACK PICKETT		2024-03-12
Lee Michael Glover		2024-09-18
Louise Wallwein MBE		2022-03-09
Miselo Kunda		2023-03-08
Nazma Noor		2021-03-10

ZION ARTS CENTRE LIMITED

England & Wales - Charity number 1093556

Accounts

Company registration number: 4101324

Charity registration number: 1093556

Zion Arts Centre Limited

known as

Z-Arts

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 March 2025

Zion Arts Centre Limited
known as Z-Arts
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Reference and Administrative Details

Trustees	A Barkatali
	F Bennett-Nielsen
	G Coombs
	L Glover
	M Goulbourn
	E Kane
	M Kunda
	NNoor
	J Pickett
	E Ransome
	M Taylor
	L Wailwein
	E O'Neill
Secretary	
Charity Registration Number	1093556
Company Registration Number	4101324
Registered Office	The charity is incorporated in England and Wales.
	335 Stretford Road
	Hulme
	Manchester
Auditor	M15 5ZA
	Menzies LLP
	Suite 16b
	The Beehive, Lions Drive
	Shadsworth Business Park
	Blackburn
Solicitors	BB1 2QS
	DWF LLP
	5 Castle Street
	Liverpool
Bankers	L2 4XE
	CAP Bank
	25 Kings Hill Avenue
	Kings Hill
	West Malling
	Kent
	ME19 4JQ

Zion Arts Centre Limited

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Trustees' Annual Report (Incorporating the Directors' Report)

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 March 2025.

Trustees and Officers

The trustees and officers serving during the year and since the year end were as follows:

Trustees:	A Barkatali
	F Bennett-Nielsen
	G Coombs
	L Glover (appointed 18 September 2024)
	M Goulbourn (appointed 19 March 2025)
	A Gill (resigned 12 June 2024)
	E Kane
	R Kapoor (resigned 13 June 2024)
	M Kunda
	N Noor
	J Pickett
	E Ransome
	M Taylor (appointed 19 March 2025)
	L Wallwein

Secretary:	E O'Neill
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Objectives and activities

Objects and aims

Z-arts is the UK's only dedicated arts centre for children and families; an arts organisation with national significance whilst still holding a role as the cultural epicentre of the Hulme community. In 2024-25 we welcomed 73,275 visitors to the building, and delivered 70,314 creative interactions.

The Charity's objectives are: -

To promote, maintain, improve, develop and advance public education and training in the arts for the benefit of, but not limited to, young people, by operating a centre for the presentation for the public of music, opera, dance, drama, the visual arts, films, video, multimedia, sound, exhibitions of all kinds as are conducive to the promotion, maintenance, improvement and participation in and advancement of education or to the encouragement of the arts, whether on premises owned or leased by the Company or elsewhere.

Our mission is to nurture the hearts and minds of generations of children young people and families from Manchester and beyond, to use creativity to reach their potential. We do this in our Arts Centre in Hulme, in education, in communities, at home and across networks.

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Trustees' Annual Report (Incorporating the Directors' Report)

Achievements and performance

Z-arts goal is to make a difference to the lives of some of the most disadvantaged children in Manchester, thereby improving their lives through increasing their mental and physical health and well-being.

Children and their families are consulted on all the activities that are delivered at Z-arts, contributing ideas for new classes, selecting companies that they'd like to see perform and helping design spaces, like the library designed by children, who also chose the kind of books they'd like it to hold.

In 2024-25 we out-performed many of our targets by between 22% – 54% and achieved our highest ever 'interactions' figure (our previous high was 95,264 in 2019/20)

- 100,939 interactions in total (154% against our annual target)
- 84,180 visitors to Z-arts (122% against our annual target)
- 29,175 performance engagements (136% against our annual target)
- 45,959 participation engagements (154% against our annual target)
- 2,069 creative and community engagements (95% against our annual target)

We do this through:

Participation:

In 2024/25 we achieved our highest ever number of participation engagements in the following programmes

• Bright Sparks

After-school, weekend, holiday activities across all artforms for ages 5-12+, plus pre-school and family activities; with over 13,000 engagements from 865 individual members accessing a choice of 1764 sessions.

• External participation, including schools

With over 21,000 external participation interactions, this was the busiest year yet. It included the Paul Hamlyn Foundation funded arts-based learning project, Terri and the Time Machine in partnership with theatre company. One Tenth Human, which delivered 358 sessions to a total of 13 schools.

• Children's library

Our library has become a much-loved part of our offer, with representative diverse books and early-years events programme to support literacy and a love of reading / stories. There has been an increase in library drop-in events, including a monthly resident storyteller, Jan Blake. The library now has over 1,000 members, and 19,000 visitors.

• Z-access

This year brought back Z-arts access programme. Thanks to funding from Children In Need, we have held 3 accessible family fun days (Z-access) and employed a dedicated access worker to support children with additional needs who attend Bright Sparks classes.

• Community events

Z-arts old various community event, including the outdoor festival Hulme Is Where The Art Is, which had 500 attendees this year and work together with local community organisations on events like National Play Day and International Women's Day activities.

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Trustees' Annual Report (Incorporating the Directors' Report)

Performance

Children's Theatre

A high quality diverse, representative programme mix of popular names and experimental work for children and families in Z-arts theatre ages 0-12+. Audiences continue to grow and yet again we have had the highest attendance ever with 12,539 attendees. 2024/25 has also seen an increase in Z-arts commissioning and co-commissioning artists making work for young audiences, including our annual Christmas show for early years, this year being 'Christmas Lights' by Filskit. Our programme had a global influence this year, from hosting Kininso Concepts from Nigeria to local dance company Move Manchester on International Dance Day.

Big Imaginations

The trend of increased audiences continued across the Big Imaginations children's theatre network, which we lead and manage, supporting and facilitating a children's theatre programme across some of the most remote areas in the Northwest. This year seeing an increase of 31% with 18,273 people seeing theatre for families in areas where it wouldn't normally be available.

Discover Exhibition

The last in the current relationship with Discover Story Centre, London was the immersive play experience, Rob Biddulph's 100 Story Hotel, which opened in February 24 and ran until December 2024. Despite only running for ¼ of the year, we still received 8,440 public and school visitors to 235 performances. During the last quarter, the exhibition was closed as we prepared to install Z-arts own design and build immersive playspace, Adventures in Wonderland, which opened in April 2025.

Family Escape Room

Our Family Escape Room, The Library of Enchantment, which opened in April 2023, has maintained popularity, attracting 1948 visitors (a few more than the previous year's 1,445).

Artist Development:

An Arts Council England NPO (National Portfolio Organisation) uplift specifically to support and grow our artist development programme continues to go from strength to strength.

• Performers development programme

Our Artist Development studio theatre has been at 77% capacity with 93 different artists making work for young audiences over 192 days. Our focus on diverse artists is paying dividends with 53% being global majority, 26% identifying as deaf or disabled, 38% LGBTQ+ and 47% neurodivergent. Children and families have attended and given feedback to 16 different sharings of work in development, with 50% of those pieces already going on to perform elsewhere.

• Creative Facilitator Training programme

Completing its third year, Facilitate, our training and development programme for entry level artists to gain skills and begin employment as an artist through supporting our participation programme, is now well-established. The cohort runs September - June, with successful graduates continuing employment within the creative team.

• Mountview Theatre School: Foundation diploma

Our relationship with the Manchester branch of Mountview Theatre's School's foundation course also completed its third year this year, with more students than ever; supporting new talent whilst at the same time replacing room hire income, previously lost after the pandemic.

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Trustees' Annual Report (Incorporating the Directors' Report)

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance on public benefit and fee charging. The charity relies on the voluntary services of the trustees, and on grants and the income from fees and charges to cover its operating costs. In setting the level of fees and charges the trustees give consideration to the accessibility to activities for those on low income, ensuring that there is always a range of free activities and creative engagements for local families, alongside paid activities that help develop income.

Based in Hulme, we are committed to supporting our local communities as well as reaching out across Greater Manchester and the Northwest. We operate from a large Edwardian building which includes a 230-seat theatre, gallery, recording studio, music room, dance studio, café and numerous other rehearsal / meeting rooms. But there is much more to what we do that is outside of the building.

We lead networks:

- Big Imaginations children's theatre network, bringing brilliant children's theatre to all areas of the Northwest.
- MADE (Manchester Cultural Education partnership) with a vision to make Manchester a beacon for creative education, where the arts add magic to life experiences and learning for everyone.
- Manchester Family Arts Network, improving family provision across cultural venues in Manchester.

We engage with communities:

- School communities across greater Manchester, bringing creativity into education in both creative subjects and STEM subjects
- In our community, with large scale outdoor events like Hulme Is Where The Art is and the Winter Festival in Hulme Park

Our values cut through everything that we do, with our children, young people, families, visitors and staff team: Welcoming, Inclusive, Vibrant, Forward-thinking, Engaging and Fun.

Our Five aims

Primary Aim: Children

Children, young people and families across Greater Manchester and the wider North will have greater influence over, and gain more creative skills through a wide-reaching multi-art-form enrichment programme.

Secondary aims:

Performances

More, excellent performances for children and families will be available for audiences across the North.

Audiences and participants

We will rebuild and grow existing audiences, with a greater number of diverse audiences engaging with and benefiting from our wide-ranging programme.

Artists

More diverse artists will be nurtured and supported to make excellent contemporary theatre, performance and arts activities for children and families, with more opportunities to share the work and learning regionally, nationally and internationally.

Organisation

To grow as a resilient, nationally respected, strategic lead delivering best practice in performance and participatory arts activities and events for children and families.

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An Arts Council England (ACE) National Portfolio (NPO) grant continues at £401,853 p/a, now extended until 2027. We also received £184,448 p/a core funding from Manchester City Council (MCC) and £54,725 from Greater Manchester Combined Authorities (GMCA).

Terms of occupation and sub-letting of premises

The company occupies premises owned by Manchester City Council. There are ten years remaining of a 25 year lease. Negotiations have begun to extend the lease, with landlords confirming a letter of assurance in the meantime.

Public benefit

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Financial review

The Company has experienced a satisfactory year financially. Total funds decreased by £120,215 to £739,613 (2024: £859,828) however, the decrease in funds was wholly driven by capital depreciation. Unrestricted funds in total decreased by £13,065 to £420,896 (2024: £433,961) The designated capital depreciation fund decreased by £34,561, whilst the General fund increased by £21,496. Restricted funds decreased by £107,150 to £318,717 (2024: £425,867) This was largely due to Capital depreciation of £93,689.

Total income decreased by £228,332 to £1,390,196 (2024: £1,618,528) however, the previous year contained an Arts Council capital grant of £227,834 without this, overall income would have been slightly higher than previous year. Donations and legacies were lower due to the capital grant in the previous year's figures. Income from charitable activities was on a par with the previous year with an increase in revenue from Box office and venue hire offset by a slight decrease in rental income as a 10-year lease of the studio space came to an end. Lower interest rates contributed to a slight decrease in investment income. The trading subsidiary income increased by 20% to £127,157 (2024: £105,799). Our family friendly escape room continued to sell out whilst the cafe also experienced an increase in activity.

Total expenditure decreased by 0.5% to £1,510,411 (2024: £1,518,593) Trading co costs increased in line with income as the profits from the trading subsidiary are donated to the Charity. Charitable activity costs remained very similar to previous year at £1,419,263 (2024: £1,415,741) There were increases in activity costs with small decreases in property and staffing costs evidencing continuing careful management of expenditure.

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Trustees' Annual Report (Incorporating the Directors' Report)

Policy on reserves

Z-arts free reserves target figure should fall between 8 and 12 weeks of annual turnover (excluding any capital grant income). The target figure and this policy will be reviewed annually at board level. Free reserves are calculated as unrestricted reserves minus unrestricted fixed assets book value minus any other stated designated reserves.

Z-arts Reserve Policy prioritises the closure contingency of £212,610 ringfencing this amount first. A further reserve contingency of £50,000 should be held as a) a contingency in case of unforeseen loss or reduction of any revenue stream, b) funding being lost for any key projects to allow that project to continue for 6 months whilst alternative funding is sought and c) a sum to be used as match funding to advantage of any funding opportunities that may arise that would allow future creative projects. These figures give a total reserve target of £262,610.

It is deemed necessary to hold a closure contingency to allow for the winding down of the charity should the organisation be forced to close for unseen circumstances. Wind down staff calculations have been calculated at x3 months commitment to senior management staff salaries and statutory redundancy payments for other staff. A further figure accounts for 3 months of the annual overheads budget (excluding salaries) to allow the building to remain open to facilitate an orderly wind down.

Any reserves held over the target figure will allow for a negative budget to be set for the following year allowing more spend on key creative projects which further the charities charitable aims.

Z-arts continue to diversify their funding streams through earned income, public bodies and private sponsorship to reduce reliance on any single source of income.

At year end, Z-arts free reserves stood at £185,497 (general reserves of £297,286 minus Unrestricted fixed assets not covered by designated fund of £117,789) This is some way below the free reserves target, however this is only a temporary situation caused by the timing of the building of a new immersive exhibition, Wonderland. The immersive exhibition was built entirely in 2024-2025 at a cost of circa £100k and opened in April 2025. The income from the exhibition will be received in the following two years. It is estimated that free reserves will recover quite quickly to target levels over the next year.

Plans for future periods

Aims and key objectives for future periods

We receive strategic funding from Manchester City Council, to lead on best practice for engaging children and young people in arts and culture. We are an Arts Council England National Portfolio Organisation, leading and delivering the Big Imaginations regional network of children's theatre, programming and commissioning relevant, diverse theatre for the modern family. Our GMCA funding enables us to contribute to the GM Cultural Strategy.

Our priorities are to offer creative opportunities to children and families who need it most, including reflecting and representing the diverse communities that surround us.

Having had our most successful year in terms of engagement and attendance, beating even 2019 levels, we can safely say that the organisation has recovered from Covid 19. As earned income rises, and we continue to explore ways to diversify our income streams, we are now exploring ways we can fund and resource new projects. As well as continuing to offer all activities mentioned above under 'achievements and performance', 2025-26 will see more new projects including:

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•**Early Years programme** in partnership with Creative Health Greater Manchester, providing training and essential early years support across Manchester's family hubs and libraries, due to start in September 2025. Supported by a natural growth in our regular early years activities, including Toddler Take Over offering lots of free activities on Fridays, and drop-in library sessions for early years from Tuesday - Friday, there's a wider ambition in partnership with Manchester Central Library, to fund a community librarian post that extends our community engagement offer.

•**Adventures in Wonderland** Z-arts own designed and delivered immersive play experience opens in April 2025, with plans to remain open for 2 years, adding a range of different activities including family workshops, tea-parties and a 'quest' for older children.

•**Artists Development Programme.** With bookings in the Artist Development Studio looking like it is going to be close to capacity, we will be turning some attention to how we can extend that support, including supporting 2 artists via Big Imaginations to produce and tour their plays at outdoor and non-traditional spaces respectively. We will also explore other options for co-commissioning and co-producing, including a scheduled retour of the 'Best Performance' award-winning Grandad Anansi.

•**Creative education** A new project, running across 6 primary schools, begins in September 2025, funded by Paul Hamlyn Foundation's Teacher Development Fund. The Story With You is an ambitious professional development project empowering primary school teachers to become 'Story Champions' - confident, imaginative educators who bring learning to life through immersive storytelling and creative practice.

•**Environmental Awareness Advocacy**, by programming and profiling annual Environmental Awareness week aimed at our children and families, and starting to explore plans to create a outdoor learning space.

•**Improving access and inclusion** by programming more Z-access family arts events for families with additional needs, and working with landlords Manchester City Council to identify access improvements for the building.

Z-arts will continue to play a role as a major contributor to the cultural sector, by facilitating creative and cultural networks and partnership models; and by providing training and development for children, young people, and artists.

Going concern

The trustees have considered current risks including inflationary pressures on wages and the effect the ongoing cost of living crisis could have on future audiences, when considering whether the Company is able to operate as a going concern. After carefully considering the Company's financial position and forecasts, the trustees have concluded that it is appropriate to adopt the going concern basis of preparation.

This position has been informed by a number of factors, including:

- The continued support of Arts Council England through NPO funding, MCC through its revenue grant funding and continued GMCA funding.
- Increase in attendance, in particular the theatre shows, immersive experience and family escape room.
- The ongoing partnership with Mountview theatre school.
- Increased income from the trading company primarily through sales of the escape room.
- A continued reduction in energy usage, thanks to environmental impact investments last year from both Manchester City Council (triple glazing, solar panels and a new roof) and Arts Council England's capital grant to replace Tungsten theatre lights with LED.

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Trustees' Annual Report (Incorporating the Directors' Report)

Structure, governance and management

Nature of governing document

Z-arts is governed by a board of voluntary trustees, who employ a Chief Executive. There is a Senior Management Team of four. Decisions are made at Executive level, with decisions that have an impact on the business or a financial cost of over £2,000 being taken to trustee level. The CEO Reports to the trustees on a quarterly basis, in addition there is a quarterly finance sub-committee and focus groups reporting to the trustees on specific initiatives as required. All trustee and staff roles follow safe and inclusive recruitment procedures and undertake DBS checks. All salaries have been benchmarked against other Arts organisations to ensure that they are comparable and appropriate for the organisation. There is a thorough Terms of Reference for trustees and an induction procedure which was updated in April 2024.

Relationships with related parties

None of the trustees receive remuneration or any other benefits from their trusteeship. Each year trustees complete a Conflict of Interest Statement and a Declaration of Commitment Statement. Any connection between a trustee or a senior manager and a company, institution or artist that Z-arts engages with must be stated in this form, or at a meeting if it occurs during the year. In this year two trustees resigned, one who had reached the end of their term, the other resigning for personal reasons. A new Manchester City Council trustee representative, Cllr Lee Glover, was appointed in September 2024. We also appointed two new trustees at the AGM in March 2025.

Statement of trustees' responsibilities

The trustees (who are also the directors of Zion Arts Centre Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report (Incorporating the Directors' Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees 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 parent charitable company and the group and of the incoming resources and application of resources, including its income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and 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, comprising FRS 102 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 parent charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that can disclose with reasonable accuracy at any time the financial position of the parent charitable company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the parent charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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Trustees' Annual Report (Incorporating the Directors' Report)

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditor

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

The annual report was approved by the trustees of the charity on 10/09/25 and signed on its behalf by:



E O'Neill
Company secretary



A Barkatali
Trustee

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Independent Auditor's Report to the Members of Zion Arts Centre Limited

Opinion

We have audited the financial statements of Zion Arts Centre Limited (the 'charitable parent company') and its subsidiaries (the 'group') for the year ended 31 March 2025, which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 31 March 2025 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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Independent Auditor's Report to the Members of Zion Arts Centre Limited

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the and Trustees' Annual Report (Incorporating the Directors' Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the and Trustees' Annual Report (Incorporating the Directors' Report) have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the and the Trustees' Annual Report (Incorporating the Directors' Report).

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

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of trustees' responsibilities (set out on pages 9 and 10), the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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Independent Auditor's Report to the Members of Zion Arts Centre Limited

Auditor responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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

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

Zion Arts Centre Limited

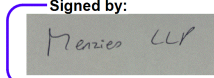
known as Z-Arts

Independent Auditor's Report to the Members of Zion Arts Centre Limited

Use of our report

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

Signed by:

A handwritten signature in blue ink, appearing to read 'Mark Bradley', is written over a grey rectangular background.

4F434AEBACF3487...

Mark Bradley BA BTP FCA (Senior Statutory Auditor)
For and on behalf of Menzies LLP

Suite 16b
The Beehive
Lions Drive
Blackburn
BB1 2QS

19-Nov-2025

Date:.....

Zion Arts Centre Limited

known as Z-Arts

**Consolidated Statement of Financial Activities for the Year Ended 31 March 2025
(Including Consolidated Income and Expenditure Account and Statement of Total
Recognised Gains and Losses)**

	Note	Unrestricted funds £	Restricted funds £	Total 2025 £	Total 2024 £
Income and Endowments from:					
Donations and legacies	3	674,855	-	674,855	901,654
Charitable activities	4	331,412	242,362	573,774	592,990
Investment income	5	14,410	-	14,410	18,085
Other income	6	127,157	-	127,157	105,799
Total income		<u>1,147,834</u>	<u>242,362</u>	<u>1,390,196</u>	<u>1,618,528</u>
Expenditure on:					
Raising funds	7	(91,148)	-	(91,148)	(102,852)
Charitable activities	8	<u>(1,069,751)</u>	<u>(349,512)</u>	<u>(1,419,263)</u>	<u>(1,415,741)</u>
Total expenditure		<u>(1,160,899)</u>	<u>(349,512)</u>	<u>(1,510,411)</u>	<u>(1,518,593)</u>
Net (expenditure)/income		<u>(13,065)</u>	<u>(107,150)</u>	<u>(120,215)</u>	<u>99,935</u>
Net movement in funds		(13,065)	(107,150)	(120,215)	99,935
Reconciliation of funds					
Total funds brought forward		<u>433,961</u>	<u>425,867</u>	<u>859,828</u>	<u>759,893</u>
Total funds carried forward	21	<u>420,896</u>	<u>318,717</u>	<u>739,613</u>	<u>859,828</u>

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

The funds breakdown for 2024 is shown in note 21.

The notes on pages 19 to 37 form an integral part of these financial statements.

Zion Arts Centre Limited**known as Z-Arts****(Registration number: 4101324)****Consolidated Balance Sheet as at 31 March 2025**

	Note	2025 £	2024 £
Fixed assets			
Tangible assets	14	420,747	438,062
Current assets			
Stocks	16	1,871	6,776
Debtors	17	81,258	170,644
Cash at bank and in hand	18	441,267	417,437
		524,396	594,857
Creditors: Amounts falling due within one year	19	(205,530)	(173,091)
Net current assets		318,866	421,766
Net assets		739,613	859,828
Funds of the group:			
Restricted income funds			
Restricted funds		318,717	425,867
Unrestricted income funds			
Designated Funds		123,610	158,171
General Funds		297,286	275,790
Total unrestricted funds		420,896	433,961
Total funds	21	739,613	859,828

The financial statements on pages 15 to 37 were approved by the trustees, and authorised for issue on 10/09/25 and signed on their behalf by:



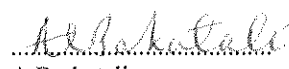
A Barkatali
Trustee

The notes on pages 19 to 37 form an integral part of these financial statements.

Zion Arts Centre Limited**known as Z-Arts****(Registration number: 4101324)
Balance Sheet as at 31 March 2025**

	Note	2025 £	2024 £
Fixed assets			
Tangible assets	14	419,948	436,952
Investments	15	<u>100</u>	<u>100</u>
		<u>420,048</u>	<u>437,052</u>
Current assets			
Stocks	16	-	2,881
Debtors	17	83,975	173,066
Cash at bank and in hand	18	<u>431,047</u>	<u>405,035</u>
		515,022	580,982
Creditors: Amounts falling due within one year	19	<u>(197,898)</u>	<u>(159,984)</u>
Net current assets		<u>317,124</u>	<u>420,998</u>
Net assets		<u>737,172</u>	<u>858,050</u>
Funds of the charity:			
Restricted income funds			
Restricted funds		318,717	425,867
Unrestricted income funds			
Designated Funds		123,610	158,171
General Funds		<u>294,845</u>	<u>274,012</u>
Total unrestricted funds		<u>418,455</u>	<u>432,183</u>
Total funds	21	<u>737,172</u>	<u>858,050</u>

The financial statements on pages 15 to 37 were approved by the trustees, and authorised for issue on 10/09/25 and signed on their behalf by:


A Barkatali
Trustee

The notes on pages 19 to 37 form an integral part of these financial statements.

Zion Arts Centre Limited

known as Z-Arts

Consolidated Statement of Cash Flows for the Year Ended 31 March 2025

	Note	2025 £	2024 £
Cash flows from operating activities			
Net movement in funds		(120,215)	99,935
Adjustments to cash flows from non-cash items			
Depreciation	14	132,859	148,079
Investment income	5	<u>(14,410)</u>	<u>(18,085)</u>
		(1,766)	229,929
Working capital adjustments			
Decrease/(increase) in stocks	16	4,905	(1,962)
Decrease/(increase) in debtors	17	89,386	(92,226)
Increase/(decrease) in creditors	19	<u>32,439</u>	<u>(24,350)</u>
Net cash flows from operating activities		<u>124,964</u>	<u>111,391</u>
Cash flows from investing activities			
Interest receivable and similar income	5	14,410	18,085
Purchase of tangible fixed assets	14	(116,504)	(71,975)
Sale of tangible fixed assets		<u>960</u>	<u>-</u>
Net cash flows from investing activities		<u>(101,134)</u>	<u>(53,890)</u>
Net increase in cash and cash equivalents		23,830	57,501
Cash and cash equivalents at 1 April		<u>417,437</u>	<u>359,936</u>
Cash and cash equivalents at 31 March		<u><u>441,267</u></u>	<u><u>417,437</u></u>

All of the cash flows are derived from continuing operations during the above two periods.

The notes on pages 19 to 37 form an integral part of these financial statements.

Zion Arts Centre Limited

known as Z-Arts

Notes to the Financial Statements for the Year Ended 31 March 2025

1 Charity status

The charity is limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

The address of its registered office is:

335 Stretford Road

Hulme

Manchester

M15 5ZA

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

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)) (issued in October 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Basis of preparation

Zion Arts Centre Limited 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.

Basis of consolidation

The Statement of Financial Activities (SOFA) and balance sheet consolidate the financial statements of the Charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line-by-line basis.

The Charity has availed itself of Paragraph 4(1) of Schedule 1 of the Small Companies and Groups (Accounts and Directors' Report) Regulations 2008 and adapted the Companies Act formats to reflect the special nature of the Charity's activities. A separate Statement of Financial Activities and income and expenditure account for the Charity has not been presented because the Trust has taken advantage of the exemption afforded by Section 408 of the Companies Act 2006.

Going concern

The trustees consider that there are no material uncertainties about the group's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the group.

Zion Arts Centre Limited

known as Z-Arts

Notes to the Financial Statements for the Year Ended 31 March 2025

Significant accounting estimates and judgements

In the application of the entity's accounting policies the Trustees are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects the current and future periods.

In the view of the Trustees no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year

Income and endowments

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

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Grants receivable

Grants are recognised when the group 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.

Investment income

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

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.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Zion Arts Centre Limited

known as Z-Arts

Notes to the Financial Statements for the Year Ended 31 March 2025

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.

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.

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.

Tangible fixed assets

All fixed assets are initially recorded at cost. Any fixed assets costing less than £500.00 are not capitalised but written off to revenue in the year of acquisition.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Major capital improvements and theatre seats	10%-25% straight line
Computer equipment and escape room	33% straight line
All other fixed assets	25% straight line

Stock

Stock is valued at the lower of cost and estimated selling price less costs to complete and sell, after due regard for obsolete and slow moving stocks. Cost is determined using the first-in, first-out (FIFO).

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.

Zion Arts Centre Limited

known as Z-Arts

Notes to the Financial Statements for the Year Ended 31 March 2025

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.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Fund structure

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

Designated funds are funds which have been allocated or designated for specific purposes by the company out of the unrestricted funds.

The charity has a number of restricted funds to account for in situations where a donor requires that a grant or donation must be spent on a particular purpose.

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the group 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 group after deducting all of its liabilities.

Recognition and measurement

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

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

Debt instruments are subsequently measured at amortised cost.

Zion Arts Centre Limited

known as Z-Arts

Notes to the Financial Statements for the Year Ended 31 March 2025

3 Income from donations and legacies

	Unrestricted funds General £	Restricted funds £	Total 2025 £
Donations and legacies;			
Monetary donations	33,789	-	33,789
Grants, including capital grants;			
Manchester City Council	184,488	-	184,488
Greater Manchester Combined Authority	54,725	-	54,725
Arts Council	401,853	-	401,853
	<u>674,855</u>	<u>-</u>	<u>674,855</u>

	Unrestricted funds General £	Restricted funds £	Total 2024 £
Donations and legacies;			
Monetary donations	19,754	-	19,754
Donation from Trading Subsidiary	13,000	-	13,000
Grants, including capital grants;			
Manchester City Council	184,488	-	184,488
Greater Manchester Combined Authority	54,725	-	54,725
Arts Council	401,853	227,834	629,687
	<u>673,820</u>	<u>227,834</u>	<u>901,654</u>

4 Income from charitable activities

	Unrestricted funds General £	Restricted funds £	Total 2025 £
Venue hire, shared BO and gallery	249,799	-	249,799
Project grants	24,917	242,362	267,279
Rents receivable	56,696	-	56,696
	<u>331,412</u>	<u>242,362</u>	<u>573,774</u>

Zion Arts Centre Limited

known as **Z-Arts**

Notes to the Financial Statements for the Year Ended 31 March 2025

	Unrestricted funds General £	Restricted funds £	Total 2024 £
Venue hire, shared BO and gallery	217,399	-	217,399
Project grants	62,995	227,431	290,426
Rents receivable	85,165	-	85,165
	<u>365,559</u>	<u>227,431</u>	<u>592,990</u>

5 Investment income

	Unrestricted funds General £	Total 2025 £	Total 2024 £
Interest receivable and similar income;			
Bank interest receivable	<u>14,410</u>	<u>14,410</u>	<u>18,085</u>

6 Other income

	Unrestricted funds General £	Total 2025 £	Total 2024 £
Income from trading subsidiary	<u>127,157</u>	<u>127,157</u>	<u>105,799</u>

7 Expenditure on raising funds

a) Costs of trading activities

	Unrestricted funds General £	Total 2025 £	Total 2024 £
Trading subsidiary costs	<u>91,148</u>	<u>91,148</u>	<u>102,852</u>
	<u>91,148</u>	<u>91,148</u>	<u>102,852</u>

Zion Arts Centre Limited

known as Z-Arts

Notes to the Financial Statements for the Year Ended 31 March 2025

8 Expenditure on charitable activities

	Unrestricted funds General £	Restricted funds £	Total 2025 £
Staff costs	539,614	58,694	598,308
Activities costs	227,291	185,840	413,131
Other direct costs	8,902	-	8,902
Promotional costs	31,775	94	31,869
Training, recruitment, travel and motor	7,444	-	7,444
Professional fees	8,108	-	8,108
Bank charges and subscriptions	10,303	-	10,303
Property costs	184,619	9,618	194,237
Depreciation	38,240	94,306	132,546
Allocated support costs	13,455	960	14,415
	<u>1,069,751</u>	<u>349,512</u>	<u>1,419,263</u>
	Unrestricted funds General £	Restricted funds £	Total 2024 £
Activities costs	253,677	115,378	369,055
Other direct costs	7,106	336	7,442
Promotional costs	34,686	-	34,686
Training, recruitment, travel and motor	10,771	791	11,562
Professional fees	7,156	-	7,156
Bank charges and subscriptions	7,485	-	7,485
Property costs	169,072	32,086	201,158
Depreciation	41,705	106,245	147,950
Staff costs	531,940	80,996	612,936
Allocated support costs	15,311	1,000	16,311
	<u>1,078,909</u>	<u>336,832</u>	<u>1,415,741</u>
	Activity undertaken directly £	Activity support costs £	2025 £
Charitable activities	<u>1,404,848</u>	<u>14,415</u>	<u>1,419,263</u>

Zion Arts Centre Limited

known as Z-Arts

Notes to the Financial Statements for the Year Ended 31 March 2025

	Activity undertaken directly £	Activity support costs £	2024 £
Charitable activities	<u>1,399,430</u>	<u>16,311</u>	<u>1,415,741</u>

9 Net incoming/(outgoing) resources

Net (outgoing)/incoming resources for the year include:

	2025 £	2024 £
Operating Lease rentals	45,703	45,843
Depreciation of fixed assets	<u>132,859</u>	<u>148,079</u>

10 Trustees remuneration and expenses

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

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

11 Staff costs

The aggregate payroll costs were as follows:

	2025 £	2024 £
Staff costs during the year were:		
Wages and salaries	665,788	631,904
Social security costs	51,646	49,440
Pension costs	<u>11,565</u>	<u>10,582</u>
	<u>728,999</u>	<u>691,926</u>

The average head count of persons (including senior management / leadership team) employed by the group during the year was 47 (2024: 48) The average number, expressed as full time equivalents, was as follows:

	2025 No	2024 No
Operational staff	10	10
Creative staff	7	6
Management staff	5	5
Administration staff	<u>1</u>	<u>2</u>
	<u>23</u>	<u>23</u>

No employee received emoluments of more than £60,000 during the year.

Zion Arts Centre Limited
known as Z-Arts

Notes to the Financial Statements for the Year Ended 31 March 2025

Key management personnel are The Chief Executive, Head of Finance and Operations, Head of Premises and Technical, Head of Programming and Head of Creative Development. The total employee benefits of the key management personnel of the group were £234,320 (2024 - £236,974).

12 Auditors' remuneration

	2025 £	2024 £
Fees payable to the external auditors		
The auditing of the financial statements	8,300	8,000
Preparation of financial statements	<u>2,200</u>	<u>2,100</u>
	<u>10,500</u>	<u>10,100</u>

13 Taxation

The group is a registered charity. The income and gains of the charity are exempt from taxation to the extent that they are applied to its charitable objectives.

Zion Arts Centre Limited

known as Z-Arts

Notes to the Financial Statements for the Year Ended 31 March 2025**14 Tangible fixed assets****Group**

	Stun Studio £	Static & Portable Equipment £	Theatre Improvements £	Fixtures & Fittings £	Plant & Machinery £	Wonderland Exhibition £	Total £
Cost							
At 1 April 2024	227,866	226,404	504,746	5,265	120,998	-	1,085,279
Additions	-	12,282	-	-	-	104,222	116,504
Disposals	-	(1,200)	-	-	-	-	(1,200)
At 31 March 2025	<u>227,866</u>	<u>237,486</u>	<u>504,746</u>	<u>5,265</u>	<u>120,998</u>	<u>104,222</u>	<u>1,200,583</u>
Depreciation							
At 1 April 2024	227,866	220,596	151,038	4,155	43,562	-	647,217
Charge for the year	-	4,299	110,870	311	17,379	-	132,859
Eliminated on disposals	-	(240)	-	-	-	-	(240)
At 31 March 2025	<u>227,866</u>	<u>224,655</u>	<u>261,908</u>	<u>4,466</u>	<u>60,941</u>	<u>-</u>	<u>779,836</u>
Net book value							
At 31 March 2025	<u>-</u>	<u>12,831</u>	<u>242,838</u>	<u>799</u>	<u>60,057</u>	<u>104,222</u>	<u>420,747</u>
At 31 March 2024	<u>-</u>	<u>5,808</u>	<u>353,708</u>	<u>1,110</u>	<u>77,436</u>	<u>-</u>	<u>438,062</u>

Zion Arts Centre Limited**known as Z-Arts****Notes to the Financial Statements for the Year Ended 31 March 2025****Charity**

	Theatre Improvements £	Plant & Machinery £	Stun Studio £	Static & Portable Equipment £	Wonderland Exhibition £	Total £
Cost						
At 1 April 2024	504,746	120,998	227,866	226,404	-	1,080,014
Additions	-	-	-	12,282	104,222	116,504
Disposals	-	-	-	(1,200)	-	(1,200)
At 31 March 2025	<u>504,746</u>	<u>120,998</u>	<u>227,866</u>	<u>237,486</u>	<u>104,222</u>	<u>1,195,318</u>
Depreciation						
At 1 April 2024	151,038	43,562	227,866	220,596	-	643,062
Charge for the year	110,870	17,379	-	4,299	-	132,548
Eliminated on disposals	-	-	-	(240)	-	(240)
At 31 March 2025	<u>261,908</u>	<u>60,941</u>	<u>227,866</u>	<u>224,655</u>	<u>-</u>	<u>775,370</u>
Net book value						
At 31 March 2025	<u>242,838</u>	<u>60,057</u>	<u>-</u>	<u>12,831</u>	<u>104,222</u>	<u>419,948</u>
At 31 March 2024	<u>353,708</u>	<u>77,436</u>	<u>-</u>	<u>5,808</u>	<u>-</u>	<u>436,952</u>

Zion Arts Centre Limited

known as Z-Arts

Notes to the Financial Statements for the Year Ended 31 March 2025

15 Fixed asset investments

Charity

Shares in group undertakings and participating interests

	Subsidiary undertakings £	Total £
Cost		
At 1 April 2024	100	100
At 31 March 2025	100	100
Net book value		
At 31 March 2025	100	100
At 31 March 2024	100	100

The investment represents 100% of the Ordinary Share Capital of 100 shares of £1 each of Z-Arts Trading Limited. Z-Arts Trading Limited is a wholly owned subsidiary of Zion Arts Centre Limited. The subsidiary company is incorporated in England and Wales. The principal activities during the year were the operation of a cafe bar.

16 Stock

	Group		Charity	
	2025 £	2024 £	2025 £	2024 £
Stocks	1,871	6,776	-	2,881

17 Debtors

	Group		Charity	
	2025 £	2024 £	2025 £	2024 £
Trade debtors	61,036	101,035	61,036	101,131
Due from group undertakings	-	-	2,717	4,806
Other debtors	20,222	69,609	20,222	67,129
	81,258	170,644	83,975	173,066

Zion Arts Centre Limited**known as Z-Arts****Notes to the Financial Statements for the Year Ended 31 March 2025****18 Cash and cash equivalents**

	Group		Charity	
	2025	2024	2025	2024
	£	£	£	£
Cash at bank and in hand	100,291	88,465	90,071	76,063
Short-term deposits	340,976	328,972	340,976	328,972
	<u>441,267</u>	<u>417,437</u>	<u>431,047</u>	<u>405,035</u>

19 Creditors: amounts falling due within one year

	Group		Charity	
	2025	2024	2025	2024
	£	£	£	£
Trade creditors	60,998	37,991	59,992	35,923
Trading subsidiary corporation tax payable	-	(289)	-	-
Other taxation and social security	19,698	18,640	15,765	13,920
Other creditors	2,693	6,608	-	-
Accruals	122,141	110,141	122,141	110,141
	<u>205,530</u>	<u>173,091</u>	<u>197,898</u>	<u>159,984</u>

Deferred income

	2025	2024
	£	£
Deferred income at 1 April 2024	65,992	70,125
Resources deferred in the period	(53,185)	(75,429)
Amounts released from previous periods	<u>58,375</u>	<u>71,296</u>
Deferred income at year end	<u>71,182</u>	<u>65,992</u>

20 Obligations under leases**Operating lease commitments**

Total future minimum lease payments under non-cancellable operating leases are as follow:

	Group	
	2025	2024
	£	£
Other		
Within one year	<u>-</u>	<u>632</u>

Zion Arts Centre Limited

known as Z-Arts

Notes to the Financial Statements for the Year Ended 31 March 2025

21 Funds

Group	Balance at 1 April 2024 £	Incoming resources £	Resources expended £	Balance at 31 March 2025 £
Unrestricted funds				
<i>General</i>				
General	275,790	1,147,834	(1,126,338)	297,286
<i>Designated</i>				
Major capital depreciation reserve	158,171	-	(34,561)	123,610
Total unrestricted funds	433,961	1,147,834	(1,160,899)	420,896
Restricted funds				
ACE Capital	232,975	-	(93,689)	139,286
ACE Grandad Anansi	-	37,462	-	37,462
Cargill	11,000	6,000	(10,949)	6,051
Cargill HIWTAI	-	6,000	(6,000)	-
Clothworkers grant	-	6,200	(617)	5,583
Children In Need	14,730	-	(13,368)	1,362
ERF Danish Cities	3,049	-	(3,049)	-
Family Arts Network	4,932	7,740	(8,512)	4,160
Foyle Capital	40,000	-	-	40,000
Garfield Weston	-	30,000	(15,000)	15,000
Gorton Hub	-	9,996	(5,788)	4,208
Harmony Horizons	19,990	-	(13,595)	6,395
HAF Fund	-	6,108	(6,108)	-
HIWTAI NIF	-	1,174	(1,174)	-
International Womens NIF	-	250	(250)	-
Longsight Family Hub	9,409	-	(6,605)	2,804
MCC MADE Fund	2,866	33,082	(35,578)	370
Mcr Active HAF	-	7,550	-	7,550
MCEP Manchester Venues Recovery	40,271	-	(40,271)	-
National Lottery Reach	812	25,000	(24,666)	1,146
Paul Hamlyn	39,645	63,800	(62,085)	41,360
UK Theatres Trust	1,635	-	-	1,635
Torevell Partners	4,553	2,000	(2,208)	4,345
Total restricted funds	425,867	242,362	(349,512)	318,717

Zion Arts Centre Limited**known as Z-Arts****Notes to the Financial Statements for the Year Ended 31 March 2025**

	Balance at 1 April 2024 £	Incoming resources £	Resources expended £	Balance at 31 March 2025 £
Total funds	<u>859,828</u>	<u>1,390,196</u>	<u>(1,510,411)</u>	<u>739,613</u>
	Balance at 1 April 2023 £	Incoming resources £	Resources expended £	Balance at 31 March 2024 £
Unrestricted funds				
<i>General</i>				
General	259,727	1,163,263	(1,147,200)	275,790
<i>Designated</i>				
Major capital depreciation reserve	<u>192,732</u>	<u>-</u>	<u>(34,561)</u>	<u>158,171</u>
Total unrestricted funds	<u>452,459</u>	<u>1,163,263</u>	<u>(1,181,761)</u>	<u>433,961</u>
Restricted funds				
ACE Capital	102,940	227,834	(97,799)	232,975
Cargill	-	12,000	(1,000)	11,000
Creative Scotland 4 nations project	1,020	-	(1,020)	-
Children In Need	-	14,730	-	14,730
D'oyly Carte	3,000	-	(3,000)	-
ERF Danish Cities	13,628	-	(10,579)	3,049
Esme Fairburn	3,000	-	(3,000)	-
Family Arts Network	5,979	6,825	(7,872)	4,932
Foyle Capital	40,000	-	-	40,000
Garfield Weston	-	20,000	(20,000)	-
Ground Works Tesco Community Fund	-	996	(996)	-
Granada Foundation	-	3,000	(3,000)	-
Harmony Horizons	-	19,990	-	19,990
International Womens NIF	-	462	(462)	-
John Thaw	900	-	(900)	-
Longsight Family Hub	-	9,809	(400)	9,409
MCC MADE Fund	28,600	10,000	(35,734)	2,866
MCEP Manchester Venues Recovery	47,189	25,320	(32,238)	40,271
National Lottery Reach	-	25,000	(24,188)	812
Paul Hamlyn	34,470	77,300	(72,125)	39,645
Stun Capital	20,140	-	(20,140)	-
UK Theatres Trust	1,635	-	-	1,635
Torevell Partners	4,600	2,000	(2,047)	4,553

Zion Arts Centre Limited

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Notes to the Financial Statements for the Year Ended 31 March 2025

	Balance at 1 April 2023 £	Incoming resources £	Resources expended £	Balance at 31 March 2024 £
Youth Music	332	-	(332)	-
Total restricted funds	<u>307,433</u>	<u>455,266</u>	<u>(336,832)</u>	<u>425,867</u>
Total funds	<u>759,892</u>	<u>1,618,529</u>	<u>(1,518,593)</u>	<u>859,828</u>

Fund Restrictions

ACE Capital - Capital grant to upgrade theatre lighting, improve digital infrastructure and to build a new childrens library

Cargill - Grant to facilitate bright sparks after school programme and to improve catering facilities.

Children in Need - Grant to enable Z-access fun days and access facilitation in classes.

Creative Scotland 4 nations project - Fund to support digital performance research

D'oyly Carte - Grant to support the delivery of Z-arts Young Performers participatory arts activities.

ERF Danish Cities - Grant to facilitate cultural exchange between Manchester and Denmark

Esme Fairburn - Grant for the development of "Artichoke hearts" and a contribution to the childrens library.

Family Arts Network - Grant to facilitate the running of a network of family arts organisations.

Foyle Capital - Capital grant to upgrade theatre lighting to digital and build a new childrens library

Garfield Weston - Grant towards Z-arts core cost and to assist with increased utility costs.

Granada Foundation - Grant to support Big imaginations festival.

Zion Arts Centre Limited

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Notes to the Financial Statements for the Year Ended 31 March 2025

Ground Works - Grant to facilitate environmental themed workshops

HAF Mcr Active - To provide Holiday activities to Manchester School children

Harmony Horizons - Grant to enable provision of early years music programme.

John Thaw - Contribution towards little reads sessions in the library

Longsight Community Hub - Grant to support satellite afterschool clubs

MCC Made fund - Grant to facilitate projects within MADE manchesters cultural and education partnership

Manchester Literature Festival - Grant to support schools performances of I believe in Unicorns

MCEP Manchester Venues Recovery - Manchester venues contributions to fund MADE manchesters cultural and education partnership

NIF Winter Lights - Grant to support festive lights switch on event

MCC MADE Fund - MCC contribution towards the MADE project

MCC Nif Hiwtai - Neighbourhood investment grant towards Hulme is where the Arts is summerfestival

MCC Nif International Women's Day - Grant to provide workshops and activities to celebrate international women's day.

National Lotteries Reaching Communities - Grant to support the Brightsparks childrens after school project

Paul Hamlyn - 3-year grant for Terri and the Time machine schools project

Stun Capital - To redevelop the studio into a fully equipped theatre studio and refurbish the associated offices

Torevell Partners - Grant to support the childrens library

UK Theatres trust - To provide access and environmental improvements.

Youth and Play - Grant to support the Brightsparks childrens after school project

Youth Music - Grant to facilitate young people music project.

Zion Arts Centre Limited

known as Z-Arts

Notes to the Financial Statements for the Year Ended 31 March 2025

22 Analysis of net assets between funds

Group

	Unrestricted funds General £	Restricted funds £	Total funds at 31 March 2025 £
Tangible fixed assets	113,956	306,791	420,747
Current assets	512,470	11,926	524,396
Current liabilities	(205,530)	-	(205,530)
Total net assets	420,896	318,717	739,613
	Unrestricted funds General £	Restricted funds £	Total funds at 31 March 2024 £
Tangible fixed assets	2,219	435,843	438,062
Current assets	604,833	(9,977)	594,856
Current liabilities	(173,091)	-	(173,091)
Total net assets	433,961	425,866	859,827

23 Analysis of changes in Net Debt

Group

	At 1 April 2024 £	Cash flow £	At 31 March 2025 £
Cash at bank and in hand	88,465	11,826	100,291
Short-term deposits	328,972	12,004	340,976
Net debt	417,437	23,830	441,267
	At 1 April 2023 £	Cashflow £	At 31 March 2024 £
Cash at bank and in hand	53,114	35,351	88,465
Short-term deposits	306,824	22,148	328,972
Net debt	359,938	57,499	417,437

Zion Arts Centre Limited

known as Z-Arts

Notes to the Financial Statements for the Year Ended 31 March 2025

24 Related party transactions

The charity has a close working relationship with Manchester City Council: this body nominates directors (see trustees annual report) and provides funding to enable the charity to carry out its charitable objectives. Income totalling £234,457 (2024: £214,378) has been received during the year. Expenditure totalling £47,438 (2024: £47,905) has been incurred with the related party during the year. The balance outstanding at the year end was £34,872 (2024: £45,972).

The charity has a close working relationship with Manchester Cultural Education Partnership. Income totalling £6,000 (2024: £Nil) has been received during the year. Expenditure totalling £45,003 (2024: £Nil) has been incurred with the related party during the year. The balance outstanding at the year end was £3,575 (2024: £Nil). All the above fundraising was received either as core or grant funding. This income has been included in the financial statements under voluntary income and incoming resources from charitable activities. The above expenditure reflects invoiced costs in the year; it has been included in the financial statements under charitable expenditure.

The charity trustees were not paid or reimbursed expenses during the year in their capacity as trustees, however, there was a one-off payment of £75 to N Noor, Co-Chair of the charity, for the provision of training services.

ZION ARTS CENTRE LIMITED

England & Wales - Charity number 1093556

Accounts

Company registration number: 4101324

Charity registration number: 1093556

Zion Arts Centre Limited

known as

Z-Arts

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 March 2024

Zion Arts Centre Limited

known as Z-Arts

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Zion Arts Centre Limited

known as Z-Arts

Reference and Administrative Details

Trustees	A Barkatali
	F Bennett-Nielsen
	G Coombs
	A Gill
	E Kane
	R Kapoor
	M Kunda
	N Noor
	J Pickett
	E Ransome
	L Wallwein
Secretary	E O'Neill
Charity Registration Number	1093556
Company Registration Number	4101324
Registered Office	The charity is incorporated in England and Wales.
	335 Stretford Road
	Hulme
	Manchester
Auditor	M15 5ZA
	Beever and Struthers
	Chartered accountant & statutory auditor
	Suite 9b
	The Beehive
	Lions Drive
	Blackburn
Solicitors	BB1 2QS
	DWF LLP
	5 Castle Street
	Liverpool
Bankers	L2 4XE
	CAF Bank
	25 Kings Hill Avenue
	Kings Hill
	West Malling
	Kent
	ME19 4JQ

Zion Arts Centre Limited

known as Z-Arts

Trustees' Annual Report (Incorporating the Directors' Report)

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 March 2024.

Objectives and activities

Objects and aims

Z-arts is the UK's only dedicated arts centre for children and families; an arts organisation with national significance whilst still holding a role as the cultural epicentre of the Hulme community. In 2023-24 we welcomed 73,275 visitors to the building, and delivered 70,314 creative interactions.

The Charity's objectives are: -

To promote, maintain, improve, develop and advance public education and training in the arts for the benefit of, but not limited to, young people, by operating a centre for the presentation for the public of music, opera, dance, drama, the visual arts, films, video, multimedia, sound, exhibitions of all kinds as are conducive to the promotion, maintenance, improvement and participation in and advancement of education or to the encouragement of the arts, whether on premises owned or leased by the Company or elsewhere.

Z-arts uses creativity to inspire, enrich and enable children, young people and families to reach their potential and be the agents of change in their own lives.

In Our Arts Centre in Hulme, in education, in communities, at home and across networks

Developing Children, Young People, Educators, Artists and Family-togetherness

Objectives, strategies and activities

The Charity's main activities are: -

"The promotion and facilitation of arts events and activities for children, young people and families."

Zion Arts Centre Limited

known as Z-Arts

Trustees' Annual Report (Incorporating the Directors' Report)

Achievements and performance

Z-arts mission is to make a difference to the lives of some of the most disadvantaged children in Manchester, thereby improving their lives through increasing their mental and physical health and well-being. We do this through:

Participation:

In 2023/24 we returned close to pre-pandemic numbers, with 29,798 participation engagements in the following programmes:

• Bright Sparks

After-school, weekend, holiday activities across all art forms for ages 5-12+, plus pre-school and family activities; with over 10,000 engagements from 697 individual members accessing a choice of 1635 sessions.

• External participation, including schools

11,083 participation engagements outside of our building, delivering creative curriculum and enrichment activities in schools, we work closely with the 5 primary schools and nursery school in the ward, as well as local secondary schools, NHS schools programmes and Manchester Metropolitan University, on our doorstep; in a total of 81 schools across Greater Manchester and over 10,000 engagements.

• Strategic Lead for MADE Cultural Education Partnership

MADE is a collaboration between culture and education organisations from across Manchester, including art galleries, museums, theatres, schools, colleges and many more. All activities focus on four pillars: a creative curriculum for Manchester; Health & wellbeing; youth voice; employability. In November 2023 MADE became an independent company limited by guarantee, but remains based at Z-arts.

• Children's library

Our new library (opened in October 2022), designed by children, who also chose the kind of books they'd like it to hold, has become a much-loved part of our offer, with representative diverse books and early-years events programme to support literacy and a love of reading / stories: 393 members withdrawing almost 4,000 books, and reaching a record 6,000 visitors in the last quarter.

Performance

Children's Theatre

A high quality diverse, representative programme mix of popular names and experimental work for children and families in Z-arts theatre ages 0-12+. The quality of the programme and the marketing team has led to 11,283 audiences, our most successful year in theatre attendance.

Big Imaginations

This year we also celebrated ten years of managing the Big Imaginations children's theatre network, supporting and facilitating a children's theatre programme across some of the most remote areas in the Northwest, helping a further 13,892 people see theatre for families in areas where it wouldn't normally be available (more than double the audiences we had in the previous year).

Zion Arts Centre Limited

known as Z-Arts

Trustees' Annual Report (Incorporating the Directors' Report)

• Discover exhibition

This year saw a change-over in our annual immersive, interactive exhibition based on children's literature, for ages 0-8+. Fairytale ended in December, after almost two years in place, and was followed by Rob Biddulph's 100 Story Hotel, which opened in February. In total we received over 9,000 public and school visitors, with many returners, showing how popular and high quality the offer is.

• Family Escape Room

Our Family Escape Room opened in April 2023, with the first year proving very popular, and attracting 1,445 visitors from as far away as Australia as well as local families.

Community engagement:

• **Consultation groups** The Z-arts Fan Club (made up of families who attend on a regular basis) meet to offer advice on many aspects of our work, including designing the café menu, selecting shows for the theatre, or feeding ideas into new classes, projects or areas.

• **Community Events** working with community groups and other local charities and organisations e.g. Hulme is Where The Art is and the Winter Festival each with an estimated 500 people attending.

• **Community networks:** reengaging with diverse community networks in the area

Artist Development:

An Arts Council England NPO (National Portfolio Organisation) uplift specifically to support and grow our artist development programme has gone from strength to strength.

• Performers development programme

Supported by a new producer on the team, our newly regained studio theatre (previously sub-let) has been busy with artists making work for young audiences for 170 days. With a focus on diverse artists, this year we invested in 14 new pieces of work, working with 77 artists or companies.

• Creative Facilitator Training programme

The second year of our training and development programme has seen 11 entry level artists gain skills and begin employment as an artist through supporting our participation programme. The cohort runs September - June, with successful graduates continuing employment within the creative team.

• Mountview Theatre School: Foundation diploma

This year we entered the second year of a new relationship, hosting the Manchester branch of Mountview Theatre's School's foundation, increasing to a 2-form year; supporting new talent whilst at the same time replacing room hire income, previously lost after the pandemic.

Zion Arts Centre Limited

known as Z-Arts

Trustees' Annual Report (Incorporating the Directors' Report)

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance on public benefit and fee charging. The charity relies on the voluntary services of the trustees, and on grants and the income from fees and charges to cover its operating costs. In setting the level of fees and charges the trustees give consideration to the accessibility to activities for those on low income, ensuring that there is always a range of free activities and creative engagements for local families, alongside paid activities that help develop income.

Based in Hulme, we are committed to supporting our local communities as well as reaching out across Greater Manchester and the Northwest. We operate from a large Edwardian building which includes a 230-seat theatre, gallery, recording studio, music room, dance studio, café and numerous other rehearsal / meeting rooms. But there is much more to what we do that is outside of the building.

We lead networks:

- Big Imaginations children's theatre network, bringing brilliant children's theatre to all areas of the Northwest.
- MADE (Manchester Cultural Education partnership) with a vision to make Manchester a beacon for creative education, where the arts add magic to life experiences and learning for everyone.
- Manchester Family Arts Network, improving family provision across cultural venues in Manchester.

We engage with communities:

- School communities across greater Manchester, bringing creativity into education in both creative subjects and STEM subjects
- In our community, with large scale outdoor events like Hulme Is Where The Art is and the Winter Festival in Hulme Park

Our values cut through everything that we do, with our children, young people, families, visitors and staff team: Welcoming, Inclusive, Vibrant, Forward-thinking, Engaging and Fun.

Our Five aims

Primary Aim: Children

Children, young people and families across Greater Manchester and the wider North will have greater influence over, and gain more creative skills through a wide-reaching multi-art-form enrichment programme.

Secondary aims:

Performances

More, excellent performances for children and families will be available for audiences across the North

Audiences and participants

We will rebuild and grow existing audiences, with a greater number of diverse audiences engaging with and benefiting from our wide-ranging programme

Artists

More diverse artists will be nurtured and supported to make excellent contemporary theatre, performance and arts activities for children and families, with more opportunities to share the work and learning regionally, nationally and internationally.

Organisation

To grow as a resilient, nationally respected, strategic lead delivering best practice in performance and participatory arts activities and events for children and families.

Zion Arts Centre Limited

known as Z-Arts

Trustees' Annual Report (Incorporating the Directors' Report)

An Arts Council England (ACE) National Portfolio (NPO) uplift was granted in this year, totalling £401,853 p/a for three years (now extended until 2027), an increase from the previous grant of £255,000 p/a. We also received £184,488 p/a core funding from Manchester City Council (MCC) and £54,725 from Greater Manchester Combined Authorities (GMCA).

Terms of occupation and sub-letting of premises

The company occupies premises owned by Manchester City Council. There are ten years remaining of a 25 year lease. Negotiations have begun to extend the lease, with landlords confirming a letter of assurance in the meantime.

Public benefit

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Financial review

The Company has experienced a positive year financially, largely in line with budget expectations set out at the start of the year. Total funds increased by £99,935 to £859,828 (2023: £759,893) Unrestricted funds decreased by £18,947 to £433,961 (2023: £452,459) This decrease was due to capital depreciation of £34,561. Free reserves increased in the year by £14,952 to £268,865. Restricted funds increased by £118,433 primarily because of an Arts council capital grant which will be offset by depreciation over the coming years.

Total income increased by 12 % to £1,618,528. Donations and legacies were higher partly as a result of the ACE capital grant but also through an uplift in the ACE NPO funding. Income from charitable activities fell by 16.9%. Earned income through box office, venue hire and rentals remained the same as the previous year, but the fall in restricted project grant income is indicative of the current challenging environment for trusts and foundations funding. Higher interest rates contributed to an increase of £11,940 in investment income. The trading subsidiary income increased by 31.9% to £105,799 (2023: £87,217) This increase was driven by the opening of our family friendly escape room which sold out for the whole year.

Total expenditure increased by 3.5% to £1,518,593 (2023: £1,466,612) Trading company costs increased in line with income as the additional profits from the trading subsidiary were donated to the Charity. Charitable activity costs increased by 2.1% but this was largely driven by increased depreciation charges. Property costs reduced as the cost of utilities fell sharply as expected.

Zion Arts Centre Limited

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Trustees' Annual Report (Incorporating the Directors' Report)

Policy on reserves

Z-arts free reserves target figure should fall between 8 and 12 weeks of annual turnover (excluding any capital grant income). The target figure and this policy will be reviewed annually at board level. Free reserves are calculated as unrestricted reserves minus Unrestricted fixed assets book value minus any other stated designated reserves

Z-arts Reserve Policy prioritises the closure contingency of £218,090 ringfencing this amount first. A further reserve contingency of £50,000 should be held as a) a contingency in case of unforeseen loss or reduction of any revenue stream, b) funding being lost for any key projects to allow that project to continue for 6 months whilst alternative funding is sought and c) a sum to be used as match funding to advantage of any funding opportunities that may arise that would allow future creative projects. These figures give a total reserve target of £268,090.

It is deemed necessary to hold a closure contingency to allow for the winding down of the charity should the organisation be forced to close for unseen circumstances.

Wind down staff calculations have been calculated at x3 months commitment to senior management staff salaries and statutory redundancy payments for other staff. A further figure accounts for 3 months of the annual overheads budget (excluding salaries) to allow the building to remain open to facilitate an orderly wind down.

Any reserves held over the target figure will allow for a negative budget to be set for the following year allowing more spend on key creative projects which further the charities charitable aims.

Z-arts continue to diversify their funding streams through earned income, public bodies and private sponsorship to reduce reliance on any single source of income.

Following a positive financial performance our free reserves now stand at £268,865, in line with our reserve target figure. The budget for the year 2024-2025 anticipates a small (£6k) reduction in our free reserves.

Plans for future periods

Aims and key objectives for future periods

We receive strategic funding from Manchester City Council, to lead on best practice for engaging children and young people in arts and culture. We are an Arts Council England National Portfolio Organisation, leading and delivering the Big Imaginations regional network of children's theatre, programming and commissioning relevant, diverse theatre for the modern family. Our GMCA funding enables us to contribute to the GM Cultural Strategy.

In the previous year we had reached engagement figures comparable to pre-pandemic, so we set a 3-year target of achieving 70k in 2026. We achieved this in the first year 1, so we have revised our targets yet again with an aggregated increase target of 9% in 2024/25.

Our priorities are to offer creative opportunities to children and families who need it most, including reflecting and representing the diverse communities that surround us.

As well as continuing to offer all activities mentioned above under 'achievements and performance'.

Zion Arts Centre Limited

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Trustees' Annual Report (Incorporating the Directors' Report)

Activities planned to achieve aims

- An Early Years programme in partnership with Creative Health Greater Manchester, providing training and essential early years support across Manchester's family hubs and libraries.
- Children's library programme continues to grow, with a new Storyteller in Residence, Jan Blake
- Artists Development Programme, providing more training, development and performance opportunities for diverse artists making work for young audiences.
- Creative education supporting the cultural and education sectors to use creativity across the curriculum, to maximise learning and employment potential
- Environmental Awareness Advocacy, by programming and profiling an Environmental Awareness week aimed at our children and families, and starting to explore plans to create a outdoor learning space.
- Improving access and inclusion by programming more Z-access family arts events for families with additional needs, and working with landlords Manchester City Council to identify access improvements for the building.

Z-arts will continue to play a role as a major contributor to the cultural sector, by facilitating creative and cultural networks and partnership models; and by providing training and development for children, young people, and artists at the start of their career.

Going concern

The trustees have considered current risks including inflationary pressures on wages and the effect the ongoing cost of living crisis could have on future audiences, when considering whether the Company is able to operate as a going concern. After carefully considering the Company's financial position and forecasts, the trustees have concluded that it is appropriate to adopt the going concern basis of preparation.

This position has been informed by a number of factors, including:

- The continued support of Arts Council England through NPO funding, MCC through its revenue grant funding and continued GMCA funding.
- The ongoing partnership with Mountview theatre school which is increasing in size this year.
- Increased ongoing income from the trading company primarily through sales of the escape room.
- Robust and appropriate cost control measures in place to ensure annual costs delivered in line with annual budget, whilst continually reviewing opportunities to reduce costs such as energy efficiency measures to reduce energy usage.
- A reserves policy which has enabled reserves to increase to allow for any short-term downturns in income or support.

Zion Arts Centre Limited

known as Z-Arts

Trustees' Annual Report (Incorporating the Directors' Report)

Structure, governance and management

Nature of governing document

Z-arts is governed by a board of voluntary trustees, who employ a Chief Executive. There is a Senior Management Team of four. Decisions are made at Executive level, with decisions that have an impact on the business or a financial cost of over £2,000 being taken to trustee level. The CEO Reports to the trustees on a quarterly basis, in addition there is a quarterly finance sub-committee and focus groups reporting to the trustees on specific initiatives as required. All trustee and staff roles follow safe and inclusive recruitment procedures and undertake DBS checks. All salaries have been benchmarked against other Arts organisations to ensure that they are comparable and appropriate for the organisation. There is a thorough Terms of Reference for trustees and an induction procedure which was updated in April 2024.

Relationships with related parties

None of the trustees receive remuneration or any other benefits from their trusteeship. Each year trustees complete a Conflict of Interest Statement and a Declaration of Commitment Statement. Any connection between a trustee or a senior manager and a company, institution or artist that Z-arts engages with must be stated in this form, or at a meeting if it occurs during the year. In this year we have appointed two new trustees. Cllr Emily Rowles, appointed by Manchester City Council, who lease the building to Z-arts and provide strategic core funding, resigned for personal reasons and is not replaced until September 2024.

Major risks and management of those risks

The trustees have a risk management strategy which comprises a regular review of the risks the Company may face, the establishment of systems and processes designed to mitigate those risks and the implementation of procedures intended to minimise the impact on the Company should those risks materialise. This risk strategy is reviewed on a quarterly basis at board level.

The latest review highlighted:

- a) Loss of funding, recession and reduced earned income – mitigated by protecting reserves where possible; focus fundraising on core costs; operate project budgets at full cost recovery; maintain affordability options for those facing socio-economic disadvantage.
- b) The building still has some areas which are high risk - such as collapsed drains and damp ingress causing damage to walls and floors, and occasional power outages, but these risks are mitigated by close liaison with Corporate Property and having an MCC Exec on the board of trustees.

Statement of trustees' responsibilities

The trustees (who are also the directors of Zion Arts Centre Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report (Incorporating the Directors' Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". The report and accounts have been prepared in accordance with the provisions in the Companies Act 2006 relating to small companies.

Zion Arts Centre Limited

known as Z-Arts

Trustees' Annual Report (Incorporating the Directors' Report)

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees 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 parent charitable company and the group and of the incoming resources and application of resources, including its income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and 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, comprising FRS 102 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 parent charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that can disclose with reasonable accuracy at any time the financial position of the parent charitable company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the parent charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

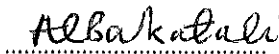
Disclosure of information to auditor

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

The annual report was approved by the trustees of the charity on ...13/9/24 and signed on its behalf by:



E O'Neill
Company secretary



A Barkatali
Trustee

Zion Arts Centre Limited

known as Z-Arts

Independent Auditor's Report to the Members of Zion Arts Centre Limited

Opinion

We have audited the financial statements of Zion Arts Centre Limited (the 'charitable parent company') and its subsidiaries (the 'group') for the year ended 31 March 2024, which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 31 March 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Zion Arts Centre Limited

known as Z-Arts

Independent Auditor's Report to the Members of Zion Arts Centre Limited

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the and Trustees' Annual Report (Incorporating the Directors' Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the and Trustees' Annual Report (Incorporating the Directors' Report) have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the and the Trustees' Annual Report (Incorporating the Directors' Report).

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

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of trustees' responsibilities (set out on pages 9 and 10), the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Zion Arts Centre Limited

known as Z-Arts

Independent Auditor's Report to the Members of Zion Arts Centre Limited

Auditor responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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

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

Zion Arts Centre Limited

known as Z-Arts

Independent Auditor's Report to the Members of Zion Arts Centre Limited

Use of our report

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



.....
Mark Bradley BA BTP FCA (Senior Statutory Auditor)
For and on behalf of Beever and Struthers, Statutory Auditor

Suite 9b
The Beehive
Lions Drive
Blackburn
BB1 2QS

Date: 05.11.24

Zion Arts Centre Limited

known as Z-Arts

Consolidated Statement of Financial Activities for the Year Ended 31 March 2024 (Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2024 £	Total 2023 £
Income and Endowments from:					
Donations and legacies	3	673,820	227,834	901,654	638,309
Charitable activities	4	365,559	227,431	592,990	713,318
Investment income	5	18,085	-	18,085	6,145
Other income	6	105,799	-	105,799	87,021
Total income		<u>1,163,263</u>	<u>455,265</u>	<u>1,618,528</u>	<u>1,444,793</u>
Expenditure on:					
Raising funds	7	(102,852)	-	(102,852)	(80,112)
Charitable activities	8	<u>(1,078,909)</u>	<u>(336,832)</u>	<u>(1,415,741)</u>	<u>(1,386,500)</u>
Total expenditure		<u>(1,181,761)</u>	<u>(336,832)</u>	<u>(1,518,593)</u>	<u>(1,466,612)</u>
Net (expenditure)/income		<u>(18,498)</u>	<u>118,433</u>	<u>99,935</u>	<u>(21,819)</u>
Net movement in funds		(18,498)	118,433	99,935	(21,819)
Reconciliation of funds					
Total funds brought forward		<u>452,459</u>	<u>307,434</u>	<u>759,893</u>	<u>781,712</u>
Total funds carried forward	21	<u>433,961</u>	<u>425,867</u>	<u>859,828</u>	<u>759,893</u>

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

The funds breakdown for 2023 is shown in note 21.

The notes on pages 19 to 37 form an integral part of these financial statements.

Zion Arts Centre Limited

known as Z-Arts

(Registration number: 4101324)

Consolidated Balance Sheet as at 31 March 2024

	Note	2024 £	2023 £
Fixed assets			
Tangible assets	14	438,062	514,168
Current assets			
Stocks	16	6,776	4,814
Debtors	17	170,644	78,418
Cash at bank and in hand	18	417,437	359,936
		594,857	443,168
Creditors: Amounts falling due within one year	19	(173,091)	(197,443)
Net current assets		421,766	245,725
Net assets		859,828	759,893
Funds of the group:			
Restricted income funds			
Restricted funds		425,867	307,434
Unrestricted income funds			
Designated Funds		158,171	192,732
General Funds		275,790	259,727
Total unrestricted funds		433,961	452,459
Total funds	21	859,828	759,893

The financial statements on pages 15 to 37 were approved by the trustees, and authorised for issue on 17/04/24 and signed on their behalf by:


A Barkatali
Trustee

The notes on pages 19 to 37 form an integral part of these financial statements.

Zion Arts Centre Limited

known as Z-Arts

(Registration number: 4101324)
Balance Sheet as at 31 March 2024

	Note	2024 £	2023 £
Fixed assets			
Tangible assets	14	436,952	514,121
Investments	15	<u>100</u>	<u>100</u>
		<u>437,052</u>	<u>514,221</u>
Current assets			
Stocks	16	2,881	-
Debtors	17	173,066	88,992
Cash at bank and in hand	18	<u>405,035</u>	<u>347,120</u>
		580,982	436,112
Creditors: Amounts falling due within one year	19	<u>(159,984)</u>	<u>(192,050)</u>
Net current assets		<u>420,998</u>	<u>244,062</u>
Net assets		<u>858,050</u>	<u>758,283</u>
Funds of the charity:			
Restricted income funds			
Restricted funds		425,867	307,434
Unrestricted income funds			
Designated Funds		158,171	192,732
General Funds		<u>274,012</u>	<u>258,117</u>
Total unrestricted funds		<u>432,183</u>	<u>450,849</u>
Total funds	21	<u>858,050</u>	<u>758,283</u>

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

The financial statements on pages 15 to 37 were approved by the trustees, and authorised for issue on 17/07/24 and signed on their behalf by:



A Barkatali
Trustee

The notes on pages 19 to 37 form an integral part of these financial statements.

Zion Arts Centre Limited

known as Z-Arts

Consolidated Statement of Cash Flows for the Year Ended 31 March 2024

	Note	2024 £	2023 £
Cash flows from operating activities			
Net movement in funds		99,935	(21,820)
Adjustments to cash flows from non-cash items			
Depreciation	14	148,079	75,894
Investment income	5	<u>(18,085)</u>	<u>(6,145)</u>
		229,929	47,929
Working capital adjustments			
(Increase)/decrease in stocks	16	(1,962)	1,766
(Increase)/decrease in debtors	17	(92,226)	7,686
Decrease in creditors	19	<u>(24,350)</u>	<u>(121,669)</u>
Net cash flows from operating activities		<u>111,391</u>	<u>(64,288)</u>
Cash flows from investing activities			
Interest receivable and similar income	5	18,085	6,145
Purchase of tangible fixed assets	14	<u>(71,975)</u>	<u>(331,148)</u>
Net cash flows from investing activities		<u>(53,890)</u>	<u>(325,003)</u>
Net increase/(decrease) in cash and cash equivalents		57,501	(389,291)
Cash and cash equivalents at 1 April		<u>359,936</u>	<u>749,227</u>
Cash and cash equivalents at 31 March		<u><u>417,437</u></u>	<u><u>359,936</u></u>

All of the cash flows are derived from continuing operations during the above two periods.

The notes on pages 19 to 37 form an integral part of these financial statements.

Zion Arts Centre Limited

known as Z-Arts

Notes to the Financial Statements for the Year Ended 31 March 2024

1 Charity status

The charity is limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

The address of its registered office is:

335 Stretford Road

Hulme

Manchester

M15 5ZA

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

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)) (issued in October 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Basis of preparation

Zion Arts Centre Limited 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.

Basis of consolidation

The Statement of Financial Activities (SOFA) and balance sheet consolidate the financial statements of the Charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line-by-line basis.

The Charity has availed itself of Paragraph 4(1) of Schedule 1 of the Small Companies and Groups (Accounts and Directors' Report) Regulations 2008 and adapted the Companies Act formats to reflect the special nature of the Charity's activities. A separate Statement of Financial Activities and income and expenditure account for the Charity has not been presented because the Trust has taken advantage of the exemption afforded by Section 408 of the Companies Act 2006.

Going concern

The trustees consider that there are no material uncertainties about the group's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the group.

Zion Arts Centre Limited

known as Z-Arts

Notes to the Financial Statements for the Year Ended 31 March 2024

Significant accounting estimates and judgements

In the application of the entity's accounting policies the Trustees are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects the current and future periods.

In the view of the Trustees no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year

Income and endowments

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

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Grants receivable

Grants are recognised when the group 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.

Investment income

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

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.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Zion Arts Centre Limited

known as Z-Arts

Notes to the Financial Statements for the Year Ended 31 March 2024

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.

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.

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.

Tangible fixed assets

All fixed assets are initially recorded at cost. Any fixed assets costing less than £500.00 are not capitalised but written off to revenue in the year of acquisition.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Major capital improvements and theatre seats	10%-25% straight line
Computer equipment and escape room	33% straight line
All other fixed assets	25% straight line

Stock

Stock is valued at the lower of cost and estimated selling price less costs to complete and sell, after due regard for obsolete and slow moving stocks. Cost is determined using the first-in, first-out (FIFO).

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.

Zion Arts Centre Limited

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Notes to the Financial Statements for the Year Ended 31 March 2024

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.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Fund structure

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

Designated funds are funds which have been allocated or designated for specific purposes by the company out of the unrestricted funds.

The charity has a number of restricted funds to account for in situations where a donor requires that a grant or donation must be spent on a particular purpose.

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the group 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 group after deducting all of its liabilities.

Recognition and measurement

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

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

Debt instruments are subsequently measured at amortised cost.

Zion Arts Centre Limited

known as Z-Arts

Notes to the Financial Statements for the Year Ended 31 March 2024

3 Income from donations and legacies

	Unrestricted funds General £	Restricted funds £	Total 2024 £
Donations and legacies;			
Monetary donations	19,754	-	19,754
Donation from Trading Subsidiary	13,000	-	13,000
Grants, including capital grants;			
Manchester City Council	184,488	-	184,488
Greater Manchester Combined Authority	54,725	-	54,725
Arts Council	401,853	227,834	629,687
	<u>673,820</u>	<u>227,834</u>	<u>901,654</u>
	Unrestricted funds General £	Restricted funds £	Total 2023 £
Donations and legacies;			
Monetary donations	12,630	-	12,630
Donation from Trading Subsidiary	4,200	-	4,200
Grants, including capital grants;			
Manchester City Council	184,488	-	184,488
Greater Manchester Combined Authority	49,750	-	49,750
Arts Council	259,692	127,549	387,241
	<u>510,760</u>	<u>127,549</u>	<u>638,309</u>

4 Income from charitable activities

	Unrestricted funds General £	Restricted funds £	Total 2024 £
Venue hire, shared BO and gallery	217,399	-	217,399
Project grants	62,995	227,431	290,426
Rents receivable	85,165	-	85,165
	<u>365,559</u>	<u>227,431</u>	<u>592,990</u>

Zion Arts Centre Limited

known as Z-Arts

Notes to the Financial Statements for the Year Ended 31 March 2024

	Unrestricted funds General £	Restricted funds £	Total 2023 £
Venue hire, shared BO and gallery	222,066	-	222,066
Project grants	75,450	334,489	409,939
Rents receivable	81,313	-	81,313
	<u>378,829</u>	<u>334,489</u>	<u>713,318</u>

5 Investment income

	Unrestricted funds General £	Total 2024 £	Total 2023 £
Interest receivable and similar income;			
Bank interest receivable	18,085	18,085	6,145

6 Other income

	Unrestricted funds General £	Total 2024 £
Income from trading subsidiary	105,799	105,799

	Unrestricted funds General £	Total 2023 £
Income from trading subsidiary	80,217	80,217
Covid insurance claim	3,500	3,500
Consultancy	3,304	3,304
	<u>87,021</u>	<u>87,021</u>

Zion Arts Centre Limited

known as Z-Arts

Notes to the Financial Statements for the Year Ended 31 March 2024

7 Expenditure on raising funds

a) Costs of trading activities

	Unrestricted funds General £	Total 2024 £	Total 2023 £
Trading subsidiary costs	102,852	102,852	80,112
	<u>102,852</u>	<u>102,852</u>	<u>80,112</u>

8 Expenditure on charitable activities

	Unrestricted funds General £	Restricted funds £	Total 2024 £
Staff costs	531,940	80,996	612,936
Activities costs	253,677	115,378	369,055
Other direct costs	7,106	336	7,442
Promotional costs	34,686	-	34,686
Training, recruitment, travel and motor	10,771	791	11,562
Professional fees	7,156	-	7,156
Bank charges and subscriptions	7,485	-	7,485
Property costs	169,072	32,086	201,158
Depreciation	41,705	106,245	147,950
Allocated support costs	15,311	1,000	16,311
	<u>1,078,909</u>	<u>336,832</u>	<u>1,415,741</u>

Zion Arts Centre Limited

known as Z-Arts

Notes to the Financial Statements for the Year Ended 31 March 2024

	Unrestricted funds General £	Restricted funds £	Total 2023 £
Activities costs	196,466	147,253	343,719
Other direct costs	11,104	4,466	15,570
Promotional costs	36,709	13,278	49,987
Training, recruitment, travel and motor	7,303	833	8,136
Professional fees	8,362	-	8,362
Bank charges and subscriptions	8,178	-	8,178
Property costs	160,764	70,182	230,946
Depreciation	35,375	40,281	75,656
Staff costs	488,530	143,657	632,187
Allocated support costs	12,759	1,000	13,759
	<u>965,550</u>	<u>420,950</u>	<u>1,386,500</u>

	Activity undertaken directly £	Activity support costs £	2024 £
Charitable activities	<u>1,399,430</u>	<u>16,311</u>	<u>1,415,741</u>
	Activity undertaken directly £	Activity support costs £	2023 £
Charitable activities	<u>1,372,741</u>	<u>13,759</u>	<u>1,386,500</u>

9 Net incoming/(outgoing) resources

Net incoming/(outgoing) resources for the year include:

	2024 £	2023 £
Operating Lease rentals	45,843	45,790
Depreciation of fixed assets	<u>148,079</u>	<u>75,894</u>

10 Trustees remuneration and expenses

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

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

Zion Arts Centre Limited

known as Z-Arts

Notes to the Financial Statements for the Year Ended 31 March 2024

11 Staff costs

The aggregate payroll costs were as follows:

	2024	2023
	£	£
Staff costs during the year were:		
Wages and salaries	631,904	643,275
Social security costs	49,440	51,174
Pension costs	10,582	10,933
	<u>691,926</u>	<u>705,382</u>

The average head count of persons (including senior management / leadership team) employed by the group during the year was 48 (2023: 45) The average number, expressed as full time equivalents, was as follows:

	2024	2023
	No	No
Operational staff	10	11
Creative staff	6	6
Management staff	5	5
Administration staff	2	3
	<u>23</u>	<u>25</u>

No employee received emoluments of more than £60,000 during the year.

Key management personnel are The Chief Executive, Head of Finance and Operations, Head of Premises and Technical, Head of Programming and Head of Creative Development. The total employee benefits of the key management personnel of the group were £236,974 (2023 - £226,354).

12 Auditors' remuneration

	2024	2023
	£	£
Fees payable to the external auditors		
The auditing of the financial statements	8,000	7,625
Preparation of financial statements	2,100	2,065
	<u>10,100</u>	<u>9,690</u>

Zion Arts Centre Limited

known as Z-Arts

Notes to the Financial Statements for the Year Ended 31 March 2024

13 Taxation

The group is a registered charity. The income and gains of the charity are exempt from taxation to the extent that they are applied to its charitable objectives.

14 Tangible fixed assets

Group

	Stun Studio £	Static & Portable Equipment £	Theatre Improvements £	Fixtures & Fittings £	Plant & Machinery £	Total £
Cost						
At 1 April 2023	227,866	222,656	443,824	4,020	114,938	1,013,304
Additions	-	3,748	60,922	1,245	6,060	71,975
At 31 March 2024	<u>227,866</u>	<u>226,404</u>	<u>504,746</u>	<u>5,265</u>	<u>120,998</u>	<u>1,085,279</u>
Depreciation						
At 1 April 2023	211,465	209,766	46,851	3,973	27,083	499,138
Charge for the year	<u>16,401</u>	<u>10,830</u>	<u>104,187</u>	<u>182</u>	<u>16,479</u>	<u>148,079</u>
At 31 March 2024	<u>227,866</u>	<u>220,596</u>	<u>151,038</u>	<u>4,155</u>	<u>43,562</u>	<u>647,217</u>
Net book value						
At 31 March 2024	<u>-</u>	<u>5,808</u>	<u>353,708</u>	<u>1,110</u>	<u>77,436</u>	<u>438,062</u>
At 31 March 2023	<u>16,401</u>	<u>12,890</u>	<u>396,973</u>	<u>47</u>	<u>87,855</u>	<u>514,166</u>

Zion Arts Centre Limited

known as Z-Arts

Notes to the Financial Statements for the Year Ended 31 March 2024

Charity

	Theatre Improvements £	Plant & Machinery £	Stun Studio £	Static & Portable Equipment £	Total £
Cost					
At 1 April 2023	443,824	114,938	227,866	222,656	1,009,284
Additions	60,922	6,060	-	3,748	70,730
At 31 March 2024	504,746	120,998	227,866	226,404	1,080,014
Depreciation					
At 1 April 2023	46,851	27,083	211,465	209,766	495,165
Charge for the year	104,187	16,479	16,401	10,830	147,897
At 31 March 2024	151,038	43,562	227,866	220,596	643,062
Net book value					
At 31 March 2024	353,708	77,436	-	5,808	436,952
At 31 March 2023	396,973	87,855	16,401	12,890	514,119

15 Fixed asset investments

Charity

Shares in group undertakings and participating interests

	Subsidiary undertakings £	Total £
Cost		
At 1 April 2023	100	100
At 31 March 2024	100	100
Net book value		
At 31 March 2024	100	100
At 31 March 2023	100	100

The investment represents 100% of the Ordinary Share Capital of 100 shares of £1 each of Z-Arts Trading Limited. Z-Arts Trading Limited is a wholly owned subsidiary of Zion Arts Centre Limited. The subsidiary company is incorporated in England and Wales. The principal activities during the year were the operation of a cafe bar.

Zion Arts Centre Limited

known as Z-Arts

Notes to the Financial Statements for the Year Ended 31 March 2024

16 Stock

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Stocks	<u>6,776</u>	<u>4,814</u>	<u>2,881</u>	<u>-</u>

17 Debtors

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Trade debtors	101,035	53,680	101,131	53,680
Due from group undertakings	-	-	4,806	10,574
Other debtors	<u>69,609</u>	<u>24,738</u>	<u>67,129</u>	<u>24,738</u>
	<u>170,644</u>	<u>78,418</u>	<u>173,066</u>	<u>88,992</u>

18 Cash and cash equivalents

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Cash at bank and in hand	88,465	53,112	76,063	40,296
Short-term deposits	<u>328,972</u>	<u>306,824</u>	<u>328,972</u>	<u>306,824</u>
	<u>417,437</u>	<u>359,936</u>	<u>405,035</u>	<u>347,120</u>

Zion Arts Centre Limited

known as Z-Arts

Notes to the Financial Statements for the Year Ended 31 March 2024

19 Creditors: amounts falling due within one year

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Trade creditors	37,991	38,879	35,923	37,519
Due to group undertakings	-	-	-	5
Trading subsidiary corporation tax payable	(289)	(225)	-	-
Other taxation and social security	18,640	7,507	13,920	5,515
Other creditors	6,608	2,271	-	-
Accruals	110,141	149,011	110,141	149,011
	<u>173,091</u>	<u>197,443</u>	<u>159,984</u>	<u>192,050</u>

Deferred income

	2024	2023
	£	£
Deferred income at 1 April 2023	70,125	157,891
Resources deferred in the period	(75,429)	(121,110)
Amounts released from previous periods	<u>71,296</u>	<u>33,344</u>
Deferred income at year end	<u>65,992</u>	<u>70,125</u>

20 Obligations under leases

Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follow:

	Group	
	2024	2023
	£	£
Other		
Within one year	632	843
Between one and five years	<u>-</u>	<u>632</u>
	<u>632</u>	<u>1,475</u>

Zion Arts Centre Limited

known as Z-Arts

Notes to the Financial Statements for the Year Ended 31 March 2024

21 Funds

Group

	Balance at 1 April 2023 £	Incoming resources £	Resources expended £	Balance at 31 March 2024 £
Unrestricted funds				
<i>General</i>				
General	259,727	1,163,263	(1,147,200)	275,790
<i>Designated</i>				
Major capital depreciation reserve	192,732	-	(34,561)	158,171
Total unrestricted funds	452,459	1,163,263	(1,181,761)	433,961
Restricted funds				
ACE Capital	102,940	227,834	(97,799)	232,975
Cargill	-	12,000	(1,000)	11,000
Creative Scotland 4 nations project	1,020	-	(1,020)	-
Children In Need	-	14,730	-	14,730
D'oyly Carte	3,000	-	(3,000)	-
ERF Danish Cities	13,628	-	(10,579)	3,049
Esme Fairburn	3,000	-	(3,000)	-
Family Arts Network	5,979	6,825	(7,872)	4,932
Foyle Capital	40,000	-	-	40,000
Garfield Weston	-	20,000	(20,000)	-
Ground Works Tesco Community Fund	-	996	(996)	-
Granada Foundation	-	3,000	(3,000)	-
Harmony Horizons	-	19,990	-	19,990
International Womens NIF	-	462	(462)	-
John Thaw	900	-	(900)	-
Longsight Family Hub	-	9,809	(400)	9,409
MCC MADE Fund	28,600	10,000	(35,734)	2,866
MCEP Manchester Venues Recovery	47,189	25,320	(32,238)	40,271
National Lottery Reach	-	25,000	(24,188)	812
Paul Hamlyn	34,470	77,300	(72,125)	39,645
Stun Capital	20,140	-	(20,140)	-
UK Theatres Trust	1,635	-	-	1,635
Torevell Partners	4,600	2,000	(2,047)	4,553

Zion Arts Centre Limited

known as Z-Arts

Notes to the Financial Statements for the Year Ended 31 March 2024

	Balance at 1 April 2023 £	Incoming resources £	Resources expended £	Balance at 31 March 2024 £
Youth Music	332	-	(332)	-
Total restricted funds	307,433	455,266	(336,832)	425,867
Total funds	759,892	1,618,529	(1,518,593)	859,828

	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2023 £
Unrestricted funds					
<i>General</i>					
General	300,568	982,755	(1,019,225)	(4,371)	259,727
<i>Designated</i>					
Family friendly escape room	20,000	-	-	(20,000)	-
Major capital depreciation reserve	194,799	-	(26,438)	24,371	192,732
	214,799	-	(26,438)	4,371	192,732
Total unrestricted funds	515,367	982,755	(1,045,663)	-	452,459

Restricted funds

ACE Artist development fund	57,059	11,715	(68,774)	-	-
ACE Capital	-	127,549	(24,609)	-	102,940
BIMM	-	1,600	(1,600)	-	-
Creative Scotland 4 nations project	3,943	-	(2,923)	-	1,020
Curious Minds MCEP	4,800	10,000	(14,800)	-	-
D'oyly Carte	3,500	3,000	(3,500)	-	3,000
ERF Danish Cities	26,828	2,500	(15,700)	-	13,628
Esme Fairburn	-	15,000	(12,000)	-	3,000
Family Arts Network	2,348	5,904	(2,273)	-	5,979
Foyle Capital	-	40,000	-	-	40,000
Ground Works Tesco Community Fund	500	-	(500)	-	-
HAF Mcr Active	4,452	16,510	(20,962)	-	-
Harold Hyam Wingate fund	2,770	-	(2,770)	-	-
John Thaw	-	1,000	(100)	-	900
Levi's Music Project	22,034	29,413	(51,447)	-	-
MCC MADE Fund	-	65,000	(36,400)	-	28,600
MCC Hiwtai	-	2,170	(2,170)	-	-

Zion Arts Centre Limited

known as Z-Arts

Notes to the Financial Statements for the Year Ended 31 March 2024

	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2023 £
MCEP	11,946	-	(11,946)	-	-
MCEP Manchester Venues					
Recovery	49,708	-	(2,519)	-	47,189
Mind the gap access	500	-	(500)	-	-
MCC Play day	-	2,000	(2,000)	-	-
One Mcr - Family Jam	1,950	-	(1,950)	-	-
One Mcr - Tiger School	2,999	-	(2,999)	-	-
Paul Hamlyn	-	115,000	(80,530)	-	34,470
Stun Capital	48,926	-	(28,786)	-	20,140
UK Theatres Trust	1,635	-	-	-	1,635
Uni Aberystwyth Placement	-	1,139	(1,139)	-	-
Torevell Partners	-	5,000	(400)	-	4,600
Thrive (Young Manchester)	11,233	-	(11,233)	-	-
Youth Music	9,213	2,836	(11,717)	-	332
Winter Festival	-	2,702	(2,702)	-	-
Total restricted funds	266,344	460,038	(418,949)	-	307,433
Total funds	781,711	1,442,793	(1,464,612)	-	759,892

Fund Restrictions

ACE Capital - Capital grant to upgrade theatre lighting, improve digital infrastructure and to build a new childrens library

Cargill - Grant to facilitate bright sparks after school programme and to improve catering facilities.

Children in Need - Grant to enable Z-access fun days and access facilitation in classes.

Creative Scotland 4 nations project - Fund to support digital performance research

D'oyly Carte - Grant to support the delivery of Z-arts Young Performers participatory arts activities.

ERF Danish Cities - Grant to facilitate cultural exchange between Manchester and Denmark

Esme Fairburn - Grant for the development of "Artichoke hearts" and a contribution to the childrens library.

Family Arts Network - Grant to facilitate the running of a network of family arts organisations.

Foyle Capital - Capital grant to upgrade theatre lighting to digital and build a new childrens library

Garfield Weston - Grant towards Z-arts core cost and to assist with increased utility costs.

Granada Foundation - Grant to support Big imaginations festival.

Zion Arts Centre Limited

known as Z-Arts

Notes to the Financial Statements for the Year Ended 31 March 2024

Ground Works - Grant to facilitate environmental themed workshops

HAF Mcr Active - To provide Holiday activities to Manchester School children

Harmony Horizons - Grant to enable provision of early years music programme.

John Thaw - Contribution towards little reads sessions in the library

Longsight Community Hub - Grant to support satellite afterschool clubs

MCC Made fund - Grant to facilitate projects within MADE manchesters cultural and education partnership

Manchester Literature Festival - Grant to support schools performances of I believe in Unicorns

MCEP Manchester Venues Recovery - Manchester venues contributions to fund MADE manchesters cultural and education partnership

NIF Winter Lights - Grant to support festive lights switch on event

MCC MADE Fund - MCC contribution towards the MADE project

MCC Nif Hiwtai - Neighbourhood investment grant towards Hulme is where the Arts is summerfestival

MCC Nif International Women's Day - Grant to provide workshops and activities to celebrate international women's day.

National Lotteries Reaching Communities - Grant to support the Brightsparks childrens after school project

Paul Hamlyn - 3-year grant for Terri and the Time machine schools project

Stun Capital - To redevelop the studio into a fully equipped theatre studio and refurbish the associated offices

Torevell Partners - Grant to support the childrens library

UK Theatres trust - To provide access and environmental improvements.

Youth and Play - Grant to support the Brightsparks childrens after school project

Youth Music - Grant to facilitate young people music project.

Zion Arts Centre Limited

known as Z-Arts

Notes to the Financial Statements for the Year Ended 31 March 2024

22 Analysis of net assets between funds

Group

	Unrestricted funds General £	Restricted funds £	Total funds at 31 March 2024 £
Tangible fixed assets	2,219	435,843	438,062
Current assets	431,742	(9,977)	421,765
Total net assets	433,961	425,866	859,827
	Unrestricted funds General £	Restricted funds £	Total funds at 31 March 2023 £
Tangible fixed assets	351,083	163,080	514,163
Current assets	101,374	144,354	245,728
Total net assets	452,457	307,434	759,891

23 Analysis of changes in Net Debt

Group

	At 1 April 2023 £	Cash flow £	At 31 March 2024 £
Cash at bank and in hand	53,114	35,351	88,465
Short-term deposits	306,824	22,148	328,972
Net debt	359,938	57,499	417,437
	At 1 April 2022 £	Cashflow £	At 31 March 2023 £
Cash at bank and in hand	155,419	(102,305)	53,114
Short-term deposits	593,808	(286,984)	306,824
Net debt	749,227	(389,289)	359,938

Zion Arts Centre Limited

known as Z-Arts

Notes to the Financial Statements for the Year Ended 31 March 2024

24 Related party transactions

The charity has a close working relationship with Manchester City Council; this body nominates directors (see trustees annual report) and provides funding to enable the charity to carry out its charitable objectives. Income totalling £214,378 (2023: £278,007) has been received during the year. Expenditure totalling £47,905 (2023: £52,307) has been incurred with the related party during the year. The balance outstanding at the year end was £45,972 (2023: £46,122).

All the above fundraising was received either as core or grant funding. This income has been included in the financial statements under voluntary income and incoming resources from charitable activities. The above expenditure reflects invoiced costs in the year; it has been included in the financial statements under charitable expenditure. The charity trustees were not paid or reimbursed expenses during the year in their capacity as trustees. One trustee was paid £nil (2023: £300) for performance as a poet. No other charity trustee received any emolument or payment for professional or other services. Elizabeth Ransome is co-Chair of the charity and also a teacher at Chorlton High School. Chorlton High hired the theatre at Z-arts for an afternoon schools performance for a fee of £780.

ZION ARTS CENTRE LIMITED

England & Wales - Charity number 1093556

Accounts

COMPANY REGISTRATION NUMBER: 04101324
CHARITY REGISTRATION NUMBER: 1093556

Zion Arts Centre Limited (T/A Z-Arts)

Company Limited by Guarantee

Consolidated Financial Statements

31 March 2023

Zion Arts Centre Limited (T/A Z-Arts)

Company Limited by Guarantee

Financial Statements

Year Ended 31 March 2023

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Zion Arts Centre Limited (T/A Z-Arts)

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report)

Year Ended 31 March 2023

The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the group for the year ended 31 March 2023.

Reference and Administrative Details

Registered charity name	Zion Arts Centre Limited (T/A Z-Arts)
Charity registration number	1093556
Company registration number	04101324
Principal office and registered office	335 Stretford Road Hulme Manchester M15 5ZA

The Trustees

S Armitage
A Lone (resigned 8 March 2023)
A Gill
G Lister (resigned 14 December 2022)
E Ransome (Co-chair from 14 December 2022)
E Rowles
F Bennett-Nielsen
L Green (resigned 8 March 2023)
N Noor (Co-chair from 14 December 2022)
A Barkatali
R Kapoor
L Wallwein
E Kane (appointed 8 March 2023)
M Kunda (appointed 8 March 2023)

Company Secretary	E O'Neill
Auditor	Beever and Struthers Chartered accountant & statutory auditor One Express 1 George Leigh St Manchester M4 5DL
Bankers	CAF Bank 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ
Solicitors	DWF LLP 5 Castle Street Liverpool L2 4XE

Zion Arts Centre Limited (T/A Z-Arts)

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2023

Objectives and Activities

Z-arts is the UK's only dedicated arts centre for children and families and is the cultural epicentre of the Hulme community. In 2022-23 we welcomed 66,349 visitors to the building, and delivered 70,205 creative interactions.

The Charity's objectives are: -

To promote, maintain, improve, develop and advance public education and training in the arts for the benefit of, but not limited to, young people, by operating a centre for the presentation for the public of music, opera, dance, drama, the visual arts, films, video, multimedia, sound, exhibitions of all kinds as are conducive to the promotion, maintenance, improvement and participation in and advancement of education or to the encouragement of the arts, whether on premises owned or leased by the Company or elsewhere.

- Z-arts uses creativity to inspire, enrich and enable children, young people and families to reach their potential and be the agents of change in their own lives.
- In Our Arts Centre in Hulme, in education, in communities, at home and across networks
- Developing Children, Young People, Educators, Artists and Family-togetherness

The Charity's main activities are: -

'The promotion and facilitation of arts events and activities for children, young people and families.'

Achievements and Performance

Z-arts mission to make a difference to the lives of some of the most disadvantaged children in Manchester, thereby improving their lives through increasing their mental and physical health and well-being. We do this through:

Participation:

In 2022/23 we returned close to pre-pandemic numbers, with 27,017 participation engagements in the following programmes:

- **Bright Sparks** After-school, weekend, holiday activities across all artforms for ages 5-12+, plus pre-school and family activities – 821 sessions with 591 individual members
- **School** creative curriculum and enrichment activities in schools, including via MADE partnership. We work closely with the 5 primary schools and nursery schools in the ward, as well as local secondary schools, NHS schools programmes and Manchester Metropolitan University, on our doorstep; in a total of 63 schools across Greater Manchester and 3, 856 engagements.
- **Children's library** new library with representative diverse books and events programme to support literacy and a love of reading / stories: 171 members withdrawing 1,554 books since opening in October 2022.

Zion Arts Centre Limited (T/A Z-Arts)

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2023

Performance:

- **Children's Theatre** a high quality diverse, representative programme for children and families in Z-arts theatre ages 0-12+, plus supporting and facilitating a children's theatre programme across some of the most remote areas in the North West through our role in managing the Big Imaginations Children's Theatre Network, which will celebrate its ten year anniversary in 2023. 6,285 audiences in Z-arts, with a further 6,088 across Big Imaginations venues.
- **Discover exhibition** immersive, interactive exhibition based on children's literature, changing annually ages 0-8+. This year has been Fairytales, with 19,996 public and school visitors.

Community engagement:

- **Consultation groups** The Z-arts Fan Club and Friends of Z-arts influencing activities.
- **Community Events** e.g. Hulme is Where The Art is and the Winter Festival each with an estimated 500 people attending.
- **Community networks:** re-engaging with diverse community networks in the area

Artist Development:

- **Performers development programme** supporting artists making work for young audiences with a focus on diverse artists, this year we invested in 8 new pieces of work, working with 85 artists or companies and offering 345 days of artist development support.
- **Creative Facilitator Training programme** nurturing 13 entry level artists to gain skills and begin employment as an artist through supporting our participation programme.

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance on public benefit and fee charging. The charity relies on the voluntary services of the trustees, and on grants and the income from fees and charges to cover its operating costs. In setting the level of fees and charges the trustees give consideration to the accessibility to activities for those on low incomes.

Based in Hulme, we are committed to supporting our local communities as well as reaching out across Greater Manchester and the North West. We operate from a large Edwardian building which includes a 230-seat theatre, gallery, recording studio, music room, dance studio, café and numerous other rehearsal / meeting rooms. But there is much more to what we do that is outside of the building.

We lead networks:

- **Big Imaginations children's theatre network**, bringing brilliant children's theatre to all areas of the North West
- **MADE (Manchester Cultural Education partnership)** with a vision to make Manchester a beacon for creative education, where the arts add magic to life experiences and learning for everyone.
- **Manchester Family Arts Network**, improving family provision across cultural venues in Manchester.

We engage with communities:

- **School communities** across greater Manchester, bringing creativity into education in both creative subjects and STEM subjects
- **In our community**, with large scale outdoor events like Hulme Is Where The Art is and the Winter Festival in Hulme Park

Zion Arts Centre Limited (T/A Z-Arts)

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2023

Our values cut through everything that we do, with our children, young people, families, visitors and staff team: Welcoming, Inclusive, Vibrant, Forward-thinking, Engaging and Fun.

Our Five Aims

Primary Aim: Children

Children, young people and families across Greater Manchester and the wider North will have greater influence over, and gain more creative skills through a wide-reaching multi-art-form enrichment programme.

Secondary aims:

Performances

More, excellent performances for children and families will be available for audiences across the North

Audiences and participants

We will rebuild and grow existing audiences, with a greater number of diverse audiences engaging with and benefiting from our wide-ranging programme

Artists

More diverse artists will be nurtured and supported to make excellent contemporary theatre, performance and arts activities for children and families, with more opportunities to share the work and learning regionally, nationally and internationally.

Organisation

To grow as a resilient, nationally respected, strategic lead delivering best practice in performance and participatory arts activities and events for children and families

Terms of occupation and sub-letting of premises

The company occupies premises owned by Manchester City Council. The company has benefited from its occupation through its own use of the premises and through sub-letting part of the premises. We provide an affordable base for emerging artists and Creative SME's to base themselves and produce new work. Our primary tenant is Sustained Theatre Up North (STUN) who inhabit our studio theatre on a ten-year sub-lease, supported by Arts Council England, until 1st November 2023.

Financial Review

The Company has experienced a satisfactory year financially in line with budgets set out at the start of the year. Total funds decreased by £21,820. Restricted funds increased by £41,088 but this is largely due to unspent capital grants at year end with the amounts remaining in restricted project grants decreasing as projects were completed within the year. Unrestricted funds decreased by £62,908 in the year. £26,438 of this was depreciation of capital improvements and the remaining £36,470 was due to a budgeted increase in spending on charitable activities, utilising free reserves built up in the previous year.

Total income increased by 19.6% to £1,444,793 (2022 : £1,208,164) Donations and legacies increased as a result of an Arts Council capital grant. Earned income from box office, room hire and tenant income increased by 55.5% to £303,379 (2022: £195,184) reflecting greater activity as audiences returned after the pandemic. Increased footfall in the building contributed to an increase of 48% in income from the trading subsidiary which operates the Z-arts café and merchandising. Income rose from £54,114 in 2022 to £80,217 this year.

Zion Arts Centre Limited (T/A Z-Arts)

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2023

Expenditure increased by just over 18% to £1,466,613 (2022: £1,241,460). The two main drivers of the increase were increased property costs due to an increase in gas and electricity bills and an increase in staffing costs. Gas and electricity bills increased by 121.5% in the year (£51,138 in 2022, £113,634 in 2023) despite a decrease in actual energy usage from environmental improvements and upgrades. Staffing costs rose by 23% (£574,233 in 2022, £705,382 in 2023) partially as a result of returning to a full complement of staff after the pandemic but also upward pressure on wages from inflation and a commitment to paying all staff the living wage.

Gas and electricity prices have moderated significantly post year end and look set to fall further as the electricity fixed contract ends in October 23.

Principle Risks and Uncertainties

The trustees have a risk management strategy which comprises a regular review of the risks the Company may face, the establishment of systems and processes designed to mitigate those risks and the implementation of procedures intended to minimise the impact on the Company should those risks materialise. This risk strategy is reviewed on a quarterly basis at board level.

The latest review highlighted:

- a) Loss of funding, recession and reduced earned income – mitigated by protecting reserves where possible; focus fundraising on core costs; operate project budgets at full cost recovery; maintain affordability options for those facing socio-economic disadvantage.
- b) The building still has some areas which are high risk - such as collapsed drains and damp ingress causing damage to walls and floors, and occasional power outages, but these risks are mitigated by close liaison with Corporate Property and having an MCC Exec on the board of trustees.

Going Concern

The trustees have considered, inflationary pressures on both wages and utilities, and the effect the ongoing cost of living crisis could have on future audiences, when considering whether the Company is able to operate as a going concern. After carefully considering the Company's financial position and forecasts, the trustees have concluded that it is appropriate to adopt the going concern basis of preparation.

This position has been informed by a number of factors, including:

- The continued support of Arts Council England through NPO funding, MCC through its revenue grant funding and continued GMCA funding.
- The ongoing partnership with Mountview theatre school which is increasing in size this year.
- The new children's library which opened in October and a family friendly escape room which opened on the first of April this year which has increased both footfall and visibility.
- A reserves policy which has enabled reserves to increase to allow for any short term downturns in income or support.
- A considerable reduction in energy usage following environmental upgrades including solar panels installed in 2022 and new LED theatre lighting installed in February 23 alongside a sizeable reduction in energy costs.

Zion Arts Centre Limited (T/A Z-Arts)

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2023

Reserves Policy

Z-arts free reserves target figure should fall between 8 and 12 weeks of pre-pandemic annual turnover. The target figure and this policy will be reviewed annually at board level. Free reserves are calculated as unrestricted reserves minus Unrestricted fixed assets book value minus any other stated designated reserves.

Z-arts Reserve Policy prioritises the closure contingency of £215,516 ringfencing this amount first. A further reserve contingency of £50,000 should be held as a) a contingency in case of unforeseen loss or reduction of any revenue stream, b) funding being lost for any key projects to allow that project to continue for 6 months whilst alternative funding is sought and c) a sum to be used as match funding to advantage of any funding opportunities that may arise that would allow future creative projects. These figures give a total reserve target of £265,516.

It is deemed necessary to hold a closure contingency to allow for the winding down of the charity should the organisation be forced to close for unseen circumstances. The closure contingency figure is recalculated each year but follows the same methodology. Wind down staff calculations have been calculated at x3 months commitment to senior management staff salaries and statutory redundancy payments for other staff. A further figure accounts for 3 months of the annual overheads budget (excluding salaries) to allow the building to remain open to facilitate an orderly wind down.

Any reserves held over the target figure will allow for a negative budget to be set for the following year allowing more spend on key creative projects which further the charities charitable aims.

Z-arts continue to diversify their funding streams through earned income, public bodies and private sponsorship to reduce reliance on any single source of income.

Our free reserves now stand at £250,577, £14,979 under the reserves target figure. A balanced budget has been set for 2023/2024 however any surplus achieved in the year will be used to bring the reserves back to the target figure.

Plans for Future Periods

Z-arts enters a new three year plan for 2023-2026, which is forecast as period of stability for Z-arts, with confirmed funding from three core funders Arts Council England, Manchester City Council and Greater Manchester Combined Authorities.

We receive strategic funding from Manchester City Council, to lead on best practice for engaging children and young people in arts and culture. We are an Arts Council England National Portfolio Organisation, leading and delivering the Big Imaginations regional network of children's theatre, programming and commissioning relevant, diverse theatre for the modern family. Our GMCA funding enables us to contribute to the GM Cultural Strategy.

Activities, audiences and participants have returned to numbers that are comparable to pre-pandemic, so we are aiming for only slight annual increases in our KPI targets. Our total interactions in 2022/23 were 44k, and we intend to increase these to 70k by 2026.

Zion Arts Centre Limited (T/A Z-Arts)

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2023

Our priorities are to offer creative opportunities to children and families who need it most, including reflecting and representing the diverse communities that surround us.

New models which were explored during and post-pandemic will be integrated into core delivery, including a children's library, a family escape room and more flexible opening times.

Specific areas of development will be:

- **Family Escape Room** children's literature-themed immersive challenge activity for families from aged 6+
- **A children's library programme** to encourage young readers and support local diverse authors
- **Artists Development Programme**, thanks to increased investment from ACE NPO to support diverse artists making performance or participatory work for young audiences.

Z-arts will continue to play a role as a major contributor to the cultural sector, by facilitating creative and cultural networks and partnership models; and by providing training and development for children, young people, and artists at the start of their career. 2023 - 2026 will see us continue to build this recognition both within Manchester, and nationally.

Structure, Governance, and Management

Z-arts is governed by a board of voluntary trustees, who employ a Chief Executive. There is a Senior Management Team of four. Decisions are made at Executive level, with decisions that have an impact on the business or a financial cost of over £2,000 being taken to trustee level. The CEO Reports to the trustees on a quarterly basis, in addition there is a quarterly finance sub-committee and focus groups reporting to the trustees on specific initiatives as required. All trustee and staff roles follow safe and inclusive recruitment procedures. All salaries have been benchmarked against other Arts organisations to ensure that they are comparable and appropriate for the organisation. There is a thorough Terms of Reference for trustees and an induction procedure which was updated in August 2020.

Related Parties

None of the trustees receive remuneration or any other benefits from their trusteeship. Each year trustees complete a Conflict of Interest Statement and a Declaration of Commitment Statement. Any connection between a trustee or a senior manager and a company, institution or artist that Z-arts engages with must be stated in this form, or at a meeting if it occurs during the year.

Cllr Emily Rowles is a trustee appointed by Manchester City Council. Manchester City council lease the building to Z-arts, and also provide strategic core funding. Cllr Rowles also sits on the board of One Manchester.

Trustees' Responsibilities Statement

The trustees, who are also directors for the purposes of company law, are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

In preparing these financial statements, the trustees are required to:

- ☐ select suitable accounting policies and then apply them consistently;

Zion Arts Centre Limited (T/A Z-Arts)

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2023

- ☐ observe the methods and principles in the applicable Charities SORP;
- ☐ make judgments and accounting estimates that are reasonable and prudent;
- ☐ 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 adequate accounting records that are sufficient to show and explain the charity's transactions and 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 Companies Act 2006. They 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.

Auditor

Each of the persons who is a trustee at the date of approval of this report confirms that:

- ☐ so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- ☐ they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

Small Company Provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

The trustees' annual report was approved on 11/10/23 and signed on behalf of the board of trustees by:



Amy Barkatali
Treasurer



Elizabeth O'Neill
Company Secretary

Zion Arts Centre Limited (T/A Z-Arts)

Company Limited by Guarantee

Independent Auditor's Report to the Members of Zion Arts Centre Limited (T/A Z-Arts)

Year ended 31 March 2023

Opinion

We have audited the group and the parent charity group financial statements of Zion Arts Centre Limited (T/A Z-Arts) (the 'charity') for the year ended 31 March 2023 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for Opinion

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

Conclusions Relating to Going Concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent charitable company's ability to continue as a going concern for a period of least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Zion Arts Centre Limited (T/A Z-Arts)

Company Limited by Guarantee

Independent Auditor's Report to the Members of Zion Arts Centre Limited (T/A Z-Arts) (continued)

Year ended 31 March 2023

Other Information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on Other Matters Prescribed by the Companies Act 2006

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

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

Matters on Which We are Required to Report by Exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

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

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

Zion Arts Centre Limited (T/A Z-Arts)

Company Limited by Guarantee

Independent Auditor's Report to the Members of Zion Arts Centre Limited (T/A Z-Arts) (continued)

Year ended 31 March 2023

Responsibilities of Trustees

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Zion Arts Centre Limited (T/A Z-Arts)

Company Limited by Guarantee

Independent Auditor's Report to the Members of Zion Arts Centre Limited (T/A Z-Arts) (continued)

Year ended 31 March 2023

Use of Our Report

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



Sue Hutchinson FCCA
SENIOR STATUTORY AUDITOR

For and on behalf of Beever and Struthers, Statutory Auditor
One Express
1 George Leigh Street
Manchester
M4 5DL

Dated: 05 December 2023

Zion Arts Centre Limited (T/A Z-Arts)

Company Limited by Guarantee

Consolidated Statement of Financial Activities (including income and expenditure account)

31 March 2023

		Unrestricted funds	Restricted funds	Total funds 2023	Total funds 2022
	Note	£	£	£	£
Income and endowments					
Donations and legacies	5	510,760	127,549	638,309	525,513
Charitable activities	6	378,829	334,489	713,318	627,353
Investment income	7	6,145	-	6,145	608
Trading activities					
Commercial trading operations	8	80,217	-	80,217	54,114
Other Income	9	6,804	-	6,804	576
		<u>982,755</u>	<u>462,038</u>	<u>1,444,793</u>	<u>1,208,164</u>
Expenditure					
Expenditure on charitable activities	10,11	965,550	420,950	1,386,500	1,188,155
Expenditure on raising funds:					
Commercial trading operations	8	80,113	-	80,113	53,305
Total expenditure		<u>1,045,663</u>	<u>420,950</u>	<u>1,466,613</u>	<u>1,241,460</u>
Net (expenditure)/Income and net movement in funds		<u>(62,908)</u>	<u>41,088</u>	<u>(21,820)</u>	<u>(33,296)</u>
Transfers between funds		-	-	-	-
Net movement in funds		<u>(62,908)</u>	<u>41,088</u>	<u>(21,820)</u>	<u>(33,296)</u>
Reconciliation of funds					
Total funds brought forward		<u>515,366</u>	<u>266,346</u>	<u>781,712</u>	<u>815,008</u>
Total funds carried forward		<u>452,459</u>	<u>307,434</u>	<u>759,893</u>	<u>781,712</u>

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

Zion Arts Centre Limited (T/A Z-Arts)

Company Limited by Guarantee

Consolidated and Charity Statement of Financial Position

31 March 2023

		Group		Charity	
		2023	2022	2023	2022
		£	£	£	£
Fixed assets					
Tangible fixed assets	16	514,166	258,913	514,116	258,629
Investments	17	-	-	100	100
		<u>514,166</u>	<u>258,913</u>	<u>514,216</u>	<u>258,729</u>
Current assets					
Stocks	18	4,814	6,580	-	-
Debtors	19	78,418	86,106	88,989	92,819
Investments	20	306,824	593,808	306,824	593,808
Cash at bank and in hand	20	53,112	155,419	40,298	150,891
		<u>443,168</u>	<u>841,913</u>	<u>436,111</u>	<u>837,518</u>
Creditors: amounts falling due within one year	21	<u>197,441</u>	<u>319,114</u>	<u>192,044</u>	<u>316,040</u>
Net current assets		<u>245,727</u>	<u>522,799</u>	<u>244,067</u>	<u>521,478</u>
Total assets less current liabilities		<u>759,891</u>	<u>781,712</u>	<u>758,283</u>	<u>780,207</u>
Net assets		<u>759,893</u>	<u>781,712</u>	<u>758,283</u>	<u>780,207</u>
Funds of the charity					
Restricted funds		307,434	266,346	307,434	266,346
Unrestricted funds:					
General funds		259,727	300,567	258,117	299,062
Designated fund		192,732	214,799	192,732	214,799
Total charity funds	22	<u>759,893</u>	<u>781,712</u>	<u>758,283</u>	<u>780,207</u>

The Trustees have prepared group accounts in accordance with Section 398 of the Companies Act 2006 and Section 138 of the Charities Act 2011. These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

These financial statements were approved by the board of trustees and authorised for issue on 14 October 2023 and are signed on behalf of the board by:

A Barkatali

A Barkatali
Trustee

Zion Arts Centre Limited (T/A Z-Arts)

Company Limited by Guarantee

Statement of Cash Flows and Consolidated Statement of Cash Flows

Year ended 31 March 2023

	Group 2023 £	2022 £	Charity 2023 £	2022 £
Cash flows from operating activities				
Net income/(expenditure)	(21,820)	(33,296)	(21,924)	(33,414)
<i>Adjustments for:</i>				
Depreciation of tangible fixed assets	75,894	66,919	75,657	66,228
Other interest receivable and similar income	(6,145)	(608)	(6,145)	(608)
Profit on sale of assets	-	(158)	-	(158)
<i>Changes in:</i>				
Stocks	1,766	(4,725)	-	-
Trade and other debtors	7,688	28,879	3,830	37,736
Trade and other creditors	(121,669)	54,210	(123,991)	44,132
Cash generated from operations	(64,286)	111,222	(72,573)	113,917
Interest received	6,145	608	6,145	608
Proceeds from fixed asset disposals	-	158	-	158
Net cash used in operating activities	<u>(58,141)</u>	<u>111,988</u>	<u>(66,428)</u>	<u>114,683</u>
Cash flows from investing activities				
Purchase of tangible assets	(331,148)	(93,629)	(331,148)	(93,629)
Net cash used in investing activities	<u>(331,148)</u>	<u>(93,629)</u>	<u>(331,148)</u>	<u>(93,629)</u>
Net decrease in cash and cash equivalents	(389,289)	18,358	(397,576)	21,053
Cash and cash equivalents at beginning of year	749,227	730,869	744,699	723,646
Cash and cash equivalents at end of year	20 <u>359,938</u>	<u>749,227</u>	<u>347,123</u>	<u>744,699</u>

Zion Arts Centre Limited (T/A Z-Arts)

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 March 2023

1. General Information

The charity is a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is 335 Stretford Road, Hulme, Manchester, M15 5ZA.

2. 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 2019) - (Charities SORP (FRS 102)), the Charities Act 2011, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

3. Accounting Policies

Basis of Preparation

Zion Arts Centre Limited (T/A Z-Arts) meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Preparation of the accounts on a going concern basis

There are no material uncertainties about the charity's ability to continue, therefore, the accounts have been prepared on a going concern basis.

Basis of Consolidation

The Statement of Financial Activities (SOFA) and balance sheet consolidate the financial statements of the Charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line-by-line basis.

The Charity has availed itself of Paragraph 4(1) of Schedule 1 of the Small Companies and Groups (Accounts and Directors' Report) Regulations 2008 and adapted the Companies Act formats to reflect the special nature of the Charity's activities. A separate Statement of Financial Activities and income and expenditure account for the Charity has not been presented because the Trust has taken advantage of the exemption afforded by Section 408 of the Companies Act 2006.

Zion Arts Centre Limited (T/A Z-Arts)

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

3. Accounting Policies *(continued)*

Fund Accounting

The charity has a number of restricted funds to account for in situations where a donor requires that a grant or donation must be spent on a particular purpose. All other funds are unrestricted income funds.

Designated funds are funds which have been allocated or designated for specific purposes by the company out of the unrestricted funds.

The funds held in each of these categories are disclosed in note 22.

Stock

Stocks are valued at the lower of cost or net realisable value, after making due allowance for obsolete or slow moving items.

Incoming Resources

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

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable, and its amount can be measured reliably.
- legacy income is recognised when receipt is probable, and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources Expended

Expenditure is recognised when a liability is incurred.

Charitable activities include the expenditure associated with the operation of the charity and include both the direct costs and support costs relating to these activities.

Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

Support costs include the central functions that are not attributable to a single activity, rather providing the infrastructure that enables the activities to take place.

Zion Arts Centre Limited (T/A Z-Arts)

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

3. Accounting Policies *(continued)*

Tangible Assets

All fixed assets are initially recorded at cost. Any fixed assets costing less than £500 are not capitalised but written off to revenue in the year of acquisition.

Depreciation is provided on the cost of tangible fixed assets in order to write off the over the expected useful life of the asset's life on a straight-line basis.

Depreciation

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

Major capital improvements and theatre seats	-	10% straight line
Computer equipment	-	33% straight line
All other fixed assets/ escape room	-	25% straight line

Investments

Unlisted equity investments are initially recorded at cost, and subsequently measured at fair value. If fair value cannot be reliably measured, assets are measured at cost less impairment.

Financial Instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

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

Debt instruments are subsequently measured at amortised cost.

Significant Accounting Estimates and Judgements

In the application of the entity's accounting policies the Trustees are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects the current and future periods.

In the view of the Trustees no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year

Zion Arts Centre Limited (T/A Z-Arts)

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

4. Limited by Guarantee

The charity is a company limited by guarantee and is governed by its Memorandum and Articles of Association dated 2nd November 2000 and as amended by two special resolutions dated 5th August 2010 and 15th March 2016. It is registered as a charity with the Charity Commission.

Persons are admitted to membership by the unanimous approval of the existing members. Members may cease to be members of the company by serving notice of their intention to resign.

There are currently eleven members of the company, each of whom agrees to contribute a sum not exceeding £1 in the event of the charity being wound up.

5. Donations and Legacies - Charity

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Donations			
Monetary donations	12,630	-	12,630
Donation from Trading Subsidiary	4,200	-	4,200
	<u>16,830</u>	<u>-</u>	<u>16,830</u>
Grants			
Manchester City Council	184,488	-	184,488
Greater Manchester Combined Authority	49,750	-	49,750
Arts Council	259,692	127,549	387,241
	<u>493,930</u>	<u>127,549</u>	<u>621,479</u>
Total	<u>510,760</u>	<u>127,549</u>	<u>638,309</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Donations			
Monetary donations	10,186	-	10,186
Donation from Trading Subsidiary	3,000	-	3,000
	<u>13,186</u>	<u>-</u>	<u>13,186</u>
Grants			
Manchester City Council	184,488	-	184,488
Greater Manchester Combined Authority	49,750	-	49,750
Arts Council	259,692	-	259,692
Covid-19 furlough grant	18,397	-	18,397
	<u>512,327</u>	<u>-</u>	<u>512,327</u>
Total	<u>525,513</u>	<u>-</u>	<u>525,513</u>

Zion Arts Centre Limited (T/A Z-Arts)

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

6. Charitable Activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Venue hire, shared BO and gallery	222,066	-	222,066
Project grants	75,450	334,489	409,939
Rents receivable	81,313	-	81,313
	<u>378,829</u>	<u>334,489</u>	<u>713,318</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Venue hire, shared BO and gallery	146,817	-	146,817
Project grants	108,948	323,221	432,169
Rents receivable	48,367	-	48,367
	<u>304,132</u>	<u>323,221</u>	<u>627,353</u>

7. Investment Income - Charity

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Bank interest receivable	<u>6,145</u>	<u>6,145</u>	<u>608</u>	<u>608</u>

8. Commercial Trading Operations

Commercial trading operations relates to the trading subsidiary company Z-Arts Trading Limited, company number 8468095. The profit during the year ended 31 March 2023 was £104 (2022: £118).

9. Other Income - Charity

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Profit on Sale of fixed asset	-	-	158	158
Trading Income – Presentation fee	-	-	418	418
Covid insurance claim	3,500	3,500	-	-
Consultancy	<u>3,304</u>	<u>3,304</u>	<u>-</u>	<u>-</u>

Zion Arts Centre Limited (T/A Z-Arts)

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

10. Expenditure on Charitable Activities by Fund Type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Salaries and employer's NIC	488,530	143,657	632,187
Activities costs	196,466	147,253	343,719
Other direct costs	11,104	4,466	15,570
Promotional costs	36,709	13,278	49,987
Training, recruitment, travel, and motor	7,303	833	8,136
Professional fees	8,362	-	8,362
Bank charges and subscriptions	8,178	-	8,178
Property costs	160,764	70,182	230,946
Depreciation	35,375	40,281	75,656
Support costs	12,759	1,000	13,759
	<u>965,550</u>	<u>420,950</u>	<u>1,386,500</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Salaries and employer's NIC	420,728	111,194	531,922
Activities costs	167,339	183,575	350,914
Other direct costs	9,500	100	9,600
Promotional costs	14,360	6,967	21,327
Training, recruitment, travel and motor	8,525	1,238	9,763
Professional fees	20,988	-	20,988
Bank charges and subscriptions	6,715	-	6,715
Property costs	101,947	56,854	158,801
Depreciation	26,673	40,246	66,919
Support costs	11,206	-	11,206
	<u>787,981</u>	<u>400,174</u>	<u>1,188,155</u>

11. Expenditure on Charitable Activities by Activity Type

	Activities undertaken directly £	Support costs £	Total funds 2023 £	Total funds 2022 £
Salaries and employer's NIC	632,187	-	632,187	531,922
Activities costs	343,719	-	343,719	350,914
Other direct costs	15,570	-	15,570	9,600
Promotional costs	49,986	-	49,986	21,327
Training, recruitment, travel and motor	8,136	-	8,136	9,763
Professional fees	8,362	-	8,362	20,988
Bank charges and subscriptions	8,178	-	8,178	6,715
Property costs	230,946	-	230,946	158,801
Depreciation	75,657	-	75,657	66,919
Governance costs	-	13,759	13,759	11,206
	<u>1,372,741</u>	<u>13,759</u>	<u>1,386,500</u>	<u>1,188,155</u>

Zion Arts Centre Limited (T/A Z-Arts)

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

12. Net Income/(Expenditure)

Net (expenditure)/Income:

	2023	2022
	£	£
Depreciation of tangible fixed assets	75,894	66,919
Gains on disposal of tangible fixed assets	-	158
Operating Lease rentals	<u>45,790</u>	<u>43,331</u>

13. Auditors Remuneration

	2023	2022
	£	£
Fees payable to the external auditors for the audit of the financial statements	7,625	6,625
Fees payable to the external auditors for other services – accounts preparation	<u>2,065</u>	<u>1,875</u>
	<u>9,690-</u>	<u>8,500</u>

14. Staff Costs

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

	2023	2022
	£	£
Wages and salaries	643,275	523,230
Social security costs	51,174	41,752
Pension costs	<u>10,933</u>	<u>9,250</u>
	<u>705,382</u>	<u>574,233</u>

The average head count of employees during the year was 45 (2022: 32). The average number of full-time equivalent employees during the year is analysed as follows:

	2023	2022
	No.	No.
Number of operational staff	11	10
Number of creative staff	6	5
Number of management staff	5	6
Number of administration staff	<u>3</u>	<u>-</u>
	<u>25</u>	<u>21</u>

No employee received employee benefits of more than £60,000 during the year 2023 (2022: Nil).

During the year there were settlement payments of £nil (2022 - £4,320). There was £nil (2022 - £4,320) outstanding at the year end.

Key Management Personnel

Key management personnel are the Chief Executive, Head of Finance & Operations, Head of Premises & Technical, Head of Programming and Head of Creative Development. The total compensation paid to key management personnel for services provided to the charity was £226,354 (2022: £214,374).

Zion Arts Centre Limited (T/A Z-Arts)

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

15. Trustee Remuneration and Expenses

No remuneration or other benefits from employment with the charity or a related entity were received by the trustees.

16. Tangible Fixed Assets – Group

	Stun Studio £	Static Equipment £	Portable Equipment £	Theatre Improvements £	Fixtures & Fittings £	Plant & Machinery £	Total £
Cost							
At 1 April 2022	227,866	55,932	163,538	120,201	4,020	110,599	682,156
Additions	-	-	3,186	323,623	-	4,339	331,148
Disposals	-	-	-	-	-	-	-
At 31 March 2023	227,866	55,932	166,724	443,824	4,020	114,938	1,013,304
Depreciation							
At 1 April 2022	188,678	52,247	142,582	24,541	3,736	11,460	423,244
Charge for the year	22,787	1,580	13,357	22,310	237	15,623	75,894
Release on disposals	-	-	-	-	-	-	-
At 31 March 2023	211,465	53,827	155,939	46,851	3,973	27,083	499,138
Carrying amount							
At 31 March 2023	16,401	2,105	10,785	396,973	47	87,855	514,166
At 31 March 2022	39,188	3,685	20,956	95,660	284	99,139	258,912

Zion Arts Centre Limited (T/A Z-Arts)

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

16. Tangible Fixed Assets – Charity

	Stun Studio £	Static Equipment £	Portable Equipment £	Theatre Improvement £	Plant & Machinery £	Total £
Cost						
At 1 April 2022	227,866	55,932	163,538	120,201	110,599	678,136
Additions	-	-	3,186	323,623	4,339	331,148
Disposals	-	-	-	-	-	-
At 31 March 2023	227,866	55,932	166,724	443,824	114,938	1,009,284
Depreciation						
At 1 April 2022	188,678	52,247	142,582	24,541	11,460	419,508
Charge for the year	22,787	1,580	13,357	22,310	15,623	75,657
Release on disposals	-	-	-	-	-	-
At 31 March 2023	211,465	53,827	155,939	46,851	27,083	495,165
Carrying amount						
At 31 March 2023	16,401	2,105	10,785	396,973	87,855	514,119
At 31 March 2022	39,188	3,685	20,956	95,660	99,139	258,628

17. Investments - Charity

Analysis of investments at 31 March 2023 between funds

	Unrestricted Funds £	Restricted Funds £	Total funds 2023 £	Total funds 2022 £
UK Group undertakings	100	-	100	100

The investment represents 100% of the Ordinary Share Capital of 100 shares of £1 each of Z-Arts Trading Limited. Z-Arts Trading Limited is a wholly owned subsidiary of Zion Arts Centre Limited. The subsidiary company is incorporated in England and Wales. The principal activities during the year were the operation of a café bar.

18. Stock

	Group 2023 £	2022 £	Charity 2023 £	2022 £
Stock in hand	4,814	6,580	-	-

Zion Arts Centre Limited (T/A Z-Arts)

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

19. Debtors

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Trade debtors	53,679	64,965	53,679	64,724
Amounts owed by group undertakings	-	-	10,574	7,054
Other debtors	24,739	21,141	24,736	21,041
	<u>78,418</u>	<u>86,106</u>	<u>88,989</u>	<u>92,819</u>

20. Cash and Cash Equivalents

Cash and cash equivalents comprise the following:

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Cash at bank and in hand	53,112	155,419	40,298	150,891
Short-term deposits	306,824	593,808	306,824	593,808
	<u>359,936</u>	<u>749,228</u>	<u>347,123</u>	<u>744,699</u>

21. Creditors: amounts falling due within one year

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Trade creditors	38,878	73,836	37,518	72,481
Social security and other taxes	7,283	91,458	5,515	16,485
Accruals and deferred income	151,280	153,821	149,011	227,074
	<u>197,441</u>	<u>319,114</u>	<u>192,044</u>	<u>316,040</u>

Deferred income

	£
Balance b/fwd at 1st April 2022	157,891
Released in the year	121,110
Deferred in the year	33,344
Balance c/fwd at 31 March 2023	<u>70,125</u>

22. Analysis of Charitable Funds

Unrestricted funds- Group and Charity

	At 1 April 2022	Income	Expenditure	Transfer	At 31 March 2023
	£	£	£	£	£
General funds	300,568	982,755	(1,019,225)	(4,371)	259,727
Theatre seating	-	-	-	-	-
Designated funds:					
Family friendly escape room	20,000	-	-	(20,000)	-
Major capital depreciation reserve	194,799	-	(26,438)	24,371	192,732
	<u>515,367</u>	<u>982,755</u>	<u>(1,045,663)</u>	<u>-</u>	<u>452,459</u>

Zion Arts Centre Limited (T/A Z-Arts)

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

Restricted funds – Group and Charity

	At 1 April 2022	Income	Expenditure	Transfers	At 31 March 2023
	£	£	£	£	£
ACE Artist development fund	57,059	11,715	(68,774)	-	-
ACE Capital	-	127,549	(24,609)	-	102,940
BIMM	-	1,600	(1,600)	-	-
Boshier Hinton	-	1,000	(1,000)	-	-
Creative Scotland 4 nations project	3,943	-	(2,923)	-	1,020
Curious Minds MCEP	4,800	10,000	(14,800)	-	-
D'oyly Carte	3,500	3,000	(3,500)	-	3,000
ERF Danish Cities	26,828	2,500	(15,700)	-	13,628
Esme Fairburn	-	15,000	(12,000)	-	3,000
Family Arts Network	2,348	5,904	(2,273)	-	5,979
Foyle Capital	-	40,000	-	-	40,000
Ground Works Tesco Community Fund	500	-	(500)	-	-
HAF Mcr active	4,452	16,510	(20,962)	-	-
Harold Hyam Wingate fund	2,770	-	(2,770)	-	-
John Thaw	-	1,000	(100)	-	900
Levi's Music Project	22,034	29,413	(51,447)	-	-
MCC MADE Fund	-	65,000	(36,400)	-	28,600
Manc Literature	-	1,000	(1,000)	-	-
MCC Hiwtai	-	2,170	(2,170)	-	-
MCEP	11,946	-	(11,946)	-	-
MCEP Manchester Venues Recovery	49,708	-	(2,519)	-	47,189
Mind the gap access	500	-	(500)	-	-
MCC Play day	-	2,000	(2,000)	-	-
One Mcr – Family Jam	1,950	-	(1,950)	-	-
One Mcr – Tiger School	2,999	-	(2,999)	-	-
Paul Hamlyn	-	115,000	(80,530)	-	34,470
Stun Capital	48,926	-	(28,786)	-	20,140
UK Theatres Trust	1,635	-	-	-	1,635
Uni Aberstywyth Placement	-	1,139	(1,139)	-	-
Torevell Partners	-	5,000	(400)	-	4,600
Thrive (Young Manchester)	11,233	-	(11,233)	-	-
Youth Music	9,213	2,836	(11,717)	-	332
Winter Festival	-	2,702	(2,702)	-	-
	<u>266,346</u>	<u>462,038</u>	<u>(420,950)</u>	<u>-</u>	<u>307,434</u>

Zion Arts Centre Limited (T/A Z-Arts)

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

22. Analysis of Charitable Funds *(continued)*

Unrestricted funds- Group and Charity

	At 1 April 2021 £	Income £	Expenditure £	Transfer £	At 31 March 2022 £
General funds	294,584	884,943	(841,285)	(37,674)	300,568
Theatre seating	-	-	-	-	-
Designated funds:					
Family friendly escape room	-	-	-	20,000	20,000
Major capital depreciation reserve	109,498	-	-	85,301	194,799
	<u>404,082</u>	<u>884,943</u>	<u>(841,285)</u>	<u>67,627</u>	<u>515,367</u>

Restricted funds – Group and Charity

	At 1 April 2021 £	Income £	Expenditure £	Transfers £	At 31 March 2022 £
A4A Summer of play	-	9,750	(9,750)	-	-
ABRSM Generation Z	5,907	-	(5,907)	-	-
ACE Artist development fund	-	83,055	(25,996)	-	57,059
Children in Need	18,920	-	(18,920)	-	-
Creative Scotland 4 nations project	-	4,860	(917)	-	3,943
Curious Minds MCEP	20,000	5,000	(20,200)	-	4,800
DCMS Recovery Fund	55,409	82,471	(100,253)	(37,627)	-
D'oyley Carte	3,500	-	-	-	3,500
Duchy of Lancashire Summer Grant	-	500	(500)	-	-
DWF Foundation	-	2,000	(2,000)	-	-
ERF Danish Cities	-	27,229	(401)	-	26,828
Esme Fairburn	-	5,000	(5,000)	-	-
Family Arts Network	2,570	6,121	(6,343)	-	2,348
FAC Here and Now	2,600	7,000	(9,600)	-	-
GMCA MADE Grant	-	1,000	(1,000)	-	-
Granada Foundation	3,000	-	(3,000)	-	-
Greater Sport Dance Project	-	6,864	(6,864)	-	-
Ground Works Tesco Community Fund	-	500	-	-	500
HAF Mcr active	-	4,792	(339)	-	4,452
Harold Hyam Wingate fund	-	3,975	(1,205)	-	2,770
John Thaw	10	1,000	(1,010)	-	-
Levi's Music Project	52,019	9,805	(39,790)	-	22,034
MCC Contribution to toilets	-	30,000	-	(30,000)	-
MCEP	14,812	-	(2,866)	-	11,946
MCEP Manchester Venues	-	-	-	-	-
Recovery	44,258	22,500	(17,050)	-	49,708
Mind the gap access	-	500	-	-	500

Zion Arts Centre Limited (T/A Z-Arts)

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 March 2023

Restricted funds – Group and Charity (continued)

Mind the gap engage	-	2,000	(2,000)	-	-
NIF Global families	-	1,200	(1,200)	-	-
NIF Summer of Play	-	830	(830)	-	-
One Mcr – Family Jam	3,400	-	(1,450)	-	1,950
One Mcr – Tiger School	4,880	-	(1,881)	-	2,999
Paul Hamlyn	60,601	-	(60,601)	-	-
Stun Capital	77,712	-	(28,786)	-	48,926
UK Theatres Trust	1,635	-	-	-	1,635
Young Manchester SEND Project	-	5,270	(5,270)	-	-
Thrive (Young Manchester)	14,769	-	(3,536)	-	11,233
Youth Music	24,922	-	(15,709)	-	9,213
	<u>410,926</u>	<u>323,221</u>	<u>(400,174)</u>	<u>(67,627)</u>	<u>266,346</u>

A4A Summer of play

Grant to facilitate programme of outdoor activities

ABRSM Generation Z

To run Generation -Z music project for young people from Manchester.

ACE Artist development fund

Fund to support the development of artists working in children's theatre and to run a trainee creative facilitator programme

ACE Capital

Capital grant from Arts Council to upgrade theatre lighting to digital and build a new childrens library

BIMM

Contribution to Z-arts Music programme

Boshier Hinton

Grant towards Z-arts access provision

Creative Scotland 4 nations project

Fund to support digital performance research

Curious Minds MCEP

To facilitate the Manchester Creative Education Partnership. (MADE)

DCMS Recovery Fund

Grant to support the organisation through the pandemic.

D'oyly Carte

Grant to support the delivery of Z-arts Young Performers participatory arts activities.

Zion Arts Centre Limited (T/A Z-Arts)

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 March 2023

Restricted funds – Group and Charity *(continued)*

Duchy of Lancashire Summer Grant

Grant to support summer programme

DWF Foundation

Grant to support Bright sparks programme access facilitation

ERF Danish Cities

MCC grant to facilitate cultural exchange between Manchester and Denmark

Esme Fairburn

Grant for the development of "Artichoke hearts" and a contribution to the childrens library

Family Arts Network

Grant to facilitate the running of a network of family arts organisations.

FAC Here and Now

To fund a project with Company Chameleon in celebration of 25 years of the national lottery.

Foyle Capital

Capital grant to upgrade theatre lighting to digital and build a new childrens library

GMCA MADE Grant

To facilitate the Manchester Creative Education Partnership.(MADE)

Granada Foundation

Grant to support Big imaginations summer programme

Greater Sport Dance Project

Grant to support the running of after school dance clubs

Ground Works Tesco Community Fund

Grant to facilitate the Bright sparks after school activities

HAF Mcr active

To provide Holiday activities to Manchester school children

Harold Hyam Wingate fund

To support Bright sparks and ZYP dance and drama activities

John Thaw

Contribution towards little reads sessions in the library

Levi's Music Project

To support the running of the Levis music studio.

MCC Contribution to toilets

Contribution to a new covid secure toilet block

MCEP

A Grant from MCC to facilitate the Manchester Creative Education Partnership (MADE)

Zion Arts Centre Limited (T/A Z-Arts)

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 March 2023

Restricted funds – Group and Charity *(continued)*

MCEP Manchester Venues Recovery

Manchester venues contributions to fund Manchester Creative Education partnership (MADE)

Mind the gap access

Grant to support access projects at Z-arts

Mind the gap engage

Grant to support access projects at Z-arts

NIF Global families

Grant to support family half term activities

MCC MADE Fund

MCC contribution towards the MADE project

Manc Literature

Contribution towards Aliens, Zombies & Monsters! Exhibition

MCC Hiwtai

Neighbourhood investment grant towards Hulme is where the Arts is summer festival

MCC Play day

Neighbourhood investment grant towards outside summer play day

NIF Summer of Play

Grant to support the Summer activities in Hulme park

One Mcr – Family Jam

To enable family music events in the café.

One Mcr – Tiger School

To enable local school children to visit the Tiger who came to tea exhibition.

Paul Hamlyn

3-year grant for Terri and the Time machine schools project

Stun Capital

To redevelop the studio into a fully equipped theatre studio and refurbish the associated offices

Thrive (Young Manchester)

Grant to fund a schools mental health project

Torevell Partners

Grant to support the childrens library

UK Theatres Trust

To provide access and environmental improvements.

Uni Aberystwyth Placement

Grant to facilitate student placement

Zion Arts Centre Limited (T/A Z-Arts)

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 March 2023

Restricted funds – Group and Charity *(continued)*

Winter Festival Nif

Neighbourhood investment fund grant towards Hulme winter festival at Z-arts

Young Manchester SEND Project

Grant to provide SEND Easter activities

Youth Music

Grant to facilitate young people music project.

Winter Festival Nif

Neighbourhood investment fund grant towards Hulme winter festival at Z-arts

23. Analysis of Group Net Assets between Funds

	Restricted Funds	Unrestricted Funds	Total Funds 2023	Total Funds 2022
	£	£	£	£
Tangible fixed assets	163,080	351,083	514,163	258,912
Current assets	144,354	101,374	245,728	522,800
Net assets	<u>307,434</u>	<u>452,457</u>	<u>759,891</u>	<u>781,712</u>

	Restricted Funds	Unrestricted Funds	Total Funds 2022	Total Funds 2021
	£	£	£	£
Tangible fixed assets	48,926	209,986	258,912	232,202
Current assets	217,420	305,380	522,800	582,806
Net assets	<u>266,346</u>	<u>515,366</u>	<u>781,712</u>	<u>815,008</u>

24. Operating Lease Commitments – Group and Charity

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2023	2022
	£	£
Equipment		
Not later than 1 year	843	843
Later than 1 year and not later than 5 years	632	1,476
	<u>1,476</u>	<u>2,319</u>

25. Related Parties

The charity has a close working relationship with Manchester City Council: this body nominates directors (see trustees annual report) and provides funding to enable the charity to carry out its charitable objectives. Income totalling £278,007 (2022: £252,163) has been received during the year. Expenditure totalling £52,307 (2022: £45,295) has been incurred with the related party during the year. The balance outstanding at the year-end was £46,122 (2022: £36,000).

Zion Arts Centre Limited (T/A Z-Arts)

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 March 2023

Related parties (*continued*)

All the above fundraising was received either as core or grant funding. This income has been included in the financial statements under voluntary income and incoming resources from charitable activities. The above expenditure reflects invoiced costs in the year; it has been included in the financial statements under charitable expenditure.

The charity trustees were not paid or reimbursed expenses during the year in their capacity as trustees. One trustee was paid £300 for performance as a poet (2022: £nil). No other charity trustee received any emolument or payment for professional or other services.

26. Capital commitments

The total amount contracted for but not provided in the financial statements was £Nil (2022 - £Nil)

27. Analysis of changes in Net Debt

	At 1 April 2022	Cashflow	At 31 March 2023
	£	£	£
Cash at bank	155,419	(102,305)	53,114
Short-term deposits	593,808	(286,984)	306,824
Total Funds	<u>749,227</u>	<u>(389,289)</u>	<u>359,938</u>

ZION ARTS CENTRE LIMITED

England & Wales - Charity number 1093556

Accounts

COMPANY REGISTRATION NUMBER: 04101324
CHARITY REGISTRATION NUMBER: 1093556

Zion Arts Centre Limited (T/A Z-Arts)
Company Limited by Guarantee
Consolidated Financial Statements
31 March 2022

Zion Arts Centre Limited (T/A Z-Arts)

Company Limited by Guarantee

Financial Statements

Year Ended 31 March 2022

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Zion Arts Centre Limited (T/A Z-Arts)

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report)

Year Ended 31 March 2022

The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the group for the year ended 31 March 2022.

Reference and Administrative Details

Registered charity name	Zion Arts Centre Limited (T/A Z-Arts)
Charity registration number	1093556
Company registration number	04101324
Principal office and registered office	335 Stretford Road Hulme Manchester M15 5ZA

The Trustees

S Armitage (resigned 9 March 2022)
A Lone (appointed 9 March 2022)
A Gill
I Cecil (resigned 9 March 2022)
G Lister
R Fox (resigned 9 March 2022)
E Ransome
E Rowles
F Bennett-Nielsen
L Green
N Noor
A Barkatali (appointed 9 March 2022)
R Kapoor (appointed 9 March 2022)
L Wallwein (appointed 9 March 2022)

Company Secretary	E O'Neill
Auditor	Beever and Struthers Chartered accountant & statutory auditor One Express 1 George Leigh Street Manchester M4 5DL
Bankers	CAF Bank 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ
Solicitors	DWF LLP 5 Castle Street Liverpool L2 4XE

Zion Arts Centre Limited (T/A Z-Arts)

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2022

Objectives and Activities

The charity's objectives are: -

To promote, maintain, improve, develop and advance public education and training in the arts for the benefit of, but not limited to, young people, by operating a centre for the presentation for the public of music, opera, dance, drama, the visual arts, films, video, multimedia, sound, exhibitions of all kinds as are conducive to the promotion, maintenance, improvement and participation in and advancement of education or to the encouragement of the arts, whether on premises owned or leased by the Company or elsewhere.

The Charity's main activities are: -

- The promotion and facilitation of arts events and activities for children, young people and families.

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance on public benefit and fee charging. The charity relies on the voluntary services of the trustees, and on grants and the income from fees and charges to cover its operating costs. In setting the level of fees and charges the trustees give consideration to the accessibility to activities for those on low income.

- Z-arts uses creativity to inspire, enrich and enable children, young people and families to reach their potential and be the agents of change in their own lives.
- In Our Arts Centre in Hulme, in education, in communities, at home and across networks
- Developing Children, Young People, Educators, Artists and Family-togetherness

Based in Hulme, we are committed to supporting our local communities as well as reaching out across Greater Manchester and the North West. We operate from a large Edwardian building which includes a 230-seat theatre, gallery, recording studio, music room, dance studio, café and numerous other rehearsal / meeting rooms. But there is much more to what we do that is outside of the building.

We lead networks:

- Big Imaginations children's theatre network, bringing brilliant children's theatre to all areas of the North West
- MADE (Manchester Cultural Education partnership) with a vision to make Manchester a beacon for creative education, where the arts add magic to life experiences and learning for everyone.
- Manchester Family Arts Network, improving family provision across cultural venues in Manchester.

Our Five aims

Primary Aim: Children

Children, young people and families across Greater Manchester and the wider North will have greater influence over, and gain more creative skills through a wide-reaching multi-art-form enrichment programme

Secondary aims:

Performances

More, excellent performances for children and families will be available for audiences across the North

Audiences and participants

We will rebuild and grow existing audiences, with a greater number of diverse audiences engaging with and benefiting from our wide-ranging programme

Zion Arts Centre Limited (T/A Z-Arts)

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2022

Artists

More diverse artists will be nurtured and supported to make excellent contemporary theatre, performance and arts activities for children and families, with more opportunities to share the work and learning regionally, nationally and internationally.

Organisation

To grow as a resilient, nationally respected, strategic lead delivering best practice in performance and participatory arts activities and events for children and families

Achievements and Performance

Z-arts ability to maximise its audience numbers in 2021/22 continued to be severely restricted by the ongoing Covid-19 pandemic, and social distancing measures. As audiences and participants were able to grow later in the year, by the end of 2021/22, Z-arts had achieved 64% of its target 'interactions' for the year. Participation targets performed considerably better at 88%.

Free arts participation classes opened first, with limited socially distanced numbers. We programmed 15 outdoor events in Hulme Park and Barracks Park as part of our Summer of Play activities, as well as 6 performances for the family programme at HomeGround (HOME). The Tiger & Mog Exhibition reopened, socially distanced until April 22. Indoor theatre season started again in September 2021

Through our Big Imaginations programme we supported audiences of 12,500 to attend children's theatre performances across the Big Imaginations network (but outside of Z-arts).

Z-arts mission to make a difference to the lives of some of the most disadvantaged children in Manchester was even more urgent as we come out of the pandemic, and we continued to prioritise community engagement for families, introducing Family Sundays in November; completing a project with Manchester Boys & Girls Clubs in Moss Side, Wythenshawe, Blackley and Oldham; and numerous Hulme community events. We worked with South Manchester Foodbank to supply arts materials and activities for some of the most disadvantaged children and young people in the city, thereby improving their lives through increasing their mental and physical health and well-being.

Our increased support for artists making work for young people continued, with 198 artists engaged over the year, including our early years Xmas commission, the Gift by Touched Theatre and 4 shows that went on to tour: Sue & Sita by Ria Meeri Munchi, Aleiah's Adventure by Ros Norford, Family Vogue Ball by Darren Pritchard and STAN by Art With Heart; reaching over 5,500 audiences in total across 54 venues.

Z-arts continued to deliver best practice in creative education, leading the MADE Cultural Education Partnership, working with 27 schools and 28 cultural organisations to deliver creative projects to young people in Manchester.

2021 /2022 was Z-arts fourth year as an Arts Council England (ACE) Band 2 National Portfolio (NPO), (£259,692). This funding was guaranteed and extended until April 2023 due to the pandemic. We also received core funding from Manchester City Council (MCC) and Greater Manchester Combined Authorities (GMCA).

Government support from the Job Retention Scheme was phased out by June having safeguarded 83% of jobs. All staff are paid the national living wage.

Terms of occupation and sub-letting of premises

The company occupies premises owned by Manchester City Council. The company has benefited from its occupation through its own use of the premises and through sub-letting part of the premises. We provide an affordable base for emerging artists and Creative SME's to base themselves and produce new work. Our primary tenant is Sustained Theatre Up North (STUN) who inhabit our studio theatre on a ten-year sub-lease, supported by Arts Council England, until 1st November 2023.

Zion Arts Centre Limited (T/A Z-Arts)

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2022

In this year MCC have invested heavily in the infrastructure of the building by installing a new roof along with a further £750,000 investment in environmental improvements such as solar panels and double glazing.

Financial Review

The Company has experienced a positive year financially; despite total funds decreasing by 4% to £781,712 (2021: £815,008) unrestricted funds increased by 27.5% to £515,366 (2021: £404,082) and free reserves (unrestricted reserves -unrestricted fixed assets-designated funds) increased by 11.5% to £285,668 (2021: £256,239)

Total income fell by 4.3% to £1,208,164 (2021: £1,261,747). Donations and legacies decreased by 34% as a result of the phasing out of support from the job retention scheme; we received continuing support from Arts Council England, Manchester City Council and the GMCA. Charitable activities income increased by 43% the majority of the increase coming from earned income from box office, exhibition sales and venue hire as the building reopened after the pandemic (albeit with continuing social distancing restrictions).

Total expenditure increased by 21.7% to £1,241,460 (2021: £1,020,198). This was largely down to greater activity costs as some of the projects that had been delayed from the previous year were able to take place and the building re opened to the public.

A new covid secure toilet block was built in the year at a cost of £88,214. This was paid for from a combination of our own reserves and restricted grants from MCC and DCMS. As the toilet block is now complete the restricted grant elements from MCC and DCMS have been transferred to unrestricted funds at year end and form part of the capital depreciation designated reserve.

Principle Risks and Uncertainties

The trustees have a risk management strategy which comprises a regular review of the risks the Company may face, the establishment of systems and processes designed to mitigate those risks and the implementation of procedures intended to minimise the impact on the Company should those risks materialise. This risk strategy has been updated to take account of the pandemic, and is reviewed on a quarterly basis at board level.

The latest review highlighted the risks around inflation and the substantial and ongoing utility price increases. MCC have invested in energy saving measures to the value of £750,000 and in January 23 we will be replacing the theatre lighting with LED lighting, however the full effect of these mitigations will not be known until later in the year.

Whilst the Coronavirus pandemic resulted in a reduction in attendance due to social distancing measures, and an associated loss of revenue, the Company has utilised all possible funding opportunities to increase reserves and ensure that we can continue to operate as a Going Concern.

Going Concern

The trustees have considered the ongoing impact of Covid19, inflationary pressures on both wages and utilities, and other current risks. After carefully considering the Company's financial position and prospects, the trustees have concluded that it is appropriate to adopt the going concern basis of preparation.

This position has been informed by the following factors:

- The continued support of Arts Council England through NPO funding, MCC through its revenue grant funding and continued GMCA funding, backed by our current conservative budgeting and forecasting has enabled us to maintain cashflow and substantially increase reserves above the increased target set by trustees.
- Z-arts is considered to be a strategic lead for children in young people in Manchester and continues to demonstrate strong support through huge investment in the building.

Zion Arts Centre Limited (T/A Z-Arts)

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2022

- The new partnership with Mountview theatre school guarantees room hire bookings well above the budgeted figure.
- The new children's library and the family escape room will open in October and November increasing footfall and earned income revenues.
- Z-arts continue to diversify their funding streams through earned income, public bodies and private sponsorship to reduce reliance on any single source of income.

Reserves Policy

Z-arts free reserves target figure should fall between 8 and 12 weeks of pre-pandemic annual turnover. The target figure and this policy will be reviewed annually at board level. Free reserves are calculated as unrestricted reserves minus Unrestricted fixed assets book value minus any other stated designated reserves.

Z-arts Reserve Policy prioritises the closure contingency of £162,172 ringfencing this amount first. A further reserve of £80,000 should be held as, a) a contingency in case of unforeseen loss or reduction of any revenue stream, b) funding being lost for any key projects to allow that project to continue for 6 months whilst alternative funding is sought c) a sum to be used as match funding to take advantage of any funding opportunities that may arise that would allow future creative projects and d) as a hedge against unexpected spending on budget lines (inflation, one off costs). These figures give a total reserve target of £242,172.

It is deemed necessary to hold a closure contingency to allow for the winding down of the charity should the organisation be forced to close for unforeseen circumstances.

Wind down staff calculations have been calculated at x3 months commitment to senior management staff salaries and statutory redundancy payments for other staff. A further figure accounts for 3 months of the annual overheads budget (excluding salaries) to allow the building to remain open to facilitate an orderly wind down.

Any reserves held over the target figure will allow for a negative budget to be set for the following year allowing more spend on key creative projects which further the charity's charitable aims.

Z-arts continue to diversify their funding streams through earned income, public bodies and private sponsorship to reduce reliance on any single source of income.

Following a positive financial performance our free reserves now stand at £285,668, £43k over our reserve target figure. The budget for the year 2022-2023 takes account of the surplus over and above the target figure and it is anticipated that the free reserves will fall back to the target figure in this financial year.

Plans for Future Periods

Z-arts have updated the business plan for 2022/23, entitled "To rebuild, restore and refresh, with a focus on well-being and family-togetherness".

Z-arts is seeing 2022-23 as a further interim year to recover from the pandemic, research new models and rebuild the organisation for a new, sustainable and viable future.

Z-arts will play a role as a major contributor to the recovery of the cultural sector, by facilitating creative and cultural networks and partnership models; and by providing training and development for children, young people, and artists at the start of their career. 2022 will see us continue to build this recognition both within Manchester, and nationally.

We will continue to use this year to rebuild our programme, restore audiences and participants, and strengthen operations by refreshing our partnerships and trialling new business models and income generation activities including installing a new children's library and a family escape room.

Zion Arts Centre Limited (T/A Z-Arts)

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2022

A capital grant from the arts council is enabling us to upgrade the theatre lighting to LED in January 2023. This will mitigate the rise in energy costs to some degree as well as improving our environmental footprint.

A new partnership with Mountview theatre school sees Mountview running a foundation course in Musical theatre from Z-arts building

In 2020 we identified areas of need in the creative sector, and where we are best placed to support the sector's growth; we will continue to build on our track record of nurturing creativity in young people and refining how we support creative facilitators, as the next generation of artists.

Structure, Governance, and Management

Z-arts is governed by a board of voluntary trustees, who employ a Chief Executive. There is a Senior Management Team of five. Decisions are made at Executive level, with decisions that have an impact on the business or a financial cost of over £2,000 being taken to trustee level. Annual budgets are set and agreed by the finance sub-committee and signed off by the board. The CEO Reports to the trustees on a quarterly basis, in addition there is a quarterly finance sub-committee and focus groups reporting to the trustees on specific initiatives as required. All trustee and staff roles follow safe and inclusive recruitment procedures. All salaries have been benchmarked against other Arts organisations to ensure that they are comparable and appropriate for the organisation. There is a thorough Terms of Reference for trustees and an induction procedure which was updated in August 2020.

Related Parties

None of the trustees receive remuneration or any other benefits from their trusteeship. Each year trustees complete a Conflict of Interest Statement and a Declaration of Commitment Statement. Any connection between a trustee or a senior manager and a company, institution or artist that Z-arts engages with must be stated in this form, or at a meeting if it occurs during the year. Trustee Cllr Emily Rowles, was appointed by Manchester City Council as their designated representative on the board; Manchester City Council lease the building to Z-arts and provide strategic core funding. Cllr Rowles also sits on the board of One Manchester.

Trustees' Responsibilities Statement

The trustees, who are also directors for the purposes of company law, are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, 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 applicable Charities SORP;
- ☐ make judgments and accounting estimates that are reasonable and prudent;
- ☐ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

Zion Arts Centre Limited (T/A Z-Arts)

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2022

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and 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 Companies Act 2006. They 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.

Auditor

Each of the persons who is a trustee at the date of approval of this report confirms that:

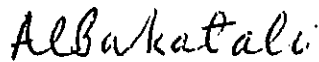
- ☐ so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- ☐ they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

Small Company Provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

The trustees' annual report was approved on 9 September 2022 and signed on behalf of the board of trustees by:



Amy Barkatali
Treasurer



Elizabeth O'Neill
Company Secretary

Zion Arts Centre Limited (T/A Z-Arts)

Company Limited by Guarantee

Independent Auditor's Report to the Members of Zion Arts Centre Limited (T/A Z-Arts)

Year ended 31 March 2022

Opinion

We have audited the group and the parent charity financial statements of Zion Arts Centre Limited (T/A Z-Arts) (the 'charity') for the year ended 31 March 2022 which comprise the Consolidated Statement of Financial Activities (including income and expenditure account), Consolidated Statement of Financial Position, Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group and parent charity's affairs as at 31 March 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for Opinion

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

Conclusions Relating to Going Concern

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

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

Zion Arts Centre Limited (T/A Z-Arts)

Company Limited by Guarantee

Independent Auditor's Report to the Members of Zion Arts Centre Limited (T/A Z-Arts) (continued)

Year ended 31 March 2022

Other Information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on Other Matters Prescribed by the Companies Act 2006

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

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

Matters on Which We are Required to Report by Exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

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

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

Zion Arts Centre Limited (T/A Z-Arts)

Company Limited by Guarantee

Independent Auditor's Report to the Members of Zion Arts Centre Limited (T/A Z-Arts) (continued)

Year ended 31 March 2022

Responsibilities of Trustees

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Zion Arts Centre Limited (T/A Z-Arts)

Company Limited by Guarantee

Independent Auditor's Report to the Members of Zion Arts Centre Limited (T/A Z-Arts) (continued)

Year ended 31 March 2022

Use of Our Report

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

Beever and Struthers

Sue Hutchinson FCCA
SENIOR STATUTORY AUDITOR

For and on behalf of Beever and Struthers, Statutory Auditor
One Express
1 George Leigh Street
Manchester
M4 5DL

Dated: *30 November 2022*

Zion Arts Centre Limited (T/A Z-Arts)

Company Limited by Guarantee

Consolidated Statement of Financial Activities (including income and expenditure account)

31 March 2022

	Note	Unrestricted funds £	Restricted funds £	Total funds 2022 £	Total funds 2021 £
Income and endowments					
Donations and legacies	5	525,513	-	525,513	797,070
Charitable activities	6	304,132	323,221	627,353	439,168
Investment income	7	608	-	608	1,348
Trading activities					
Commercial trading operations	8	54,114	-	54,114	24,161
Other Income	9	576	-	576	-
		<u>884,943</u>	<u>323,221</u>	<u>1,208,164</u>	<u>1,261,747</u>
Expenditure					
Expenditure on charitable activities	10,11	787,981	400,174	1,188,155	997,860
Expenditure on raising funds:					
Commercial trading operations	8	53,305	-	53,305	22,338
Total expenditure		<u>841,286</u>	<u>400,174</u>	<u>1,241,460</u>	<u>1,020,198</u>
Net (expenditure)/Income and net movement in funds		43,657	(76,953)	(33,296)	241,550
Transfers between funds		67,627	(67,627)	-	-
Net movement in funds		111,284	(144,580)	(33,296)	241,550
Reconciliation of funds					
Total funds brought forward		<u>404,082</u>	<u>410,926</u>	<u>815,008</u>	<u>573,458</u>
Total funds carried forward		<u>515,366</u>	<u>266,346</u>	<u>781,712</u>	<u>815,008</u>

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

Zion Arts Centre Limited (T/A Z-Arts)

Company Limited by Guarantee

Consolidated and Charity Statement of Financial Position

31 March 2022

		Group		Charity	
		2022 £	2021 £	2022 £	2021 £
Fixed assets					
Tangible fixed assets	16	258,913	232,202	258,629	231,227
Investments	17	-	-	100	100
		<u>258,913</u>	<u>232,202</u>	<u>258,729</u>	<u>231,327</u>
Current assets					
Stocks	18	6,580	1,855	-	-
Debtors	19	86,106	114,985	92,819	123,501
Investments	20	593,808	629,951	593,808	629,951
Cash at bank and in hand	20	155,419	100,918	150,891	93,695
		<u>841,913</u>	<u>847,709</u>	<u>837,518</u>	<u>847,147</u>
Creditors: amounts falling due within one year	21	<u>319,114</u>	<u>264,903</u>	<u>316,040</u>	<u>264,853</u>
Net current assets		<u>522,799</u>	<u>582,806</u>	<u>521,478</u>	<u>582,294</u>
Total assets less current liabilities		<u>781,712</u>	<u>815,008</u>	<u>780,207</u>	<u>813,620</u>
Net assets		<u>781,712</u>	<u>815,008</u>	<u>780,207</u>	<u>813,620</u>
Funds of the charity					
Restricted funds		266,346	410,926	266,346	410,926
Unrestricted funds:					
General funds		300,567	404,082	299,062	402,694
Designated fund		214,799	-	214,799	-
Total charity funds	22	<u>781,712</u>	<u>815,008</u>	<u>780,207</u>	<u>813,620</u>

The Trustees have prepared group accounts in accordance with Section 398 of the Companies Act 2006 and Section 138 of the Charities Act 2011. These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

These financial statements were approved by the board of trustees and authorised for issue on 16/09/22 and are signed on behalf of the board by:

A Barkatali

A Barkatali
Trustee

Zion Arts Centre Limited (T/A Z-Arts)

Company Limited by Guarantee

Statement of Cash Flows and Consolidated Statement of Cash Flows

Year ended 31 March 2022

	Group 2022 £	2021 £	Charity 2022 £	2021 £
Cash flows from operating activities				
Net income/(expenditure)	(33,296)	241,550	(33,414)	240,635
<i>Adjustments for:</i>				
Depreciation of tangible fixed assets	66,919	56,913	66,228	56,005
Other interest receivable and similar income	(608)	(1,348)	(608)	(1,348)
Profit on sale of assets	(158)	-	(158)	-
<i>Changes in:</i>				
Stocks	(4,725)	3,035	-	-
Trade and other debtors	28,879	77,519	37,736	75,483
Trade and other creditors	54,210	(63,273)	44,132	(58,713)
Cash generated from operations	111,222	314,396	113,917	312,062
Interest received	608	1,348	608	1,348
Proceeds from fixed asset disposals	158	-	158	-
Net cash used in operating activities	<u>111,988</u>	<u>315,744</u>	<u>114,683</u>	<u>313,410</u>
Cash flows from investing activities				
Purchase of tangible assets	(93,629)	(27,498)	(93,629)	(27,498)
Net cash used in investing activities	<u>(93,629)</u>	<u>(27,498)</u>	<u>(93,629)</u>	<u>(27,498)</u>
Net decrease in cash and cash equivalents	18,358	288,246	21,053	285,912
Cash and cash equivalents at beginning of year	730,869	442,623	723,646	437,735
Cash and cash equivalents at end of year	<u>749,227</u>	<u>730,869</u>	<u>744,699</u>	<u>723,647</u>

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Zion Arts Centre Limited (T/A Z-Arts)

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 March 2022

1. General Information

The charity is a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is 335 Stretford Road, Hulme, Manchester, M15 5ZA.

2. 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 2019) - (Charities SORP (FRS 102)), the Charities Act 2011, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

3. Accounting Policies

Basis of Preparation

Zion Arts Centre Limited (T/A Z-Arts) meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Preparation of the accounts on a going concern basis

There are no material uncertainties about the charity's ability to continue, therefore, the accounts have been prepared on a going concern basis.

Basis of Consolidation

The Statement of Financial Activities (SOFA) and balance sheet consolidate the financial statements of the Charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line-by-line basis.

The Charity has availed itself of Paragraph 4(1) of Schedule 1 of the Small Companies and Groups (Accounts and Directors' Report) Regulations 2008 and adapted the Companies Act formats to reflect the special nature of the Charity's activities. A separate Statement of Financial Activities and income and expenditure account for the Charity has not been presented because the Trust has taken advantage of the exemption afforded by Section 408 of the Companies Act 2006.

Zion Arts Centre Limited (T/A Z-Arts)

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

3. Accounting Policies *(continued)*

Fund Accounting

The charity has a number of restricted funds to account for in situations where a donor requires that a grant or donation must be spent on a particular purpose. All other funds are unrestricted income funds.

Designated funds are funds which have been allocated or designated for specific purposes by the company out of the unrestricted funds.

The funds held in each of these categories are disclosed in note 22.

Stock

Stocks are valued at the lower of cost or net realisable value, after making due allowance for obsolete or slow moving items.

Incoming Resources

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

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable, and its amount can be measured reliably.
- legacy income is recognised when receipt is probable, and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources Expended

Expenditure is recognised when a liability is incurred.

Charitable activities include the expenditure associated with the operation of the charity and include both the direct costs and support costs relating to these activities.

Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

Support costs include the central functions that are not attributable to a single activity, rather providing the infrastructure that enables the activities to take place.

Zion Arts Centre Limited (T/A Z-Arts)

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

3. Accounting Policies *(continued)*

Tangible Assets

All fixed assets are initially recorded at cost. Any fixed assets costing less than £500 are not capitalised but written off to revenue in the year of acquisition.

Depreciation is provided on the cost of tangible fixed assets in order to write off the over the expected useful life of the asset's life on a straight-line basis.

Depreciation

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

Plant and machinery	-	25% straight line
Stun Studio	-	10% straight line
Static Equipment	-	33% straight line

Investments

Unlisted equity investments are initially recorded at cost, and subsequently measured at fair value. If fair value cannot be reliably measured, assets are measured at cost less impairment.

Financial Instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

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

Debt instruments are subsequently measured at amortised cost.

Significant Accounting Estimates and Judgements

In the application of the entity's accounting policies the Trustees are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects the current and future periods.

In the view of the Trustees no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year

Zion Arts Centre Limited (T/A Z-Arts)

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

4. Limited by Guarantee

The charity is a company limited by guarantee and is governed by its Memorandum and Articles of Association dated 2nd November 2000 and as amended by two special resolutions dated 5th August 2010 and 15th March 2016. It is registered as a charity with the Charity Commission.

Persons are admitted to membership by the unanimous approval of the existing members. Members may cease to be members of the company by serving notice of their intention to resign.

There are currently eleven members of the company, each of whom agrees to contribute a sum not exceeding £1 in the event of the charity being wound up.

5. Donations and Legacies - Charity

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Donations			
Monetary donations	10,186	-	10,186
Donation from Trading Subsidiary	3,000	-	3,000
	<u>13,186</u>	<u>-</u>	<u>13,186</u>
Grants			
Manchester City Council	184,488	-	184,488
Greater Manchester Combined Authority	49,750	-	49,750
Arts Council	259,692	-	259,692
Covid-19 furlough grant	18,397	-	18,397
	<u>512,327</u>	<u>-</u>	<u>512,327</u>
Total	<u>525,513</u>	<u>-</u>	<u>525,513</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Donations			
Monetary donations	13,265	-	13,265
Donation from Trading Subsidiary	12,200	-	12,200
	<u>25,465</u>	<u>-</u>	<u>25,465</u>
Grants			
Manchester City Council	194,198	-	194,198
Greater Manchester Combined Authority	49,751	-	49,751
Arts Council	259,692	-	259,692
Covid-19 furlough grant	267,964	-	267,964
	<u>771,606</u>	<u>-</u>	<u>771,606</u>
Total	<u>797,070</u>	<u>-</u>	<u>797,070</u>

Zion Arts Centre Limited (T/A Z-Arts)

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

6. Charitable Activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Venue hire, shared BO and gallery	146,817	-	146,817
Project grants	108,948	323,221	432,169
Rents receivable	48,367	-	48,367
	<u>304,132</u>	<u>323,221</u>	<u>627,353</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Venue hire, shared BO and gallery	4,930	-	4,930
Project grants	47,247	338,792	386,039
Rents receivable	48,199	-	48,199
	<u>100,376</u>	<u>338,792</u>	<u>439,168</u>

7. Investment Income - Charity

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Bank interest receivable	<u>608</u>	<u>608</u>	<u>1,348</u>	<u>1,348</u>

8. Commercial Trading Operations

Commercial trading operations relates to the trading subsidiary company Z-Arts Trading Limited, company number 8468095. The profit during the year ended 31 March 2022 was £118 (2021: £914).

9. Other Income - Charity

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Profit on Sale of fixed asset	158	158	-	-
Trading Income – Presentation fee	<u>418</u>	<u>418</u>	<u>-</u>	<u>-</u>

Zion Arts Centre Limited (T/A Z-Arts)

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

10. Expenditure on Charitable Activities by Fund Type

	Unrestricted Funds	Restricted Funds	Total Funds 2022
	£	£	£
Salaries and employer's NIC	420,728	111,194	531,922
Activities costs	167,339	183,575	350,914
Other direct costs	9,500	100	9,600
Promotional costs	14,360	6,967	21,327
Training, recruitment, travel, and motor	8,525	1,238	9,763
Professional fees	20,988	-	20,988
Bank charges and subscriptions	6,715	-	6,715
Property costs	101,947	56,854	158,801
Depreciation	26,673	40,246	66,919
Support costs	11,206	-	11,206
	<u>787,981</u>	<u>400,174</u>	<u>1,188,155</u>

	Unrestricted Funds	Restricted Funds	Total Funds 2021
	£	£	£
Salaries and employer's NIC	523,980	33,097	557,077
Activities costs	97,983	96,056	194,039
Other direct costs	11,812	358	12,170
Promotional costs	12,705	1,239	13,944
Training, recruitment, travel and motor	2,766	85	2,851
Professional fees	2,873	-	2,873
Bank charges and subscriptions	3,401	20	3,421
Property costs	135,872	11,664	147,537
Depreciation	18,127	38,786	56,913
Support costs	7,035	-	7,035
	<u>816,554</u>	<u>181,306</u>	<u>997,860</u>

11. Expenditure on Charitable Activities by Activity Type

	Activities undertaken directly	Support costs	Total funds 2022	Total funds 2021
	£	£	£	£
Salaries and employer's NIC	531,922	-	531,922	557,077
Activities costs	350,914	-	350,914	194,039
Other direct costs	9,600	-	9,600	12,170
Promotional costs	21,327	-	21,327	13,944
Training, recruitment, travel and motor	9,763	-	9,763	2,851
Professional fees	20,988	-	20,988	2,873
Bank charges and subscriptions	6,715	-	6,715	3,421
Property costs	158,801	-	158,801	147,537
Depreciation	44,167	22,752	66,919	56,913
Governance costs	-	11,206	11,206	7,035
	<u>1,154,197</u>	<u>33,958</u>	<u>1,188,155</u>	<u>997,860</u>

Zion Arts Centre Limited (T/A Z-Arts)

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

12. Net Income/(Expenditure)

Net (expenditure)/Income:

	2022	2021
	£	£
Depreciation of tangible fixed assets	66,919	56,913
Gains on disposal of tangible fixed assets	158	-
Operating Lease rentals	43,331	46,028

13. Auditors Remuneration

	2022	2021
	£	£
Fees payable to the external auditors for the audit of the financial statements	6,625	5,760
Fees payable to the external auditors for other services	1,875	1,110
	<u>8,500</u>	<u>6,870</u>

14. Staff Costs

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

	2022	2021
	£	£
Wages and salaries	523,230	535,343
Social security costs	41,752	39,730
Pension costs	9,250	8,797
	<u>574,233</u>	<u>583,870</u>

The average head count of employees during the year was 32 (2021: 33). The average number of full-time equivalent employees during the year is analysed as follows:

	2022	2021
	No.	No.
Number of operational staff	10	15
Number of creative staff	5	5
Number of management staff	6	5
	<u>21</u>	<u>25</u>

No employee received employee benefits of more than £60,000 during the year 2022 (2021: Nil).

During the year there were settlement payments of £4,320 (2021 - £Nil). There was £4,320 (2021 - £Nil) outstanding at the year end.

Key Management Personnel

Key management personnel are the Chief Executive, Head of Finance & Operations, Head of Premises & Technical, Head of Creative Development and Head of Programming. The total compensation paid to key management personnel for services provided to the charity was £214,374 (2021: £199,521).

Zion Arts Centre Limited (T/A Z-Arts)

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

15. Trustee Remuneration and Expenses

No remuneration or other benefits from employment with the charity or a related entity were received by the trustees.

16. Tangible Fixed Assets – Group

	Stun Studio £	Static Equipment £	Portable Equipment £	Theatre Seating £	Fixtures & Fittings £	Plant & Machinery £	Total £
Cost							
At 1 April 2021	227,866	55,057	204,339	120,201	4,020	22,385	633,867
Additions	-	875	4,540	-	-	88,214	93,629
Disposals	-	-	(45,341)	-	-	-	(45,341)
At 31 March 2022	227,866	55,932	163,537	120,201	4,020	110,599	682,156
Depreciation							
At 1 April 2021	165,891	50,300	169,908	12,521	3,045	-	401,666
Charge for the year	22,787	1,947	18,015	12,020	691	11,460	66,919
Release on disposals	-	-	(45,341)	-	-	-	(45,341)
At 31 March 2022	188,678	52,247	142,582	24,541	3,736	11,460	423,244
Carrying amount							
At 31 March 2022	39,188	3,685	20,956	95,660	284	99,140	258,912
At 31 March 2021	61,975	4,757	34,430	107,680	975	22,385	232,202

Zion Arts Centre Limited (T/A Z-Arts)

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

16. Tangible Fixed Assets – Charity

	Stun Studio £	Static Equipment £	Portable Equipment £	Theatre Seating £	Plant & Machinery £	Total £
Cost						
At 1 April 2021	227,866	55,057	204,339	120,201	22,385	629,848
Additions	-	875	4,540	-	88,214	93,629
Disposals	-	-	(45,341)	-	-	(45,341)
At 31 March 2022	227,866	55,932	163,538	120,201	110,599	678,136
Depreciation						
At 1 April 2021	165,891	50,300	169,908	12,521	-	398,621
Charge for the year	22,787	1,947	18,015	12,020	11,460	66,229
Release on disposals	-	-	(45,341)	-	-	(45,341)
At 31 March 2022	188,678	52,247	142,582	24,541	11,460	419,508
Carrying amount						
At 31 March 2022	39,188	3,685	20,956	95,660	99,139	258,628
At 31 March 2021	61,975	4,756	34,430	107,680	22,385	231,227

17. Investments - Charity

Analysis of investments at 31 March 2022 between funds

	Unrestricted Funds £	Restricted Funds £	Total funds 2022 £	Total funds 2021 £
UK Group undertakings	100	-	100	100

The investment represents 100% of the Ordinary Share Capital of 100 shares of £1 each of Z-Arts Trading Limited. Z-Arts Trading Limited is a wholly owned subsidiary of Zion Arts Centre Limited. The subsidiary company is incorporated in England and Wales. The principal activities during the year were the operation of a café bar.

18. Stock

	Group 2022 £	2021 £	Charity 2022 £	2021 £
Stock in hand	6,580	1,855	-	-

Zion Arts Centre Limited (T/A Z-Arts)

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

19. Debtors

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Trade debtors	64,965	80,371	64,724	81,683
Amounts owed by group undertakings	-	-	7,054	7,204
Other debtors	21,141	34,613	21,041	34,613
	<u>86,106</u>	<u>114,984</u>	<u>92,819</u>	<u>123,501</u>

20. Cash and Cash Equivalents

Cash and cash equivalents comprise the following:

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Cash at bank and in hand	155,419	100,918	150,891	93,695
Short-term deposits	593,808	629,951	593,808	629,951
	<u>749,227</u>	<u>730,869</u>	<u>744,699</u>	<u>723,646</u>

21. Creditors: amounts falling due within one year

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Trade creditors	73,836	68,221	72,481	68,055
Social security and other taxes	91,458	11,936	16,485	11,953
Accruals and deferred income	153,821	184,745	227,074	184,845
	<u>319,115</u>	<u>264,902</u>	<u>316,040</u>	<u>264,853</u>

Deferred income

	£
Balance b/fwd at 1st April 2021	137,239
Released in the year	(56,757)
Deferred in the year	77,409
Balance c/fwd at 31 March 2022	<u>157,891</u>

Zion Arts Centre Limited (T/A Z-Arts)

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

22. Analysis of Charitable Funds

Unrestricted funds- Group and Charity

	At 1 April 2021	Income	Expenditure	Transfer	At 31 March 2022
	£	£	£	£	£
General funds	294,584	884,943	(841,285)	(37,674)	300,568
Designated funds:					
Family friendly escape room	-	-	-	20,000	20,000
Major capital depreciation reserve	109,498	-	-	85,301	194,799
	<u>404,082</u>	<u>884,943</u>	<u>(841,285)</u>	<u>67,627</u>	<u>515,367</u>

Transfers of £67,627 from restricted to unrestricted funds represents the release on restriction from DCMS recovery fund and MCC contribution to toilets fund following the completion of the new toilet block.

A Transfers of £85,301 from general funds to designated funds has been added to the Major capital depreciation fund which accounts for depreciation of major capital purchases including theatre seats and new toilet block.

A transfer of £20,000 from general funds to designated funds has been made to cover the costs of building a new family friendly escape room.

Zion Arts Centre Limited (T/A Z-Arts)

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

Restricted funds – Group and Charity

	At 1 April 2021	Income	Expenditure	Transfers	At 31 March 2022
	£	£	£	£	£
A4A Summer of play	-	9,750	(9,750)	-	-
ABRSM Generation Z	5,907	-	(5,907)	-	-
ACE Artist development fund	-	83,055	(25,996)	-	57,059
Children in Need	18,920	-	(18,920)	-	-
Creative Scotland 4 nations project	-	4,860	(917)	-	3,943
Curious Minds MCEP	20,000	5,000	(20,200)	-	4,800
DCMS Recovery Fund	55,409	82,471	(100,253)	(37,627)	-
D'oyly Carte	3,500	-	-	-	3,500
Duchy of Lancashire Summer Grant	-	500	(500)	-	-
DWF Foundation	-	2,000	(2,000)	-	-
ERF Danish Cities	-	27,229	(401)	-	26,828
Esme Fairburn	-	5,000	(5,000)	-	-
Family Arts Network	2,570	6,121	(6,343)	-	2,348
FAC Here and Now	2,600	7,000	(9,600)	-	-
GMCA MADE Grant	-	1,000	(1,000)	-	-
Granada Foundation	3,000	-	(3,000)	-	-
Greater Sport Dance Project	-	6,864	(6,864)	-	-
Ground Works Tesco Community Fund	-	500	-	-	500
HAF Mcr active	-	4,792	(339)	-	4,452
Harold Hyam Wingate fund	-	3,975	(1,205)	-	2,770
John Thaw	10	1,000	(1,010)	-	-
Levi's Music Project	52,019	9,805	(39,790)	-	22,034
MCC Contribution to toilets	-	30,000	-	(30,000)	-
MCEP	14,812	-	(2,866)	-	11,946
MCEP Manchester Venues Recovery	44,258	22,500	(17,050)	-	49,708
Mind the gap access	-	500	-	-	500
Mind the gap engage	-	2,000	(2,000)	-	-
NIF Global families	-	1,200	(1,200)	-	-
NIF Summer of Play	-	830	(830)	-	-
One Mcr – Family Jam	3,400	-	(1,450)	-	1,950
One Mcr – Tiger School	4,880	-	(1,881)	-	2,999
Paul Hamlyn	60,601	-	(60,601)	-	-
Stun Capital	77,712	-	(28,786)	-	48,926
UK Theatres Trust	1,635	-	-	-	1,635
Young Manchester SEND Project	-	5,270	(5,270)	-	-
Thrive (Young Manchester)	14,769	-	(3,536)	-	11,233
Youth Music	24,922	-	(15,709)	-	9,213
	<u>410,926</u>	<u>323,221</u>	<u>(400,174)</u>	<u>(67,627)</u>	<u>266,346</u>

Zion Arts Centre Limited (T/A Z-Arts)

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

22. Analysis of Charitable Funds *(continued)* Unrestricted funds- Group and Charity

	At 1 April 2020	Income	Expenditure	Transfer	At 31 March 2021
	£	£	£	£	£
General funds	210,520	922,956	(838,892)	-	294,584
Theatre seating	-	-	-	109,498	109,498
Designated Fund:					
Big Imagination Festival	20,000	-	-	(20,000)	-
	<u>230,520</u>	<u>922,955</u>	<u>(838,892)</u>	<u>89,498</u>	<u>404,082</u>

Restricted funds – Group and Charity

	At 1 April 2020	Income	Expenditure	Transfers	At 31 March 2021
	£	£	£	£	£
Stun Capital grant	106,499	-	(28,786)		77,713
Paul Hamlyn	67,651	-	(7,050)		60,601
ABRSM Generation Z	6,376	-	(469)		5,907
Children in Need	-	38,111	(19,191)		18,920
Curious Minds MCEP	-	20,000	-		20,000
DCMS Recovery Fund	-	119,162	(63,753)		55,409
D'oily Carte	-	3,500	-		3,500
FAC Here and Now	2,600	-	-		2,600
Family Arts Network	595	5,127	(3,153)		2,569
Foyle Foundation	20,000	-	-	(20,000)	-
MCEP	17,469	5,000	(7,657)		14,812
Granada Foundation	-	3,000	-		3,000
John Thaw	810	-	(800)		10
Levis Music Project	37,274	29,414	(14,669)		52,019
MCEP Manchester Venues	-	67,500	(23,242)		44,258
UK Theatres Trust	1,635	-	-		1,635
One Mcr – Tiger School	4,880	-	-		4,880
One Mcr – Family Jam	4,200	-	(800)		3,400
Renakers Seats	66,165	13,333	(10,000)	(69,498)	-
Santander Fund	-	-	-		-
Thrive (Young Manchester)	6,784	9,123	(1,138)		14,769
Youth Music	-	25,522	(600)		24,922
	<u>342,938</u>	<u>338,792</u>	<u>(181,306)</u>	<u>(89,498)</u>	<u>410,926</u>

Zion Arts Centre Limited (T/A Z-Arts)

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 March 2022

Restricted funds – Group and Charity (*continued*)

A4A Summer of play

Grant to facilitate programme of outdoor activities

ABRSM Generation Z

To run Generation -Z music project for young people from Manchester.

ACE Artist development fund

Fund to support the development of artists working in children's theatre and to run a trainee creative facilitator programme

Children in need

Grant to enable the provision of free weekly after school activities

Creative Scotland 4 nations project

Fund to support digital performance research

Curious Minds MCEP

To facilitate the Manchester Creative Education Partnership. (MADE)

DCMS Recovery Fund

Grant to support the organisation through the pandemic.

D'oyly Carte

Grant to support the delivery of Z-arts Young Performers participatory arts activities.

Duchy of Lancashire Summer Grant

Grant to support summer programme

DWF Foundation

Grant to support Bright sparks programme access facilitation

ERF Danish Cities

MCC grant to facilitate cultural exchange between Manchester and Denmark

Esme Fairburn

Grant towards the development of the Artichoke Hearts project with Bhuchar Boulevard

Family Arts Network

Grant to facilitate the running of a network of family arts organisations.

FAC Here and Now

To fund a project with Company Chameleon in celebration of 25 years of the national lottery.

GMCA MADE Grant

To facilitate the Manchester Creative Education Partnership.(MADE)

Granada Foundation

Grant to support Big imaginations summer programme

Greater Sport Dance Project

Grant to support the running of after school dance clubs

Zion Arts Centre Limited (T/A Z-Arts)

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 March 2022

Restricted funds – Group and Charity (continued)

Ground Works Tesco Community Fund

Grant to facilitate the Bright sparks after school activities

HAF Mcr active

To provide Holiday activities to Manchester school children

Harold Hyam Wingate fund

To support Bright sparks and ZYP dance and drama activities

John Thaw

To support Bright sparks and ZYP dance and drama activities

Levi's Music Project

To support the running of the Levis music studio.

MCC Contribution to toilets

Contribution to a new covid secure toilet block

MCEP

A Grant from MCC to facilitate the Manchester Creative Education Partnership (MADE)

MCEP Manchester Venues Recovery

Manchester venues contributions to fund Manchester Creative Education partnership (MADE)

Mind the gap access

Grant to support access projects at Z-arts

Mind the gap engage

Grant to support access projects at Z-arts

NIF Global families

Grant to support family half term activities

NIF Summer of Play

Grant to support the Summer activities in Hulme park

One Mcr – Family Jam

To enable family music events in the café.

One Mcr – Tiger School

To enable local school children to visit the Tiger who came to tea exhibition.

Paul Hamlyn

To support the CEO and the organisation in the development of new work reflective of the diverse nature of families today

Stun Capital

To redevelop the studio into a fully equipped theatre studio and refurbish the associated offices

Zion Arts Centre Limited (T/A Z-Arts)

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 March 2022

Restricted funds – Group and Charity (*continued*)

UK Theatres Trust

To provide access and environmental improvements.

Young Manchester SEND Project

Grant to provide SEND Easter activities

Thrive (Young Manchester)

Grant to fund a schools mental health project.

Youth Music

Grant to facilitate young people music project.

Zion Arts Centre Limited (T/A Z-Arts)

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 March 2022

23. Analysis of Group Net Assets between Funds

	Restricted Funds	Unrestricted Funds	Total Funds 2022	Total Funds 2021
	£	£	£	£
Tangible fixed assets	48,926	209,986	258,912	232,202
Current assets	217,420	305,380	522,800	582,806
Net assets	266,346	515,366	781,712	815,008

	Restricted Funds	Unrestricted Funds	Total Funds 2021	Total Funds 2020
	£	£	£	£
Tangible fixed assets	100,097	132,105	232,202	261,615
Current assets	310,829	271,977	582,806	311,843
Net assets	410,926	404,082	815,008	573,458

24. Operating Lease Commitments – Group and Charity

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2022	2021
	£	£
Equipment		
Not later than 1 year	843	843
Later than 1 year and not later than 5 years	1,476	2,319
	2,319	3,162

25. Related Parties

The charity has a close working relationship with Manchester City Council: this body nominates directors (see trustees annual report) and provides funding to enable the charity to carry out its charitable objectives. Income totalling £252,163 (2021: £203,753) has been received during the year. Expenditure totalling £45,295 (2021: £45,295) has been incurred with the related party during the year. The balance outstanding at the year-end was £36,000 (2021: £48,426).

All the above fundraising was received either as core or grant funding. This income has been included in the financial statements under voluntary income and incoming resources from charitable activities. The above expenditure reflects invoiced costs in the year; it has been included in the financial statements under charitable expenditure.

The charity trustees were not paid or reimbursed expenses during the year and no charity trustee received any emolument or payment for professional or other services.

Zion Arts Centre Limited (T/A Z-Arts)

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 March 2022

26. Capital commitments

The total amount contracted for but not provided in the financial statements was £Nil (2021 - £76,745)

27. Analysis of changes in Net Debt

	At 1 April 2021	Cashflow	At 31 March 2022
	£	£	£
Cash at bank	100,918	54,501	155,419
Short-term deposits	629,951	(36,143)	593,808
Total Funds	<u>730,869</u>	<u>18,358</u>	<u>749,227</u>

ZION ARTS CENTRE LIMITED

England & Wales - Charity number 1093556

Accounts

Zion Arts Centre Limited (T/A Z-Arts)
Company Limited by Guarantee
Consolidated Financial Statements
31 March 2021

BEEVER AND STRUTHERS

Chartered accountant & statutory auditor
St. George's House
215 - 219 Chester Road
Manchester
M15 4JE

Zion Arts Centre Limited (T/A Z-Arts)

Company Limited by Guarantee

Financial Statements

Year Ended 31 March 2021

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Independent Auditor's Report to the Members	7 to 10
Consolidated Statement of Financial Activities (Including Income and Expenditure Account)	11
Consolidated Statement of Financial Position	12
Statement of Cash Flows	13
Notes to the Financial Statements	14 to 28

Zion Arts Centre Limited (T/A Z-Arts)

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report)

Year Ended 31 March 2021

The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the group for the year ended 31 March 2021.

Reference and Administrative Details

Registered charity name	Zion Arts Centre Limited (T/A Z-Arts)
Charity registration number	1093556
Company registration number	04101324
Principal office and registered office	335 Stretford Road Hulme Manchester M15 5ZA

The Trustees

S Armitage
A Lone
A Gill
J Longmore (Resigned 09 December 2020)
S Hiscock (Resigned 09 December 2020)
I Cecil
G Lister
R Fox
E Ransome
E Rowles (Appointed 08 June 2020)
F Bennett-Nielsen (Appointed 11 March 2021)
L Green (Appointed 11 March 2021)
N Noor (Appointed 11 March 2021)

Company Secretary	Elizabeth O'Neill
Auditor	Beever and Struthers Chartered accountant & statutory auditor St. George's House 215 - 219 Chester Road Manchester M15 4JE
Bankers	CAF Bank 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ
Solicitors	DWF LLP 5 Castle Street Liverpool L2 4XE

Zion Arts Centre Limited (T/A Z-Arts)

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2021

Structure, Governance and Management

Governing document

The charity is a company limited by guarantee and is governed by its Memorandum and Articles of Association dated 2nd November 2000 and as amended by two special resolutions dated 5th August 2010 and 15th March 2016. It is registered as a charity with the Charity Commission.

Persons are admitted to membership by the unanimous approval of the existing members. Members may cease to be members of the company by serving notice of their intention to resign.

There are currently twelve members of the company, each of whom agrees to contribute a sum not exceeding £1 in the event of the charity being wound up.

Appointment of directors and trustees

The first directors of the company were appointed on incorporation. The directors, who are the trustees, have the power to appoint any person who is willing to be a director either to fill a vacancy or as an additional director. The number of directors should not be less than four or more than sixteen. In addition, Manchester City Council has the power to appoint one director, a City Director, for every three non-city directors subject to the upper limit on the size of the Board.

Following a resolution of the board in 2010, directors are appointed for a term of three years after which they may apply for re-election. No director may remain in office for more than two terms unless a serving director is elected as chair in which case he or she may serve for a maximum of three terms before stepping down. All other directors (except City Council appointed Directors) must step down after two terms for at least one year before they can be re-elected as directors. Directors may not be removed from office except if they are disqualified (under the company rules) from continuing to act, if they have been appointed for a fixed term that is expired or, if they are a nominee of Manchester City Council if the Council resolves to remove them. The directors have no beneficial interest in the company and are not remunerated for any of the services they provide as directors of the company.

Related parties

None of the trustees receive remuneration or any other benefits from their trusteeship. Each year trustees complete a Conflict of Interest Statement and a Declaration of Commitment Statement. Any connection between a trustee or a senior manager and a company, institution or artist that Z-arts engages with must be stated in this form, or at a meeting if it occurs during the year. In this year we have appointed four new trustees including Cllr Emily Rowles, appointed by Manchester City Council, who lease the building to Z-arts and provide strategic core funding. Cllr Rowles also sits on the board of One Manchester.

Objectives and Activities

The charity's objectives are: -

To promote, maintain, improve, develop and advance public education and training in the arts for the benefit of, but not limited to, young people, by operating a centre for the presentation for the public of music, opera, dance, drama, the visual arts, films, video, multimedia, sound, exhibitions of all kinds as are conducive to the promotion, maintenance, improvement and participation in and advancement of education or to the encouragement of the arts, whether on premises owned or leased by the Company or elsewhere.

The Charity's main activities are: -

- The promotion and facilitation of arts events and activities for children, young people and families.

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance on public benefit and fee charging. The charity relies on the voluntary services of the trustees, and on grants and the income from fees and charges to cover its operating costs. In setting the level of fees and charges the trustees give consideration to the accessibility to activities for those on low income.

Zion Arts Centre Limited (T/A Z-Arts)

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2021

Achievements and Performance

Z-arts offer in 2020/21 was predominantly moved online, with the building being closed due to the Covid-19 pandemic, following government restrictions, except for opening for five weeks for small socially distanced participation classes in the autumn, between lockdowns (note, Manchester had an additional lockdown in autumn 2020, compared to much of the rest of England). We were unable to open or provide classes again until April 2021.

Participation activities were offered online to all families who regularly attend Z-arts, as well as reaching more from further afield due to the lack of geographical restrictions. Over the course of the year over 16,000 people interacted with over 600 online activities, and we promoted 19 performances online with 1,182 audience interactions. We prioritised our support for independent artists, commissioning 17 new piece of theatre for young audiences and supporting 18 artists making new work for children in total. The Levi's studio sponsorship from 2017/18 continued, enabling the organisation to run additional digital music programmes for young people alongside its regular activities.

2020 /2021 was Z-arts third year as an Arts Council England (ACE) Band 2 National Portfolio (NPO), (£255,000 p/a). This funding was guaranteed and extended until April 2023 due to the pandemic.

Core funding from Manchester City Council (MCC) has also been extended until April 2022, and a second term of two-year core funding from Greater Manchester Combined Authorities (GMCA) was also agreed.

Government support from the Job Retention Scheme safeguarded 83% of jobs. This support, along with funding from the DCMA Culture Recovery Fund, sustains the long-term financial stability for the organisation.

Despite the pandemic, 2020/21 has strengthened Z-arts role as a national leader in creative practice for children and families. Alongside leading the Manchester Family Arts Network, which has twenty members throughout the city and the region-wide Big Imaginations network of twenty-one venues across the North West and Yorkshire who share a commitment to bringing brilliant children's theatre to the region; this year has seen a growth in activity for MADE, the Manchester Cultural Education Partnership which officially launched one week before lockdown in March 2020. Managed as a Z-arts project, this partnership worked with 15 schools and 23 cultural organisations who make up the core partnership, delivering 27 participation projects and reaching hundreds of local young people.

Z-arts mission to make a difference to the lives of some of the most disadvantaged children in Manchester was even more urgent during the pandemic, and we used digital activity as well as creating Creative Care packs and working with Manchester Food Banks to reach some of the most disadvantaged children and young people in the city, thereby improving their lives through increasing their mental and physical health and well-being.

Covid secure measures and building improvements

Z-arts have undertaken a number of measures to ensure that visitors to the building can return as safely as possible.

We have installed mechanical ventilation in the exhibition space and also revealed and restored some large windows to allow for natural ventilation. We have invested in a new environmentally friendly cleaning system (toucan eco) which enables us to clean spaces in a way that is safe for children and environmentally friendly. We have installed hand sanitisers around the building, screens at box office and introduced a keep left system to allow visitors to move around the building safely and we have invested circa £90k in a new toilet block with individual cubicles (to be completed July 21)

Terms of occupation and sub-letting of premises

The company occupies premises owned by Manchester City Council. The company has benefited from its occupation through its own use of the premises and through sub-letting part of the premises. We provide an affordable base for emerging artists and Creative SMEs to base themselves and produce new work. Our primary tenant is Sustained Theatre Up North (STUN) who inhabit our studio theatre on a ten-year sub-lease, supported by Arts Council England, until 1st November 2023.

Zion Arts Centre Limited (T/A Z-Arts)
Company Limited by Guarantee
Trustees' Annual Report (Incorporating the Director's Report) *(continued)*
Year ended 31 March 2021

Financial Review

The company has experienced a positive year financially, seeing total funds increase by 42% to £815,008 (2020: £573,458).

Total income fell by 13.5 % to £1,261,747 (2020: £1,458,944) . Donations and legacies increased as a result of ongoing support from Arts Council England, Manchester City Council and the GMCA along with support from the job retention scheme but earned income from box office, exhibition sales and venue hire fell to almost zero as the building remained closed for most of the year due to covid restrictions.

Total expenditure fell by 23.5% to £1,020,198 (2020: £1,333,802) Operational costs were lower as a consequence of the building remaining closed for most of the period although there were additional costs associated with making necessary alterations to make the building covid secure for reopening. Activities costs were much lower in the year with many activities suspended, however, the funds for creative activities have been protected and will take place in the coming year.

The restricted funding for the new theatre seats (purchased primarily through restricted grants from Renaker build ltd and the Foyle foundation) has been transferred to unrestricted funding in the year. This is because the funding terms have now been met, allowing the Charity to use the theatre seats on an unrestricted basis for charitable purposes.

Principle Risks and Uncertainties

The trustees have a risk management strategy which comprises a regular review of the risks the Company may face, the establishment of systems and processes designed to mitigate those risks and the implementation of procedures intended to minimise the impact on the Company should those risks materialise. This risk strategy has been updated to take account of the pandemic and is reviewed on a quarterly basis at board level.

This review has identified that financial sustainability could be an issue if another incident like the pandemic were to occur, as well as the previously identified risks such as if the Company lost one of its key income streams. Consequently, the Company has increased its contingency reserve to 8 weeks turnover, should the business no longer be viable (see 'Reserves Policy' below). Attention has also been focussed on non-financial risks, including building repairs and maintenance, which potentially impact the use of the building for revenue generating activities.

Whilst the Coronavirus pandemic resulted in the closure of the building and the associated loss of revenue, the Company has utilised all possible funding opportunities to ensure that we can continue to operate as a Going Concern.

Going Concern

Despite the impact of the Coronavirus pandemic on the 2020/ 21 operating plan, we have been able to continue to deliver to our objectives by moving all participation activities online, thereby reaching more people, as well as delivering craft packs to families by post and through food banks. During closure we have prioritized improving safety measures in the building, so that we were ready to reopen when government guidelines allowed.

The continued support of Arts Council England through NPO funding, MCC through its revenue grant funding and continued GMCA funding both this year and next, along with the Job Retention Scheme, backed by our current conservative budgeting and forecasting and substantial reserves has enabled us to maintain cashflow. After carefully considering the Company's financial position and prospects, the trustees have concluded that it is appropriate to adopt the going concern basis of preparation.

Zion Arts Centre Limited (T/A Z-Arts)
Company Limited by Guarantee
Trustees' Annual Report (Incorporating the Director's Report) *(continued)*
Year ended 31 March 2021

Reserves Policy

Z-arts has been well supported through the pandemic by both the arts council and MCC, however we cannot assume such a level of support should a similar unforeseen situation arise. As a consequence, we have decided to increase the reserves target to aim for a free reserves figure equal to 8 to 12 weeks pre pandemic turnover which will provide greater financial resilience moving forward. 8 weeks pre pandemic turnover is calculated at £224,452 based on the previous years turnover.

Having reached our free reserves target, 50% of any additional unrestricted reserves will be allocated to a future capital project. A maximum of 20% surplus unallocated reserves will go towards staff incentive and retention schemes to help retain key staff. 30% will remain in unrestricted reserves for future creative projects, building maintenance, technical, youth-led projects.

At the end of the current financial year Z-arts free reserves stand at £256,239, £31,787 over the free reserves target. Of the year-end free reserves some of this has already been committed to capital spend on a new covid secure toilet block.

Despite the current uncertain economic environment, Z-arts continues to prioritise diversifying its funding streams through earned income, public bodies and private sponsorship to reduce reliance on any single source of income.

Plans for Future Periods

Z-arts have created a new business plan for 2021/22, entitled “To rebuild, restore and refresh, with a focus on well-being and family-togetherness”. 2021/22 is a year in which to recover from the pandemic, research new models and rebuild the organisation for a new, sustainable and viable future.

Z-arts is widely acknowledged for the role it plays as a major contributor to the recovery of the cultural sector, by providing training and development for children, young people, and artists at the start of their career.

Taking the successes of the last year ten years operation, the learnings and the positives from a year of lockdown and online delivery, and time to understand the changes in our operational landscape, we will use this year to rebuild our programme, restore audiences and participants, refresh our operations by trialling new business models, new artist-led programmes and income generation activities.

In 2020 we identified areas of need in the creative sector, and where we are best placed to support the sector’s growth; building on our track record of nurturing creativity in young people and refining how we support creative facilitators, as the next generation of artists.

2022 will see further testing and implementation of new business models, a revitalised website to reflect new focus areas, ready to be embedded into the 2023/26 Strategic Plan.

Meanwhile, core activities have restarted, including the partnership with Discover Children’s Story Centre in London, which brings Z-arts an immersive exhibition for children each year. “Tiger & Mog” is now extended until February 2022, and we have two family offers for Christmas, as well as plans to extend opening hours to include Sundays. A “Summer of play” will take place across the summer holidays with four separate outside family events and our diverse and exciting children’s theatre programme will restart in September.

Zion Arts Centre Limited (T/A Z-Arts)
Company Limited by Guarantee
Trustees' Annual Report (Incorporating the Director's Report) *(continued)*
Year ended 31 March 2021

Trustees' Responsibilities Statement

The trustees, who are also directors for the purposes of company law, are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, 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 applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 adequate accounting records that are sufficient to show and explain the charity's transactions and 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 Companies Act 2006. They 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.

Auditor

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

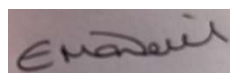
Small Company Provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small company's exemption.

The trustees' annual report was approved on 31 August 2021 and signed on behalf of the board of trustees by:



Graham Lister
Trustee



Elizabeth O'Neill
Company Secretary

Zion Arts Centre Limited (T/A Z-Arts)

Company Limited by Guarantee

Independent Auditor's Report to the Members of Zion Arts Centre Limited (T/A Z-Arts)

Year ended 31 March 2021

Opinion

We have audited the group and the parent charity group financial statements of Zion Arts Centre Limited (T/A Z-Arts) (the 'charity') for the year ended 31 March 2021 which comprise the consolidated statement of financial activities, the consolidated and charity statement of financial position, the consolidated and charity statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for Opinion

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

Conclusions Relating to Going Concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Zion Arts Centre Limited (T/A Z-Arts)

Company Limited by Guarantee

Independent Auditor's Report to the Members of Zion Arts Centre Limited (T/A Z-Arts) (continued)

Year ended 31 March 2021

Other Information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees (who are also the directors of the group and parent charitable company for the purposes of company law) are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on Other Matters Prescribed by the Companies Act 2006

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

- the information given in the trustees' report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on Which We are Required to Report by Exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

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

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

Zion Arts Centre Limited (T/A Z-Arts)

Company Limited by Guarantee

Independent Auditor's Report to the Members of Zion Arts Centre Limited (T/A Z-Arts) (continued)

Year ended 31 March 2021

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 6, the trustees (who are also the directors of the group and parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

The extent to which the audit was considered capable of detecting irregularities including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and addressing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of laws, regulations and guidance that affect the Charitable Company, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws, regulations and guidance that we identified included the Companies Act 2006, tax legislation, health and safety legislation, and employment legislation.
- We enquired of the Trustees and reviewed correspondence and Trustee meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Trustees have in place, where necessary, to ensure compliance.
- We gained an understanding of the controls that the Trustees have in place to prevent and detect fraud. We enquired of the Trustees about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations was discussed within the audit team and tests were planned and performed to address these risks.
- We reviewed financial statements disclosures and supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the Trustees about actual and potential litigation and claims.

Zion Arts Centre Limited (T/A Z-Arts)

Company Limited by Guarantee

Independent Auditor's Report to the Members of Zion Arts Centre Limited (T/A Z-Arts) (continued)

Year ended 31 March 2021

- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report

Use of Our Report

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

Beever and Struthers

Sue Hutchinson
SENIOR STATUTORY AUDITOR

For and on behalf of Beever and Struthers, Statutory Auditor
St. George's House
215-219 Chester Road
Manchester
M15 4JE

Dated: 22 September 2021

Zion Arts Centre Limited (T/A Z-Arts)

Company Limited by Guarantee

Consolidated Statement of Financial Activities (including income and expenditure account)

31 March 2021

		Unrestricted funds	Restricted funds	Total funds 2021	Total funds 2020
	Note	£	£	£	£
Income and endowments					
Donations and legacies	5	797,070	-	797,070	577,355
Charitable activities	6	100,376	338,792	439,168	756,196
Investment income	7	1,348	-	1,348	2,489
Trading activities					
Commercial trading operations	8	24,161	-	24,161	122,904
		<u>922,955</u>	<u>338,792</u>	<u>1,261,747</u>	<u>1,458,944</u>
Expenditure					
Expenditure on charitable activities	9,10	816,554	181,306	997,860	1,212,010
Expenditure on raising funds:					
Commercial trading operations	8	22,338	-	22,338	121,792
Total expenditure		<u>838,892</u>	<u>181,306</u>	<u>1,020,198</u>	<u>1,333,802</u>
Net income/(expenditure) and net movement in funds		84,064	157,486	241,550	125,142
Transfers between funds		89,498	(89,498)	-	-
Net movement in funds		173,562	67,988	241,550	
Reconciliation of funds					
Total funds brought forward		<u>230,520</u>	<u>342,938</u>	<u>573,458</u>	448,316
Total funds carried forward		<u>404,082</u>	<u>410,926</u>	<u>815,008</u>	<u>573,458</u>

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

The notes on pages 14 to 28 form part of these financial statements.

Zion Arts Centre Limited (T/A Z-Arts)
Company Limited by Guarantee
Consolidated and Charity Statement of Financial Position
31 March 2021

		Group		Charity	
		2021	2020	2021	2020
		£	£	£	£
Fixed assets					
Tangible fixed assets	15	232,202	261,615	231,227	259,731
Investments	16	-	-	100	100
		<u>232,202</u>	<u>261,615</u>	<u>231,327</u>	<u>259,831</u>
Current assets					
Stocks	17	1,855	4,890	-	-
Debtors	18	114,985	192,504	123,551	198,984
Investments	19	629,951	378,092	629,951	378,092
Cash at bank and in hand	19	100,918	64,533	93,695	59,643
		<u>847,709</u>	<u>640,019</u>	<u>847,197</u>	<u>636,719</u>
Creditors: amounts falling due within one year	20	<u>264,903</u>	<u>328,176</u>	<u>264,753</u>	<u>323,566</u>
Net current assets		<u>582,806</u>	<u>311,843</u>	<u>582,444</u>	<u>313,153</u>
Total assets less current liabilities		<u>815,008</u>	<u>573,458</u>	<u>813,770</u>	<u>572,984</u>
Net assets		<u>815,008</u>	<u>573,458</u>	<u>813,770</u>	<u>572,984</u>
Funds of the charity					
Restricted funds		<u>410,926</u>	<u>342,938</u>	<u>410,926</u>	<u>230,096</u>
Unrestricted funds:					
General		<u>294,584</u>	<u>230,520</u>	<u>293,386</u>	<u>342,888</u>
Spend on fixed assets		<u>109,498</u>	<u>-</u>	<u>109,498</u>	<u>-</u>
Total charity funds	21	<u>815,008</u>	<u>573,458</u>	<u>813,810</u>	<u>572,984</u>

The Trustees have prepared group accounts in accordance with Section 398 of the Companies Act 2006 and Section 138 of the Charities Act 2011. These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

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



G Lister
 Trustee

The notes on pages 14 to 28 form part of these financial statements.

Zion Arts Centre Limited (T/A Z-Arts)

Company Limited by Guarantee

Statement of Cash Flows and Consolidated Statement of Cash Flows

Year ended 31 March 2021

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Cash flows from operating activities				
Net income/(expenditure)	241,549	125,142	240,634	124,893
<i>Adjustments for:</i>				
Depreciation of tangible fixed assets	56,913	45,296	56,005	44,434
Other interest receivable and similar income	(1,348)	(2,489)	(1,348)	(2,489)
<i>Changes in:</i>				
Stocks	3,035	2,357	-	-
Trade and other debtors	77,519	(38,298)	75,583	(37,025)
Trade and other creditors	(63,273)	(110,157)	(58,813)	(108,849)
Cash generated from operations	314,395	21,851	312,063	20,964
Interest received	1,348	2,489	1,348	2,489
Net cash used in operating activities	<u>315,743</u>	<u>24,340</u>	<u>313,410</u>	<u>23,453</u>
Cash flows from investing activities				
Purchase of tangible assets	(27,499)	(127,431)	(27,499)	(126,865)
Net cash used in investing activities	<u>(27,499)</u>	<u>(127,431)</u>	<u>(27,499)</u>	<u>(126,865)</u>
Net decrease in cash and cash equivalents	288,244	(103,091)	285,911	(103,412)
Cash and cash equivalents at beginning of year	442,625	545,716	437,735	541,147
Cash and cash equivalents at end of year	<u>730,869</u>	<u>442,625</u>	<u>723,646</u>	<u>437,735</u>

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The notes on pages 14 to 28 form part of these financial statements.

Zion Arts Centre Limited (T/A Z-Arts)

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 March 2021

1. General Information

The charity is a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is 335 Stretford Road, Hulme, Manchester, M15 5ZA.

2. Statement of Compliance

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

3. Accounting Policies

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 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Zion Arts Centre Limited (T/A Z-Arts) meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Preparation of the accounts on a going concern basis

There are no material uncertainties about the charity's ability to continue, therefore, the accounts have been prepared on a going concern basis.

Going Concern

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

Basis of Consolidation

The Statement of Financial Activities (SOFA) and balance sheet consolidate the financial statements of the Charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Charity has availed itself of Paragraph 4(1) of Schedule 1 of the Small Companies and Groups (Accounts and Directors' Report) Regulations 2008 and adapted the Companies Act formats to reflect the special nature of the Charity's activities. A separate Statement of Financial Activities and income and expenditure account for the Charity has not been presented because the Trust has taken advantage of the exemption afforded by Section 408 of the Companies Act 2006.

Zion Arts Centre Limited (T/A Z-Arts)

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

3. Accounting Policies *(continued)*

Fund Accounting

The charity has a number of restricted funds to account for in situations where a donor requires that a grant or donation must be spent on a particular purpose. All other funds are unrestricted income funds.

Designated funds are funds which have been allocated or designated for specific purposes by the company out of the unrestricted funds.

The funds held in each of these categories are disclosed in note 21.

Stock

Stocks are valued at the lower of cost or net realisable value, after making due allowance for obsolete or slow moving items.

Incoming Resources

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

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources Expended

Expenditure is recognised when a liability is incurred.

Charitable activities include the expenditure associated with the operation of the charity, and include both the direct costs and support costs relating to these activities.

Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

Support costs include the central functions that are not attributable to a single activity, rather providing the infrastructure that enables the activities to take place.

Zion Arts Centre Limited (T/A Z-Arts)

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

3. Accounting Policies *(continued)*

Tangible Assets

All fixed assets are initially recorded at cost. Any fixed assets costing less than £500 are not capitalised but written off to revenue in the year of acquisition.

Depreciation is provided on the cost of tangible fixed assets in order to write off the over the expected useful life of the assets life on a straight line basis.

Depreciation

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

Plant and machinery	-	25% straight line
Stun Studio	-	10% straight line
Static Equipment	-	33% straight line

Investments

Unlisted equity investments are initially recorded at cost, and subsequently measured at fair value. If fair value cannot be reliably measured, assets are measured at cost less impairment.

Financial Instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

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

Debt instruments are subsequently measured at amortised cost.

4. Limited by Guarantee

The charity is a company limited by guarantee and is governed by its Memorandum and Articles of Association dated 2nd November 2000 and as amended by two special resolutions dated 5th August 2010 and 15th March 2016. It is registered as a charity with the Charity Commission.

Persons are admitted to membership by the unanimous approval of the existing members. Members may cease to be members of the company by serving notice of their intention to resign.

There are currently eleven members of the company, each of whom agrees to contribute a sum not exceeding £1 in the event of the charity being wound up.

Zion Arts Centre Limited (T/A Z-Arts)

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

5. Donations and Legacies - Charity

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Donations			
Monetary donations	13,265	-	13,265
Donation from Trading Subsidiary	12,200	-	12,200
	<u>25,465</u>	<u>-</u>	<u>25,465</u>
Grants			
Manchester City Council	194,198	-	194,198
Greater Manchester Combined Authority	49,751	-	49,751
Arts Council	259,692	-	259,692
Covid-19 furlough grant	267,964	-	267,964
	<u>771,605</u>	<u>-</u>	<u>771,605</u>
Total	<u>797,070</u>	<u>-</u>	<u>797,070</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Donations			
Monetary donations	47,685	-	47,685
Donation from Trading Subsidiary	20,500	-	20,500
	<u>68,185</u>	<u>-</u>	<u>68,185</u>
Grants			
Manchester City Council	204,420	-	204,420
Greater Manchester Combined Authority	49,750	-	49,750
Arts Council	255,000	-	255,000
	<u>509,170</u>	<u>-</u>	<u>509,170</u>
Total	<u>577,355</u>	<u>-</u>	<u>577,355</u>

Zion Arts Centre Limited (T/A Z-Arts)

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

6. Charitable Activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Venue hire, shared BO and gallery	4,930	-	4,930
Bar and catering sales	-	-	-
Project grants	47,247	338,792	386,039
Rents receivable	48,199	-	48,199
	<u>100,376</u>	<u>338,792</u>	<u>439,168</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Venue hire, shared BO and gallery	366,803	-	366,803
Bar and catering sales	220	-	220
Project grants	74,048	259,398	333,446
Rents receivable	55,727	-	55,727
	<u>496,798</u>	<u>259,398</u>	<u>756,196</u>

7. Investment Income - Charity

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Bank interest receivable	<u>1,348</u>	<u>1,348</u>	<u>2,489</u>	<u>2,489</u>

8. Commercial Trading Operations

Commercial trading operations relates to the trading subsidiary company Z-Arts Trading Limited, company number 8468095. The profit during the year ended 31 March 2021 was £1,823 (2020: £250).

Zion Arts Centre Limited (T/A Z-Arts)

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

9. Expenditure on Charitable Activities by Fund Type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Salaries and employer's NIC	523,980	33,097	557,077
Activities costs	97,983	96,056	194,039
Other direct costs	11,812	358	12,170
Promotional costs	12,705	1,239	13,944
Training, recruitment, travel and motor	2,766	85	2,851
Professional fees	2,873	-	2,873
Bank charges and subscriptions	3,401	20	3,421
Property costs	135,872	11,664	147,537
Depreciation	18,127	38,786	56,913
Support costs	7,035	-	7,035
	<u>816,554</u>	<u>181,306</u>	<u>997,860</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Salaries and employer's NIC	518,055	58,023	576,078
Activities costs	286,991	62,312	349,303
Other direct costs	19,347	-	19,347
Promotional costs	29,714	59	29,773
Training, recruitment, travel and motor	15,930	1,358	17,288
Professional fees	5,096	-	5,096
Bank charges and subscriptions	6,687	-	6,687
Property costs	131,519	24,473	155,992
Depreciation	16,008	29,288	45,296
Support costs	7,150	-	7,150
	<u>1,036,497</u>	<u>175,513</u>	<u>1,212,010</u>

10. Expenditure on Charitable Activities by Activity Type

	Activities undertaken directly £	Support costs £	Total funds 2021 £	Total funds 2020 £
Salaries and employer's NIC	557,077	-	557,077	576,078
Activities costs	194,039	-	194,039	349,303
Other direct costs	12,170	-	12,170	19,347
Promotional costs	13,944	-	13,944	29,773
Training, recruitment, travel and motor	2,851	-	2,851	17,288
Professional fees	2,873	-	2,873	5,096
Bank charges and subscriptions	3,421	-	3,421	6,687
Property costs	147,537	-	147,537	155,992
Depreciation	37,673	19,240	56,913	45,296
Governance costs	-	7,035	7,035	7,150
	<u>971,585</u>	<u>26,275</u>	<u>997,860</u>	<u>1,212,010</u>

Zion Arts Centre Limited (T/A Z-Arts)

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

11. Net Income/(Expenditure)

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

	2021	2020
	£	£
Depreciation of tangible fixed assets	56,913	45,296
Gains on disposal of tangible fixed assets	-	-
Operating Lease rentals	46,028	46,263

12. Auditors Remuneration

	2021	2020
	£	£
Fees payable to the external auditors for the audit of the financial statements	5,760	5,220
Fees payable to the external auditors for other services	1,110	1,095
	6,870	6,315

13. Staff Costs

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

	2021	2020
	£	£
Wages and salaries	535,343	592,654
Social security costs	39,730	38,241
Pension costs	8,797	9,091
	583,870	639,986

The average head count of employees during the year was 33 (2020: 43). The average number of full-time equivalent employees during the year is analysed as follows:

	2021	2020
	No.	No.
Number of operations staff	15	18
Number of creative staff	5	5
Number of management staff	5	5
	25	28

No employee received employee benefits of more than £60,000 during the year (2020: Nil).

Key Management Personnel

Key management personnel are the trustees, the chief executive, general manager and creative and development manager. The total compensation paid to key management personnel for services provided to the charity was £199,521 (2020: £179,285).

Zion Arts Centre Limited (T/A Z-Arts)

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

14. Trustee Remuneration and Expenses

No remuneration or other benefits from employment with the charity or a related entity were received by the trustees.

15. Tangible Fixed Assets – Group

	Stun Studio £	Static Equipment £	Portable Equipment £	Theatre Seating £	Fixtures & Fittings £	Plant & Machinery £	Total £
Cost							
At 1 April 2020	227,866	53,592	200,690	120,201	4,020	-	606,369
Additions	-	1,465	3,649	-	-	22,385	27,499
Disposals	-	-	-	-	-	-	-
At 31 March 2021	<u>227,866</u>	<u>55,057</u>	<u>204,339</u>	<u>120,201</u>	<u>4,020</u>	<u>22,385</u>	<u>633,868</u>
Depreciation							
At 1 April 2020	143,104	48,345	150,668	501	2,136	-	344,754
Charge for the year	22,787	1,956	19,240	12,020	909	-	56,912
Release on disposals	-	-	-	-	-	-	-
At 31 March 2021	<u>165,891</u>	<u>50,301</u>	<u>169,908</u>	<u>12,521</u>	<u>3,045</u>	<u>-</u>	<u>401,666</u>
Carrying amount							
At 31 March 2021	<u>61,975</u>	<u>4,756</u>	<u>34,432</u>	<u>107,680</u>	<u>975</u>	<u>22,385</u>	<u>232,202</u>
At 31 March 2020	<u>84,762</u>	<u>5,247</u>	<u>50,022</u>	<u>119,700</u>	<u>1,884</u>	<u>-</u>	<u>261,615</u>

Zion Arts Centre Limited (T/A Z-Arts)

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

15. Tangible Fixed Assets – Charity

	Stun Studio £	Static Equipment £	Portable Equipment £	Theatre Seating £	Plant & Machinery £	Total £
Cost						
At 1 April 2020	227,866	53,592	200,690	120,201	-	602,349
Additions	-	1,465	3,649	-	22,385	27,499
Disposals	-	-	-	-	-	-
At 31 March 2021	227,866	55,057	204,339	120,201	22,385	629,848
Depreciation						
At 1 April 2020	143,104	48,345	150,668	501	-	342,618
Charge for the year	22,786	1,956	19,240	12,020	-	56,003
Release on disposals	-	-	-	-	-	-
At 31 March 2021	165,891	50,301	169,908	12,521	-	398,621
Carrying amount						
At 31 March 2021	61,975	4,756	34,432	107,680	22,385	231,227
At 31 March 2020	84,762	5,247	50,022	119,700	-	259,731

16. Investments - Charity

Analysis of investments at 31 March 2021 between funds

	Unrestricted Funds	Restricted Funds	Total funds	Total funds
	£	£	2021 £	2020 £
Other Investments				
UK Group undertakings	100	-	100	100

The investment represents 100% of the Ordinary Share Capital of 100 shares of £1 each of Z-Arts Trading Limited. Z-Arts Trading Limited is a wholly owned subsidiary of Zion Arts Centre Limited. The subsidiary company is incorporated in England and Wales. The principal activities during the year was the operation of a café bar.

17. Stock

	Group 2021 £	2020 £	Charity 2021 £	2020 £
Stock in hand	1,855	4,980	-	-

Zion Arts Centre Limited (T/A Z-Arts)

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

18. Debtors

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Trade debtors	80,371	155,472	81,683	155,916
Amounts owed by group undertakings	-	-	7,204	6,036
Other debtors	34,613	37,032	34,663	37,032
	<u>114,985</u>	<u>192,504</u>	<u>123,551</u>	<u>198,984</u>

19. Cash and Cash Equivalents

Cash and cash equivalents comprise the following:

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Cash at bank and in hand	100,918	64,533	93,695	59,643
Short-term deposits	629,951	378,092	629,951	378,092
	<u>730,869</u>	<u>442,625</u>	<u>723,646</u>	<u>437,735</u>

20. Creditors: amounts falling due within one year

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Trade creditors	68,222	52,597	68,055	52,017
Social security and other taxes	11,936	19,343	11,953	15,213
Accruals and deferred income	184,745	256,236	184,745	256,336
	<u>264,903</u>	<u>328,176</u>	<u>264,753</u>	<u>323,566</u>

Deferred income

	£
Balance b/fwd at 1st April 2020	180,359
Released in the year	(68,383)
Deferred in the year	28,182
Balance c/fwd at 31 March 2021	<u>110,158</u>

Zion Arts Centre Limited (T/A Z-Arts)

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

21. Analysis of Charitable Funds

Unrestricted funds- Group and Charity

	At 1 April 2020	Income	Expenditure	Transfers	At 31 March 2021
	£	£	£	£	£
General funds	210,520	922,955	(838,892)	-	294,584
Theatre seating	-	-	-	109,498	109,498
Designated Fund:					
Big Imagination Festival	20,000	-	-	(20,000)	-
	<u>230,520</u>	<u>922,955</u>	<u>(838,892)</u>	<u>89,498</u>	<u>404,082</u>

Transfers of £109,498 from restricted to unrestricted funds represent the release of the restriction on Renakers and Foyle Foundation funds following purchase of the new theatre seating for the main auditorium.

Transfers of £20,000 to unrestricted general funds represent the release of the designation following purchase of the new theatre seating for the main auditorium.

Restricted funds – Group and Charity

	At 1 April 2020	Income	Expenditure	Transfers	At 31 March 2021
	£	£	£	£	£
Stun Capital grant	106,499	-	(28,786)		77,713
Paul Hamlyn	67,651	-	(7,050)		60,601
ABRSM Generation Z	6,376	-	(469)		5,907
Children in Need	-	38,111	(19,191)		18,920
Curious Minds MCEP	-	20,000	-		20,000
DCMS Recovery Fund	-	119,162	(63,753)		55,409
D'oyly Carte	-	3,500	-		3,500
FAC Here and Now	2,600	-	-		2,600
Family Arts Network	595	5,127	(3,153)		2,569
Foyle Foundation	20,000	-	-	(20,000)	-
MCEP	17,469	5,000	(7,657)		14,812
Granada Foundation	-	3,000	-		3,000
John Thaw	810	-	(800)		10
Levis Music Project	37,274	29,414	(14,669)		52,019
MCEP Manchester Venues	-	67,500	(23,242)		44,258
UK Theatres Trust	1,635	-	-		1,635
One Mcr – Tiger School	4,880	-	-		4,880
One Mcr – Family Jam	4,200	-	(800)		3,400
Renakers Seats	66,165	13,333	(10,000)	(69,498)	-
Santander Fund	-				
Thrive (Young Manchester)	6,784	9,123	(1,138)		14,769
Youth Music	-	25,522	(600)		24,922
	<u>342,938</u>	<u>338,792</u>	<u>(181,306)</u>	<u>(89,498)</u>	<u>410,926</u>

Transfers of £89,498 from restricted to unrestricted funds represent the release of the restriction on Renakers and Foyle Foundation funds following purchase of the new theatre seating for the main auditorium.

Zion Arts Centre Limited (T/A Z-Arts)

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

21. Analysis of Charitable Funds *(continued)*

Unrestricted funds- Group and Charity

	At 1 April 2019 £	Income £	Expenditure £	Transfer	At 31 March 2020 £
General funds	169,263	1,199,546	(1,158,289)	-	210,520
Designated Fund					
Big Imagination Festival	20,000	-	-	-	20,000
	<u>189,263</u>	<u>1,199,546</u>	<u>(1,158,289)</u>	<u>-</u>	<u>230,520</u>

Restricted funds – Group and Charity

	At 1 April 2019 £	Income £	Expenditure £	At 31 March 2020 £
Stun Capital grant	135,285	-	(28,786)	106,499
Paul Hamlyn	79,228	-	(11,577)	67,651
ABRSM Generation Z	-	10,000	(3,624)	6,376
Children in Need 2017	741	34,723	(35,464)	-
1961 Charity	-	4,000	(4,000)	-
Future Arts Centre Here and Now	-	5,000	(2,600)	2,400
Family Arts Network	-	3,060	(2,465)	595
Start Funding	4,389	3,450	(7,839)	-
Foyle Foundation	-	20,000	-	20,000
Garfield Weston	-	15,000	(15,000)	-
Bauer Radio Cash 4 Kids	-	1,500	(1,500)	-
MCEP	-	20,000	(2,531)	17,469
Granada Foundation	-	3,000	(3,000)	-
John Thaw	-	810	-	810
Levis Music Project	5,194	68,632	(36,552)	37,274
UK Theatres Trust	-	5,000	(3,362)	1,635
One Mcr – World in a book	4,880	-	(4,880)	-
One Mcr – Tiger School	-	4,880	-	4,880
One Mcr – Family Jam	-	5,000	(800)	4,200
PRSF	820	4,250	(5,070)	-
Renakars Seats	26,666	40,000	(501)	66,165
Santander Fund	1,850	-	(1,850)	-
Thrive (Young Manchester)	-	9,123	(2,339)	6,784
Uni Construction Fund	-	1,970	(1,970)	-
	<u>259,053</u>	<u>259,398</u>	<u>(175,513)</u>	<u>342,938</u>

Stun Capital Grant

To re develop the studio into a fully equipped theatre studio and refurbish associated office space.

Paul Hamlyn

To support the CEO and the organisation to develop, commission and produce new work that reflects the diverse nature of family experience today.

Zion Arts Centre Limited (T/A Z-Arts)

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 March 2021

Restricted funds – Group and Charity (*continued*)

ABRSM Generation Z

To run Generation -Z music project for young people from Manchester.

Children in need

Grant to enable the provision of free weekly after school activities.

Curious Minds MCEP

To facilitate the Manchester Creative Education Partnership.

Diversifying Family Offer ACE G 4

Arts council grant to assist with audience development.

DCMS Recovery Fund

Grant to support the organisation through the pandemic.

D'oyly Carte

Grant to support the delivery of Z-arts Young Performers participatory arts activities.

FAC Here and Now

To fund a project with Company Chameleon in celebration of 25 years of the national lottery.

Family Arts Network

Grant to facilitate the running of a network of family arts organisations.

Foyle Foundation

Grant to support the provision of new theatre seating in the main auditorium.

MCEP

A Grant from MCC to facilitate the Manchester Creative Education Partnership.

Granada Foundation

Grant to support Big imaginations summer programme.

John Thaw

Grant to support creative facilitators.

Levis Music Project

To support the running of the Levis music studio.

MCEP Manchester Venues Recovery

Manchester venues contributions to fund Manchester Creative Education partnership.

UK Theatres Trust

To provide access and environmental improvements.

One Mcr – Tiger School

To enable local school children to visit the Tiger who came to tea exhibition.

One Mcr – Family Jam

To enable family music events in the café.

Renakers Seats

Grant to enable the provision of new theatre seating in the main auditorium.

Santander Fund

To provide arts activities for young people with specific access needs.

Thrive (Young Manchester)

Grant to fund a schools mental health project.

Youth Music

Grant to facilitate young people music project.

Zion Arts Centre Limited (T/A Z-Arts)

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 March 2021

22. Analysis of Group Net Assets between Funds

	Restricted Funds £	Unrestricted Funds £	Total Funds 2021 £	Total Funds 2020 £
Tangible fixed assets	84,359	147,843	232,202	261,615
Current assets	326,567	256,239	582,806	311,843
Net assets	<u>410,926</u>	<u>404,082</u>	<u>815,008</u>	<u>573,458</u>

	Restricted Funds £	Unrestricted Funds £	Total Funds 2020 £	Total Funds 2019 £
Tangible fixed assets	204,462	57,153	261,615	179,480
Current assets	138,476	173,367	311,843	268,836
Net assets	<u>342,938</u>	<u>230,520</u>	<u>573,458</u>	<u>448,316</u>

23. Operating Lease Commitments – Group and Charity

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2021 £	2020 £
Equipment		
Not later than 1 year	843	843
Later than 1 year and not later than 5 years	<u>2,319</u>	<u>3,162</u>
	<u>3,162</u>	<u>4,005</u>
Land and Buildings		
Not later than 1 year	-	45,000
Later than 1 year and not later than 5 years	-	-
	<u>-</u>	<u>45,000</u>

24. Related Parties

The charity has a close working relationship with Manchester City Council: this body nominates directors (see trustees annual report) and provides funding to enable the charity to carry out its charitable objectives. Income totalling £203,753 (2020: £224,420) has been received during the year. Expenditure totalling £45,295 (2020: £23,523) has been incurred with the related party during the year. The balance outstanding at the year end was £48,426 (2020: £71,167).

All the above fundraising was received either as core or grant funding. This income has been included in the financial statements under voluntary income and incoming resources from charitable activities. The above expenditure reflects invoiced costs in the year; it has been included in the financial statements under charitable expenditure.

The charity trustees were not paid or reimbursed expenses during the year and no charity trustee received any emolument or payment for professional or other services.

Zion Arts Centre Limited (T/A Z-Arts)

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Notes to the Financial Statements

Year ended 31 March 2021

25. Capital commitments

In 2021 the charity contracted to refurbish the basement toilets at the theatre at a total cost of £76,745. As at 31 March 2021 there was an outstanding capital commitment of £76,745 which will be financed through restricted funds. The final payment for the refurbishment works was made in august 2021.

26. Analysis of changes in Net Debt

	At 1 April 2020 £	Cashflow £	At 31 March 2021 £
Cash at bank	63,764	37,154	100,918
Short-term deposits	378,092	251,859	629,951
Total Funds	<u>441,856</u>	<u>289,013</u>	<u>730,869</u>