

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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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

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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 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."

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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).

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• 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.

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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) 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.

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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'.

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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.

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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 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.

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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.

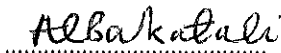
Disclosure of information to auditor

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

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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 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.

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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 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.

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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

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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

known as Z-Arts

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	<u>18,085</u>	<u>18,085</u>	<u>6,145</u>

6 Other income

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

	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

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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

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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

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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

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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

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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

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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)	-	-

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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.

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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.

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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

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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.

