

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

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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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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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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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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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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

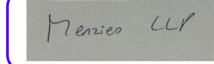
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Independent Auditor's Report to the Members of Zion Arts Centre Limited

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.

Signed by:



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:.....

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**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:



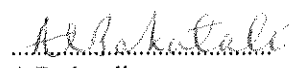
A Barkatali
Trustee

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

Zion Arts Centre Limitedknown 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	<u>433,961</u>	<u>1,147,834</u>	<u>(1,160,899)</u>	<u>420,896</u>
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	<u>425,867</u>	<u>242,362</u>	<u>(349,512)</u>	<u>318,717</u>

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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

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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><u>759,892</u></u>	<u><u>1,618,529</u></u>	<u><u>(1,518,593)</u></u>	<u><u>859,828</u></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.

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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.

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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

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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.

