

STOCKTON ARTS CENTRE

England & Wales · Charity number 1095460

Details

Other names ARC

Status Registered

Legal form Charitable company

Company number 04591795

Registered 2003-01-17

Register [View on the Charity Commission register](#)

Contact

Address Arc
60 Dovecot Street
Stockton-On-Tees
TS18 1LL

Phone 01642525181

Email info@arconline.co.uk

Website www.arconline.co.uk

Activities

Objects: TO: PROMOTE, MAINTAIN, IMPROVE AND ADVANCE THE KNOWLEDGE, UNDERSTANDING AND APPRECIATION OF THE ARTS AND POPULAR CULTURE, PRIMARILY AMONG THE INHABITANTS OF THE TEES VALLEY.

Activities: ARC is an organisation working from its venue to enhance the well-being of the whole community of Stockton and the Tees Valley, through arts and creative learning activity, through widening opportunities to experience and participate in the arts, and through partnership with other organisations.

Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services
- **What:** Education/training, Arts/culture/heritage/science
- **Who:** The General Public/mankind

Geography

- **Area of benefit:** TEES VALLEY
- Stockton-on-tees

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£2,032,052	£2,138,616	£785,412	61
2024-03-31	£2,668,063	£2,963,306	£1,001,858	70
2023-03-31	£2,185,169	£2,427,294	£1,269,289	73
2022-03-31	£2,074,304	£2,102,350	£1,511,414	68
2021-03-31	£1,987,985	£1,496,125	£1,539,460	68

Trustees

Name	Role	Appointed
Carly Mason-McConnell		2025-03-10
Dan Mallaghan		2020-03-10
Dr Kate Craddock		2023-06-20
John McCann		2017-12-05
Lara Moon		2025-03-10
Maria Crocker		2020-06-02
Mohammad Hussain		2023-03-07
Nina White		2022-09-13
Phil Saunders		2025-03-10
Sharuna Sagar		2022-09-13

STOCKTON ARTS CENTRE

England & Wales - Charity number 1095460

Accounts

ARC

Stockton Arts Centre

Stockton Arts Centre Ltd

Annual Report and Consolidated Financial Statements

For the year ended 31 March 2025

Company Number: 04591795

Charity Number: 1095460

Stockton Arts Centre

Contents

	Page
Trustees' report	1 - 12
Independent auditors' report	13 - 16
Consolidated statement of financial activities	17
Consolidated balance sheet	18
Charitable balance sheet	19
Consolidated cash flow statement	20
Notes to the financial statements	21 - 38

Stockton Arts Centre

Trustees' report

For the year ended 31 March 2025

The Trustees present their annual report together with the audited financial statements of the Charity for the year ended 31 March 2025. The annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Reference and administrative details

Company number: 04591795 (England and Wales)
Charity Number: 1095460
Registered office: Dovecot Street, Stockton on Tees, TS18 1LL

Advisors

Bankers: HSBC, 136 High Street, Stockton on Tees, Cleveland, TS18 1LR
Yorkshire Bank, 56 High Street, Stockton on Tees TS18 1SB

Auditors: S&W Audit, 17 Queens Lane, Newcastle upon Tyne, NE1 1RN

1. Structure, governance and management

Stockton Arts Centre is a registered charity number 1095460 governed by its memorandum and articles of association and a company limited by guarantee.

2024/2025 was a year of transition with regard to the governance and management of ARC. It was Kate Craddock's first full year as Chair and with new Chief Executive and Creative Director Alexander Ferris in role.

The number of trustees, who are also the directors for the purpose of company law, reduced to 7 during the year following some planned resignations with individuals completing their tenure. We then recruited 3 new trustees, ending the year with 10 Trustees. The Trustees were:

	Board meetings attended
Aaron Bowman (resigned September 2024)	1 out of 2
Kate Craddock	4 out of 4
Maria Crocker	2 out of 4
Arfan Hussain	3 out of 4
Dan Mallaghan	2 out of 4
Carly Mason-McConnell (appointed March 2025)	1 out of 1
John McCann	4 out of 4
Lara Moon (appointed March 2025)	1 out of 1
Sharuna Sagar (resigned 27 August 2025)	1 out of 4
Phil Saunders (appointed March 2025)	1 out of 1
Nina White (mat leave from Oct 24)	2 out of 2

Trustees' report (*continued*)

For the year ended 31 March 2025

ARC's Board of Trustees is responsible for ensuring ARC's aims and objectives are achieved. It is responsible for forward strategy and direction, approving the annual business plan and budget, and monitoring performance and delivery, supporting the Chief Executive and the ARC team. Board Trustees have a diverse range of skills, experience and backgrounds, bringing a broad range of perspectives to board discussions and decisions.

ARC is committed to continuing to increase the diversity of the Board and advertises widely to identify prospective trustees. The recruitment processes were reviewed and changed in 2021 to support this aim. Following an open call out, suitable candidates were invited to meet the Chair, Chief Executive and other trustees to discuss the opportunity of joining ARC's Board. Prospective trustees were then invited to observe a Board meeting before a final decision – by both parties – is made.

New trustees have a full induction process and are provided with an extensive package of information relating to the charity including job description, current and historical financial information, minutes of Board meetings, and the current business plan.

The Board of Trustees meets quarterly to administer the charity and formally considers ARC's mission, aims and objectives at least once a year. Ad hoc working groups or advisory groups are convened from time to time.

The Finance Sub-committee meets three times during the year to discuss in detail the annual budget forecast outturn and annual financial reporting to inform the Board's considerations and decision-making process. Monthly management accounts are circulated to the nominated Finance sub-committee representatives, who include the Chair of the Board, to ensure prompt review of performance. Terms of Reference were reviewed by the Board in March 2022.

None of the trustees have any beneficial interest in the company. All the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

An executive director is appointed by the Trustees to manage the day-to-day operations of the charity. The Chief Executive and Creative Director is supported by a Deputy, a Strategic Planning Director (who also acts as Company Secretary) and a management team of seven.

2. Objectives and activities

The objects of the Charity are to promote, maintain, improve and advance the knowledge, understanding and appreciation of the arts and popular culture, primarily among the inhabitants of the Tees Valley

To achieve its objects the charity has defined its mission as follows:

ARC is an organisation working from its venue to enhance the wellbeing of the whole community of Stockton and the Tees Valley, through arts and creative activity, through widening opportunities to experience and participate in the arts, and through partnership with other organisations.

To deliver this mission the charity has undertaken to achieve the following aims:

- To make an important contribution to the social and economic regeneration of Stockton and the Tees Valley
- To present an outstanding creative programme that is contemporary and relevant to our communities
- To increase the number and range of people engaging with ARC
- To support and develop artists and creative practitioners to create excellent work relevant to our communities
- To support and develop a cultural workforce to support our ambitions
- To realise the creative potential of our local communities
- To increase our financial and organisational resilience and ability to adapt to economic, environmental and societal change
- To act as a national and international leader in organisational sustainability, sector development, artistic practice and social impact

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

During 2024/25, ARC continued to follow our Business Plan 2023 - 2026, which builds on post-COVID recovery plans and was produced in conjunction with the staff, Board and funding partners in response to the current context. It remains focused on delivery of the above mission and aims, setting out a clear route map for the future of the charity as it seeks to return to a positive trading position.

The Business Plan is used by the Management Team to inform and steer activity and monitor progress against the aims and objectives. The Board of Trustees monitors the delivery of the Business Plan at its quarterly meetings.

3. Achievements and performance

During 2024/25, ARC presented 113 professional performances, 35 community performances, 176 film screenings and live broadcasts, as well as delivering more than 974 workshops and classes. Audience figures exceeded 46,000, with c 13,000 attendances at creative arts activities and participation in community co-creation projects.

Live programme

ARC has continued to deliver an exciting and diverse programme of activity, engaging and connecting people to each other and to new ideas.

Theatre, dance and multi-disciplinary work

We continued to support theatre, dance and multi-disciplinary artists to develop new work in partnership with ARC, to strengthen relationships and help us build deeper connections with our communities. We also introduced a new programme of visiting company work, encouraging established companies and artists to bring their work to the people of Stockton.

Stockton Arts Centre

Trustees' report (*continued*)

For the year ended 31 March 2025

Examples of work that ARC commissioned and developed includes WASTE by I. Nakhla– a experimental sound journey exploring issues around climate change and our capacity to rely on excess; Queen of the North a new piece from Tommy the Queer Historian, co-created with users and stallholders from Stockton Market; an interactive mixed media performance featuring live gaming from leading digital company BRiGHTBLACK - From Boomer to Bust explored the history of the economy and how it affected Stockton residents from the Boomer and Gen Z generations; and a new cabaret piece called Not Yours from North East writer, performer and director Roisin Crowley Linton that challenged notions of victimhood for people who have experienced sexual violence, featuring a burlesque troupe of women from the Tees Valley in partnership with ARCH Teesside.

ARC's produced work included a sell out run of Audrey Cook's new show Bus Stop Goths, a preview performance of Unruly – a new play by Vici Wreford-Sinnott which celebrates activism and was led by a team of disabled women, Our Stomping Ground Festival curated by our resident company of learning disabled artists, Full Circle. We also produced their production of Storiescapes and supported artists Adam and Gillian with a durational performance of Foundations which also included gifting 10 tonnes of bricks to community projects and individuals.

We developed our Make New Work project supported by Paul Hamlyn Foundation and Arts Council England. We built a panel of community leaders from the Tees Valley to select artists to receive seed commissions as well as full commissions to develop new work inspired by provocations from the community.

Our programme of visiting theatre, under the banner of The New Revolutions programme allowed us to present the work of ThickSkin Theatre, Open Clasp, Natalie Bellingham, Tmesis Theatre and Tones: A Hip Hop Opera on a Pay What You Decide basis. All productions were accompanied by post-show discussions and workshops, giving the people of Stockton deeper access to the productions.

Comedy & Music

We presented almost 70 comedy and music events throughout the year, featuring a good mix of established artists and up and coming acts. We improved the gender balance of our comedians visiting ARC, with sets from Sophie Duker, Maisie Adam, Lucy Porter, Harriet Kemsley and local performer Lauren Pattison. In addition to well known acts such as Wishbone Ash, Lindisfarne, Peatbog Faeries and Peter Doherty, we also celebrated a number of local acts such as a sold out gig for Finn Forster and an album launch for Parissa Zarifi. We also collaborated with Ku Promotions on their festival of new music, The Gathering Sounds, which included a music conference event. Though no Stockton Calling fell in this financial year (there were 2 in the last year due to Easter dates) we continued to host regular annual events such as Counterfest, The Funk Collective and Wildcats of Kilkenny Christmas gigs.

Family

ARC's family programme presented some of the best companies in the UK, including wrongsemble, Associate Company Kitchen Zoo and Roustabout Theatre, with shows for 3–7-year-olds throughout the year as well as a Christmas show for this age range. We continue to support and co-commission family work in order to ensure we can present work that is relevant to, and reflective of, our local community. We presented two fully accessible productions from Yorkshire based Mind the Gap and Interplay Theatre.

In 2024/25 this included our seventh co-commissioned Christmas show with The Albany in Deptford, The Light Princess by LAS Theatre.

Creative learning

In 2024/2025, we developed a new strategy for our participatory work, which included changing the name of the programme from Creative Learning to Creative Engagement – to reflect a new approach which deepens the connection and relationship with participants and our creative activity. A strong example of this was in Stockton Folk, which combined a team of artists and members of the community to explore ideas around folklore, specifically the myths and legends around the River Tees.

We continue to work with a number of strategic partners to ensure we are reaching children and young people who have the least opportunity to engage in cultural activity. These include relationships with Corner House Youth Project (We Are TS18 – a dance group of young people from deprived backgrounds) and Stockton on Tees Borough Council, around our More Stuff Like This Please! programme of activity for children and young people in care.

ARC's programme of daytime activity continued to offer a range of regular workshops and classes including creative art, music and dance, supplemented by occasional workshops in activities as varied as needlefelt, glass and calligraphy.

Our Staying Out project for older people either at risk of admission to or recently discharged from hospital came to an end in line with the funding. However, we continued to provide activity, space and events for the Holiday Activities and Food (HAF) programmes, welcoming young people from across the borough to ARC as well as collaborating with Displace Yourself Theatre to deliver Creating Together – a mixed group focused on supporting those with experience of migration.

Community-led programme

ARC's community-led programme continues to make an important contribution to the overall life of the centre, enabling us to reach a wider cross-section of our local community, helping to realise their creative ambitions. During 2024/25 we supported more than 80 community performances, featuring more than 1,000 people performing and attracting audiences of c12,000.

Other community-led activity included Festival of Light and Colour (Diwali), the Transgender Day of Remembrance and our annual celebration of Refugee Week which is planned and curated by people with lived experience and their supporters.

Cinema

We took the difficult decision to pause our regular cinema programme in January 2025. This was to enable us to concentrate on other areas as well as conduct some research into how to make better use of our cinema.

However, we continued to show a range of live broadcasts and screenings of performances from companies such as the National Theatre which have always been well attended. ARC also hosted the third annual Tees Valley International Film Festival with over 1000 attendees across the 4 days. We also screened titles as part of the UK Green Film Festival and introduced a monthly music documentary film club, We Will Doc You.

We have continued regular screenings of family films, providing opportunities for families to see films together every Saturday morning and during school holidays.

Exhibitions

We use our top floor foyer Gallery space to help reflect our local community, through exhibitions that are either locally curated or feature locally produced artworks. With a more coherent and consistent programme, we have been able to increase visitors as well as host a number of successful preview and launch events. Exhibitions included work created or curated by Full Circle, Juho Hankela, Brian Hutchison, Audrey Cook (to coincide with the production of *Bus Stop Goths*), Drakes the Bookshop with Lisette Auton and Tilery Primary School, The Northern School of Arts graduates and work for sale as part of Stockton BID's BIG Art Festival.

We also converted our downstairs cinema foyer into a new gallery to give us the opportunity to share more work by participants in our Creative Engagement programme.

Supporting artists

ARC's programme of support for performance-based artists continues to make a positive impact and become further integrated within our core-programme, audience development and creative engagement activity. Across 2024/25, ARC supported the development of more than 20 new performances by some of the UK's most exciting artists, including comedian Joe Kent-Walters (aka Frankie Monroe), Yolanda Mercy, Divija Melally & Saili Katebe, Kate Daley, Josie Dale-Jones (thisegg), Daniel Bye, Bold Mellon and Radikal Queen. We also supported a diverse range of North East based artists Arun Graves-Kochhar, Vici Wreford-Sinnott, Scott Turnbull, Lisette Auton, Bob Beagrie, Toi Guy, Saya Naruse and Roisin Crowley Linton.

ARC's offered over 2,200 hours of free workspace to artists and our continued rental of a house in Stockton enabled us to offer almost 300 nights of free accommodation to artists across the year.

ARCADE, the performance artist network, consists of c100 active members from across the North of England.

During 2024/25, we continued to deliver Tees Valley New Creatives, a career starting programme of free support to help people completing further and higher education creative courses secure employment in the cultural industries and unlock new opportunities in their fields. We were also successful in leading a consortium of 6 other organisations to bid for and deliver Tees Valley Creates: The Freelancers Network for Tees Valley Combined Authority. This network will offer practical business skills alongside offering opportunities to connect with others, learn about funding, apply for regular microgrants and many other opportunities. Over 200 freelancers attended the launch event.

Partnerships

ARC works both locally and nationally. Partnership working has remained key to ARC's activity, as we continued to lead on initiatives including Venues North, a network committed to supporting new and emerging artists from the North to get their work more widely seen regionally, nationally and internationally as well as providing a forum for venue programmers to seek advice and support from their peers. Venues North continued to build its paid membership providing a financial contribution towards time and travel costs for artists presenting at the meetings.

ARC's partnership with Northern School of Art developed further with an increased presence of their end of year performances and exhibitions in our spaces and a continuation of the ARC Award. Tees Women Poets have formalised their relationship with ARC and are now a resident company.

In 2024/2025 we began a new partnership with Taste of Africa NE which has involved members on our commissioning panel, regular conversations about joint programming and an invitation to sit on our steering committee for The Freelancers Network. We continue to explore possible collaborative programming opportunities for the future.

Equality and diversity

ARC is committed to achieving equality and diversity in all aspects of our work and activities. Through our equality policy and action plan, approved by the Board, we have continued to embed diversity throughout our work.

We have built on our experience around disability through the Cultural Shift programme, which officially concluded in March 2018. The programme made a significant long-term impact on the organisation, in terms of our artistic programme, practice, workforce and audiences. Legacy work has continued including support for our resident learning-disabled theatre company, Full Circle, disabled-led club nights and an ongoing commitment to supporting and presenting disabled artists. Vici Wreford-Sinnott, who led our Cultural Shift programme, remains an Associate Artist, supported to make new work at ARC.

We continued to improve access facilities and communication, offering relaxed performances and screenings, BSL interpreted performances, subtitled films and audio description on all film screenings where available.

In 2024/25, we updated and re-published our Anti-Racism plan. Board and staff members attend anti-racism training and continue to be involved in identifying ways we could better educate ourselves, diversify our workforce, continue to ensure our programme is representative and hold ourselves accountable.

We continue to work closely with Curious Arts to shift our practice in relation to those identifying as LGBTQIA+. We have continued to work with Displace Yourself to engage local refugees and asylum seekers through a monthly creative session.

We published our diversity statistics for 2024-25 as part of our commitment to transparency:

Workforce (staff/Board)	2024/25
Disabled	8%
LGBTQIA+	16%
Global Majority	6%
Working class backgrounds	24%
Artists Support Programme	2024/25
Disabled	36%
LGBTQIA+	75%
Global Majority	43%
Working class backgrounds	43%

The artists featured in our support programmes are significantly more represented than in our current staff body. We will work to improve our diversity statistics for staff and board in the coming years by reviewing our current policies and procedures.

Strategic development

ARC continues to play an important role in strategic cultural development locally and nationally. Chief Executive Alexander Ferris sits on the Tees Valley Creative Place Advisory Group, which informs the Combined Authority's strategy and investment plans. In 2024/2025 Alexander was also invited to join Stockton Borough Council's Business Ambassador's Steering Group.

Shaun Dowd, Deputy Chief Executive, continued to chair the Board of Stockton BID.

Audiences and participants

More than 46,000 watched live performance and film screenings at ARC in 2024/25, with c13,000 attendances at creative learning activities. Audiences were lower than previous years and our attendances match trends that are seen in other comparative venues.

We have continued to employ our innovative 'Pay What You Decide' model, first introduced in 2015, to ensure we are maximising both audiences and income. PWYD has been phenomenally successful, leading to significant increases in audience and income for new work. In the final quarter of 24/25, we saw an increase in our receipts on PWYD, with the average spend per head increasing from around £2.50 to £6.25.

We continue to use our comedy and music programme to maintain our cross-subsidy model, enabling us to support the development of a significant amount of new theatre and dance work. We also increased our booking fee from 50p to £1.50 mid-way through 24/25.

All our marketing and promotion is highly targeted and supported by excellent data capture, fully compliant with GDPR. We continue to develop our marketing and audience development activity, with a drive to entice previous audiences back, post pandemic, increase frequency of attendance and attract new audiences.

We monitor feedback from audiences and artists via post-show talks, both formal/informal; social media; weekly discussions at staff meetings; Arts Council assessments and online surveys. Our annual survey for 2024/25 show 96.3% of customers rated their overall enjoyment as Good or Excellent; 96% rated the quality of the event as Good or Excellent and 92% rated value for money as Good or Excellent.

No 60 – food and drink

ARC wholly owned trading subsidiary company (Stockton Arts Centre (Trading) Ltd) which provides ARC's catering service under the brand 'No 60'.

ARC recognises that No 60 makes an important contribution to the way customers perceive the organisation, playing a key part in providing a safe, welcoming place where people enjoy positive, social interaction alongside creative activities and cultural experiences. In addition, No 60 makes a financial contribution, which amounted to £74,281 paid to the parent company at the end of the year, over and above management charges.

Fundraising

ARC's fundraising activity is led by the Chief Executive, supported by other staff. ARC operates outside of the voluntary fundraising regulator scheme, as the organisation's fundraising expenditure is well below the limit of £100,000 that requires registration. However, we are aware of the code and ensure that we operate in accordance with it at all times. Our fundraising activity targeting individuals is almost exclusively carried out at the point of ticket sale, minimising the risk of any individual being approached in a persistent or intrusive way.

4. Financial review

ARC's Statement of Financial Activities show a turnover of £2,032,052 in 2024/25. The overall deficit for the year was £106,564. This deficit was greater than previously budgeted partly due to the change in leadership and a period where no fundraising was undertaken.

Over the last 3 years we have drawn on the designated COVID recovery fund and reserves to support each year's deficit. 24/25 continued to be a challenging year financially, and in anticipation of a greater than expected end of year deficit, ARC's executive team introduced a number of cost saving measures that were announced at the end of Q2 and enacted over the remaining quarters. These included:

- A staffing restructure, reducing the overhead and resulting in not filling some vacant roles and some redundancies
- Closing the building to the public on Mondays
- Negotiating more favourable energy contracts
- Pausing the regular cinema programme

In order to ensure the financial stability of ARC, we also negotiated an early release of our regular Arts Council Grant before the end of the 24/25 year giving us time to focus on increasing our income, reducing our costs further and begin the process of rebuilding our reserves which had dropped below the target level of £250k.

Financial plans and forecasts have been revised on the basis of expected scenarios going forward and Trustees are satisfied that ARC has adequate resources to continue as a going concern for the coming year.

ARC's forward plans are focussed on continuing to rebuild our income from all sources, particularly our earned income. We will continue to seek funding from other sources, including charitable trusts and foundations, and invite the public to make donations to support our ongoing charitable activity.

ARC is currently part of Arts Council England's National Portfolio, and has secured funding for a further two years through to 2026/27. We are agreeing continued funding with Stockton on Tees Borough Council (SBC) on an annual basis, under an ongoing service level agreement. SBC nominate observers to monitor the charitable objectives through attendance at the quarterly Board meetings and the ACE team receive and review all board papers.

Pay and remuneration for staff is approved as part of the annual budget review. The Chief Executive recommends any organisation-wide increase, taking into account current trends and levels of inflation, which is discussed and approved by the Board. The Chief Executive's pay sits outside of this process and is discussed and approved by the Board following an annual performance review. ARC regularly benchmarks salaries with other UK arts centres which feeds into these processes.

Risk management

The trustees monitor progress against ARC's Business Plan and have risk management processes in place. There is a comprehensive review of risks annually, as part of the business planning process, with ongoing review at each board meeting. As part of this process, the trustees have further improved the risk management strategy and process, categorising across four areas – governance and management, physical, financial and artistic. The likelihood and possible impact of risks are graded as high, medium or low. Specific action, systems, controls and procedures are in place to mitigate identified risks. There are three risks categorised as high.

The most significant risk was the impact of increasing inflation levels. To mitigate this, monthly monitoring of impact of increasing costs and box office income on budget, with proactive management including quarterly EOY projections, to allow for rescopng of activity and spending as necessary is in place.

Reduced availability of funding from foundations, trusts etc as competition for funds increases has also been flagged as a high risk. Actions in place include setting up a Fundraising tracker that is regularly monitored and updated to ensure reporting and applications deadlines are not missed; maintaining ARC's strong track record of delivery, credibility and profile with grant-awarding bodies; seeking pro-bono support from a Fundraising expert to advise on strategy and support in the development of critical impactful grant applications, based on clear strategy and well-developed outcomes, relevant to current circumstances; and monitoring applications regularly and taking early action to cut expenditure if grants are not secured.

Physical risks include failure of essential plant and equipment. To mitigate this risk ARC has successfully fundraised and invested more than £1m since 2013 in capital improvements, replacements and renewals. Alongside this, a more proactive repairs and maintenance programme is being developed. Capital Fundraising will continue to manage equipment as it deteriorates.

5. Plans for future periods

Despite the challenges posed by COVID-19 and the current economic situation, ARC is positive about its future. The Business Plan for 2023-2026 sets out our longer-term recovery plans as well as ambitions for the future.

We will be using funds designated for COVID recovery as well as our reserves to support deficit budgets in 2023/24 and 2024/25, ensuring that we are able to continue using arts and cultural activity to strengthen our local community, before returning to a break-even trading position in 2025/26. However, uncertainty around inflation makes future projections even more speculative than usual, but our close monitoring and robust financial management will ensure that we continue to react to changes in time to make necessary interventions.

6. Plans for future periods

Objectives - Creative Programme

- Continue to develop a collaborative approach to presenting outstanding live performances, film screenings, exhibitions, digital work, artist-led and creative learning activities that reflect our vision and artistic policy and excite our audiences
- Deliver activities which enable a diverse range of artists and creative practitioners to develop their ideas, practice and networks to support sustainable careers
- Involve our communities meaningfully and deeply in all aspects of ARC's work, increasing support for community-led creative activity
- Influence within and beyond the sector, leading regional and national networks contributing to national and international debates and driving outstanding practice and outcomes

Objectives - Audiences and Communities

- Provide the best vibrant, creative and social spaces where our communities can feel safe and welcome, and enjoy a sense of ownership
- Better listen, understand and reflect the needs and interests of local people in our programme and behaviours, through innovative and purposeful engagement both at ARC and by reaching into our communities
- Deploy creative and cost-effective multi-channel and targeted approaches to increase the number of people engaging with ARC
- Proactively identify and take positive action to remove barriers to participating in and experiencing cultural activity for all under-represented and disenfranchised groups

Objectives - Organisation

- Maximise ARC's earned income, grants and donations and achieve efficiency targets as set out in our annual budgets, to contribute to our overall financial resilience
- Drive activity to reduce our environmental impact in all areas of our work, including programme, behaviours, building and café bar
- Optimise existing partnerships and forge new collaborations within and outside the cultural sector to improve outcomes for local people by working together
- Continue our commitment to recruit and develop diverse, skilled and visionary staff, creative practitioners and Board members who are committed to positive organisational and societal change through arts and culture
- Maintain a flexible and adaptable approach to delivery to ensure we can be genuinely artist and community-led, opportunistic and entrepreneurial, continuing to seek ways of diversifying decision-making within the organisation

Statement of trustees' responsibilities

The trustees, who are also the directors of Stockton Arts Centre for the purposes of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Executive Committee to prepare financial statements for each financial year which give a true and fair view of both the charitable company's and the group's state of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year.

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make adjustments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

So far as each of the trustees is aware at the time the report is approved:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditors

In accordance with the Companies Act 2006 a resolution proposing the appointment of S&W Audit as auditor for the year ending 31 March 2026 will be put to the members.

Approved by the board on 16 December 2025 and signed on their behalf by:

.....
K C Craddock
Chair

**Independent Auditors' Report to the members of Stockton Arts Centre
For the year ended 31 March 2025**

Opinion

We have audited the financial statements of Stockton Arts Centre (the 'charitable company') and its subsidiary (the 'group') for the year ended 31 March 2025 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charity Balance Sheet, the Consolidated Cash Flow Statement 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 applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and charitable company's affairs as at 31 March 2025, and of the group's 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's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the trustees report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has 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 parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 11 the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the companies Act 2006 and we report in accordance with this Act.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We obtained a general understanding of the company's legal and regulatory framework through enquiry of management concerning their understanding of relevant laws and regulations, the entity's policies and procedures regarding compliance, and how they identify, evaluate and account for litigation claims. We also drew on our existing understanding of the company's industry and regulation.

We understand that the company complies with the framework through:

- Engaging external legal professionals as required and making changes to internal procedures and controls as necessary.
- The directors' close involvement in the day-to-day running of the business, meaning that any litigation or claims would come to their attention directly.
- Monitoring of updates made by regulatory bodies.

In the context of the audit, we considered those laws and regulations which determine the form and content of the financial statements, which are central to the company's ability to conduct its business, and where there is a risk that failure to comply could result in material penalties. We identified the following laws and regulations as being of significance in the context of the company:

- The Companies Act 2006 and FRS 102 in respect of the preparation and presentation of the financial statements.
- The Charities Act 2011 and the Charities: Statement of Recommended Practice in respect of the preparation and presentation of the financial statements.

We performed the following specific procedures to gain evidence about compliance with the significant laws and regulations identified above:

- Making enquires of trustees and management as to where they consider there to be a susceptibility to fraud and whether they have any knowledge or suspicion of fraud;
- Obtaining an understanding of the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- Reviewing the minutes of meetings of those charged with governance.

**Independent Auditors' Report to the members of Stockton Arts Centre (Continued)
For the year ended 31 March 2025**

The senior statutory auditor led a discussion with senior members of the engagement team regarding the susceptibility of the entity's financial statements to material misstatement, including how fraud might occur. The areas identified in this discussion were:

- Manipulation of the financial statements via and management overriding controls.
- The incorrect recognition of grants and donations resulting in the income being recognised in the incorrect accounting period.
- The incorrect recognition of trading income resulting in the income being recognised in the incorrect accounting period.

These areas were communicated to the other members of the engagement team not present at the discussion.

The procedures we carried out to gain evidence in the above areas included:

- Performed data analytics on the general ledger against client specific criteria
- Obtained third party evidence for a sample of donations and grants, to ensure that it was appropriate to recognise the income in the financial statements in accordance with the principles of the SORP.
- Selected a sample of sales transactions, agreeing the revenue to supporting documentation and through to the bank statements to ensure that the transactions had been recorded in the correct accounting period.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of Our Report

This report is made solely to the charities trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charities trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Craig Henderson (Senior Statutory Auditor)
For and on behalf of S&W Audit

.....

**Chartered Accountants and
Statutory Auditors**

17 Queens Lane
Newcastle upon Tyne
NE1 1RN

Stockton Arts Centre

Consolidated Statement of Financial Activities (Including Income and Expenditure Account)
For the year ended 31 March 2025

		Unrestricted funds	Designated funds	Restricted funds	Total 2025	As restated Total 2024
	Notes	£	£	£	£	£
Income from:						
Donations	4	550,072	-	-	550,072	550,404
Charitable activities	5	530,492	-	549,767	1,080,259	1,185,570
Other trading activities	6	394,950	-	-	394,950	386,517
Investments	7	6,771	-	-	6,771	10,768
Total income		<u>1,482,285</u>	<u>-</u>	<u>549,767</u>	<u>2,032,052</u>	<u>2,133,259</u>
Expenditure on:						
Raising funds	8	382,970	-	-	382,970	355,522
Charitable activities	9	1,348,466	-	407,180	1,755,646	2,086,825
Total expenditure		<u>1,731,436</u>	<u>-</u>	<u>407,180</u>	<u>2,138,616</u>	<u>2,442,347</u>
Net expenditure		(249,151)	-	142,587	(106,564)	(309,088)
Transfers	18	109,582	(109,582)	-	-	-
Net movement in funds		<u>(139,569)</u>	<u>(109,582)</u>	<u>142,587</u>	<u>(106,564)</u>	<u>(309,088)</u>
Reconciliation of funds						
Fund balances brought forward		316,332	109,582	466,062	891,976	1,201,064
Fund balances carried forward		<u>176,763</u>	<u>-</u>	<u>608,649</u>	<u>785,412</u>	<u>891,976</u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

Stockton Arts Centre

**Consolidated Balance Sheet
As at 31 March 2025**

	Notes	£	2025 £	As restated 2024 £
Fixed assets				
Tangible assets	13		547,062	506,185
Current assets				
Stocks		13,661	13,311	
Debtors	15	162,574	273,638	
Cash at bank and in hand		710,001	791,046	
		<u>886,236</u>	<u>1,077,995</u>	
Creditors: amounts falling due within one year	16	<u>(647,886)</u>	<u>(692,204)</u>	
Net current assets			238,359	385,791
Net assets			<u>785,412</u>	<u>891,976</u>
The funds of the charity:				
Restricted funds			608,649	466,062
Unrestricted funds:				
General fund			176,763	316,332
Designated funds			-	109,582
	18		<u>785,412</u>	<u>891,976</u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the Board of Trustees on 16 December 2025 and are signed on their behalf by:

.....
K C Craddock
Chair

Company Registration Number: 04591795

The notes on pages 21 to 38 form part of these financial statements

Stockton Arts Centre

**Charity Balance Sheet
As at 31 March 2025**

	Notes	£	2025 £	As restated 2024 £
Fixed assets				
Tangible assets	13		547,062	506,185
Investments	14		1	1
			<u>547,063</u>	<u>506,186</u>
Current assets				
Debtors	15	177,795	282,804	
Cash at bank and in hand		676,334	703,041	
		<u>854,129</u>	<u>985,845</u>	
Creditors: amounts falling due within one year	16	(636,957)	(675,433)	
Net current assets			217,172	310,412
Net assets			<u>764,235</u>	<u>816,598</u>
The funds of the charity:				
Restricted funds			608,649	466,062
Unrestricted funds:				
General fund			155,586	240,954
Designated funds			-	109,582
	18		<u>764,235</u>	<u>816,598</u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the Board of Trustees on 16 December 2025 and are signed on their behalf by:

.....
K C Craddock
Chair

Company Registration Number: 04591795

The notes on pages 21 to 38 form part of these financial statements

Stockton Arts Centre

Consolidated Statement of Cash Flows
For the year ended 31 March 2025

	Notes	2025 £	2024 £
Cash flows from operating activities			
<i>Net cash used in operating activities</i>	23	(106,564)	(142,637)
Cash flows from investing activities			
Interest received		6,771	10,768
Purchase of tangible fixed assets		(83,312)	(13,879)
<i>Net cash used in investing activities</i>		(76,541)	(3,111)
Change in cash and cash equivalents		(81,045)	(145,748)
Cash and cash equivalents at the beginning of the year		791,046	936,794
Cash and cash equivalents at the end of the year		710,001	791,046
Breakdown of cash and cash equivalents			
Cash at bank and in hand		710,001	791,046

1. Accounting Policies

Charity information

Stockton Arts Centre is a private company limited by guarantee incorporated in England and Wales. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the charitable company.

1.1. Accounting convention

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, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

Stockton Arts Centre meets the definition of a public benefit under FRS 102. The financial statements are prepared under the historical cost convention or transaction value unless otherwise stated in the relevant accounting policy note(s). The financial statements are prepared in Sterling which is the functional currency of the charity and rounded to the nearest £.

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

1.2. Going concern

The financial statements have been prepared on a going concern basis. The Trustees have reviewed and considered relevant information, including the annual budget and future cash flows in making their assessment over the next 12 months.

1.3 Basis of consolidation

The group financial statements consolidate the financial statements of the charitable company and its subsidiary undertaking. Stockton Arts Centre (Trading) Limited, drawn up to 31 March each year on a line-by-line basis. No income and expenditure account is presented for Stockton Arts Centre as permitted by section 408 of the Companies Act 2006.

Notes to the financial statements (Continued)
for the year ended 31 March 2025

1.4 Fund structure

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purpose and uses of the designated funds are set out in the notes to the accounts.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

1.5 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Income from grants, including government grants is recognised when the performance conditions of the grant are met and when the charity becomes entitled to the income.

When donors specify that donations and grants given to the charity must be used in future accounting periods, the income is deferred until those periods.

When donors specify that donations and grants are for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, this income is included in restricted funds income when receivable.

Other trading activities income is recognised when receivable by the charity.

Investment income is recognised when receivable by the charity.

1.6 Resources expended

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is possible that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered.

Expenditure which is directly attributable to specific activities has been included in these cost categories.

Expenditure on raising funds represents those costs associated with generating the trading income.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries

**Notes to the financial statements (Continued)
for the year ended 31 March 2025**

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost of valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following basis:

Land and buildings	Nil
Equipment	2 – 10 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/ (expenditure) for the year.

The trustees consider that the freehold building is maintained in such a state of repair that its residual value is at least equal to its net book value. As a result the corresponding depreciation would not be material and is therefore not charged in the Statement of Financial Activities.

1.8 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/ (expenditure) for the year. Transaction costs are expensed as incurred.

A subsidiary is an entity controlled by the charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.9 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.10 Stock

Stock is stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is comprised of direct materials.

1.11 Debtors

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

1.12 Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.13 Creditors and provisions

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

**Notes to the financial statements (Continued)
for the year ended 31 March 2025**

1.14 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors are initially recognised at transaction. Financial liabilities classified as payable within one year are not amortised.

1.15 Pensions

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.16 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease.

1.17 Corporation tax

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. The group companies relieve their tax liability by making Gift Aid payments to the parent charity within nine months of the year end.

2. Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated 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 ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

There are no significant estimates.

Notes to the financial statements (Continued)
for the year ended 31 March 2025

3. Comparatives for the Statement of Financial Activities as restated

	Notes	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2024 £	Total 2023 £
Income from:						
Donations	4	550,404	-	-	550,404	466,775
Charitable activities	5	926,786	-	258,784	1,185,570	1,347,592
Other trading activities	6	386,517	-	-	386,517	337,338
Investments	7	10,768	-	-	10,768	3,423
Total income		<u>1,874,475</u>	<u>-</u>	<u>258,784</u>	<u>2,133,259</u>	<u>2,155,128</u>
Expenditure on:						
Raising funds	8	355,522	-	-	355,522	306,363
Charitable activities	9	1,664,172	26,178	396,475	2,086,825	2,063,078
Total expenditure		<u>2,019,694</u>	<u>26,178</u>	<u>396,475</u>	<u>2,442,347</u>	<u>2,369,441</u>
Net expenditure		(145,219)	(26,178)	(137,691)	(309,088)	(214,313)
Transfers	17	96,755	(96,755)	-	-	-
Net movement in funds		<u>(48,464)</u>	<u>(122,933)</u>	<u>(137,691)</u>	<u>(309,088)</u>	<u>(214,313)</u>
Reconciliation of funds						
Fund balances brought forward		364,796	232,515	603,753	1,201,064	1,511,414
Fund balances carried forward		<u>316,332</u>	<u>109,582</u>	<u>466,062</u>	<u>891,976</u>	<u>1,297,101</u>

4. Donations

	2025 £	2024 £
Donations and gifts	17,045	17,377
Core grants	533,027	533,027
	<u>550,072</u>	<u>550,404</u>
Core grants analysis		
Arts Council England	371,723	371,723
Stockton Borough Council	161,304	161,304
	<u>533,027</u>	<u>533,027</u>

Notes to the financial statements (Continued)
for the year ended 31 March 2025

5. Income from charitable activities

	2025	As restated 2024
	£	£
Core Programme	463,287	191,564
Live Programme	338,393	574,574
Cinema	38,026	50,887
Creative Programme	240,002	362,592
Strategic Programme	551	5,953
	<u>1,080,259</u>	<u>1,185,570</u>

6. Other trading activities

	2025	2024
	£	£
Catering income	273,434	295,803
Services and retail	1,367	6,746
Room hire	105,197	74,802
Box office charges	14,952	9,166
	<u>394,950</u>	<u>386,517</u>

7. Investments

	2025	2024
	£	£
Interest receivable	6,771	10,768
	<u>6,771</u>	<u>10,768</u>

8. Raising funds

	2025	2024
	£	£
Catering expenditure	158,064	132,071
Catering staff costs	117,519	95,100
Marketing	27,565	55,337
Wages and salaries	79,822	73,014
	<u>382,970</u>	<u>355,522</u>

Notes to the financial statements (Continued)
for the year ended 31 March 2025

9. Expenditure on charitable activities

	Directly attributable costs £	Support costs £	2025 £	2024 £
Core Programme	711,851	347,020	1,058,871	1,788,001
Live Programme	257,375	128,547	385,922	512,307
Cinema	22,766	11,371	34,137	37,931
Creative Programme	161,985	80,904	242,889	239,495
Strategic Programme	22,560	11,268	33,828	30,050
	1,176,537	579,109	1,755,646	2,607,784

Analysis of support costs

	Core Programme £	Live Programme £	Cinema £	Creative Programme £
Staff costs	77,762	28,805	2,548	18,129
Depreciation	25,301	9,372	829	5,899
Property costs	111,912	41,456	3,667	26,091
Other costs	42,085	15,590	1,379	9,812
Administrative costs	75,642	28,020	2,478	17,635
Governance costs	14,319	5,304	469	3,338
	347,020	128,547	11,371	80,904

	Strategic Programme £	Total 2025 £	Total 2024 £
Staff costs	2,525	129,770	122,663
Depreciation	822	42,222	37,936
Property costs	3,634	186,759	196,135
Other costs	1,367	70,232	61,537
Administrative costs	2,456	126,231	136,714
Governance costs	465	23,895	29,311
	11,268	579,109	584,296

Support costs have been split based on direct costs, 69% core programme, 20% live programme, 1% cinema, 9% creative and 1% strategic. Prior year split was 66% core programme, 18% live programme, 2% cinema, 12% creative and 2% strategic.

Notes to the financial statements (Continued)
for the year ended 31 March 2025

10. Governance costs

	2025	2024
	£	£
Auditors' remuneration	11,000	11,000
	<u> </u>	<u> </u>

11. Net income/(expenditure) for the year

	2025	2024
	£	£
This is stated after charging:		
Depreciation	42,435	37,936
Fees payment to the auditors'		
Audit fees for the charitable company's accounts	9,000	9,000
Accounts fees for the subsidiary	2,000	2,000
Taxation compliance for the subsidiary	750	500
	<u> </u>	<u> </u>

12. Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

The total staff costs and employees benefits is as follows:

	2025	2024
	£	£
Wages and salaries	774,186	843,213
Social security costs	67,012	61,241
Pension costs	15,128	13,994
	<u> </u>	<u> </u>
	<u>856,326</u>	<u>918,448</u>

Notes to the financial statements *(Continued)*
for the year ended 31 March 2025

12. Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel
(Continued)

The average monthly number of employees during the year was:

	2025	2024
	Number	Number
Administration, marketing and commercial staff	27	29
Operational staff	17	24
Catering staff	17	17
	<u>61</u>	<u>70</u>

The number of employees who received total employee benefits (excluding employer pension costs) of more than £60,000 is as follows:

	2025	2024
	No.	No.
£60,001 - £70,000	1	1
	<u>1</u>	<u>1</u>

The key management personnel of the charity comprise the trustees, the Chief Executive Officer and Operations Director. The total employee benefits of the key management personnel of the charity were £116,822 (2024 - £108,944).

Trustees' remuneration and expenses

The trustees were not paid, nor waived, any remuneration during the year (2024 - £nil). No trustees were reimbursed travel expenses during the year (2024 - £nil). No charity trustee received payment for professional services supplied by the charity (2024 - £nil).

Notes to the financial statements (Continued)
for the year ended 31 March 2025

13. Tangible fixed assets
Group and Company

	Land and Buildings £	Equipment £	Total £
Cost			
At 1 April 2024	350,000	864,661	1,214,661
Additions	-	83,312	83,312
At 31 March 2025	350,000	947,973	1,297,973
Depreciation and impairment			
At 1 April 2024	-	708,476	708,476
Depreciation charged in the year	-	42,435	42,435
At 31 March 2025	-	750,911	750,911
Carrying amount			
At 31 March 2025	350,000	197,062	547,062
At 31 March 2024	350,000	156,185	506,185

The freehold and buildings is included in the financial statements at the amount paid to the liquidators of ARC Trust Limited. The professional valuation obtained by the liquidators reflected the market value of the facility, at March 2005, as adjusted for the covenants as detailed in note 21.

14. Fixed asset investment

	Group 2025 £	Group 2024 £	Charity 2025 £	Charity 2024 £
Shares in subsidiary undertaking	-	-	1	1

Investments held by the charity represent a £1 investment in the subsidiary company which represents 1 £1 ordinary share being 100% of the issued share capital of Stockton Arts Centre (Trading) Limited (company number 09490242). The subsidiary is used for non-primary purpose trading activities. The principal activity of this company is the provision of a food and drink service at ARC. A summary of the trading results are shown below:-

Notes to the financial statements (Continued)
for the year ended 31 March 2025

14. Fixed asset investment (Continued)

	2025 £	2024 £
Turnover	274,796	302,549
Costs of sales	(105,525)	(111,170)
Administrative expenses	(149,191)	(116,001)
Profits	<u>20,080</u>	<u>75,378</u>
Assets	47,797	101,316
Liabilities	(26,620)	(25,938)
Net assets	<u>21,177</u>	<u>75,378</u>

Results of parent company

As permitted by section 408 of the Companies Act 2006, the results of the parent company are not presented as part of these financial statements. As required by the Charity SORP, the results of the parent company are as follows:

	2025 £	2024 £
Total incoming resources	2,395,555	2,395,555
Net movement in funds	(340,580)	(340,580)

15. Debtors

	Group 2025 £	Group 2024 £	Charity 2025 £	Charity 2024 £
Trade debtors	43,474	38,579	43,005	38,579
Prepayments and accrued income	119,100	235,059	119,100	235,059
Amounts owed by group undertakings	-	-	15,690	9,166
	<u>162,574</u>	<u>273,638</u>	<u>177,795</u>	<u>282,804</u>

16. Creditors: amounts falling due within one year

	Group 2025 £	Group 2024 Restated £	Charity 2025 £	Charity 2024 Restated £
Trade creditors	119,807	179,818	114,109	167,544
Taxes and social security costs	21,316	26,257	21,316	26,257
Other creditors	26,958	46,646	26,958	46,646
Accruals and deferred income	410,653	329,601	405,422	325,104
Funds held as a custodian	69,152	109,882	69,152	109,882
	<u>647,886</u>	<u>692,204</u>	<u>636,957</u>	<u>675,433</u>

Notes to the financial statements (Continued)
for the year ended 31 March 2025

16. Creditors: amounts falling due within one year (Continued)

Funds Held as Custodian Trustee

In 2024-25, Stockton Arts Centre acted as Custodian Trustee for funding awards to support artistic activities.

The total value of the awards received in the year was £398,193 (2024: £534,804) and the total amount held in relation to these awards at the year end was £69,152 (2024: £109,882).

Deferred income

Deferred income relates to income received for events held post year end.

	£
At 1 April 2024	158,666
Amounts released to income	(158,666)
Additions during the year	238,898
	<hr/>
At 31 March 2025	238,898
	<hr/>

17. Prior period adjustment

A prior period adjustment has been made in respect of the treatment and classification of the Associate Artist & Company Projects fund. Following a review of these arrangements it was determined that they should not be recognised gross in the statement of financial activities and should be classified as amounts held as custodian in the balance sheet - see note 16 for further details.

Change to the balance sheet

	As previously reported £	Adjustment £	As restated at 31 March 2024 £
Current liabilities			
Funds held as a custodian	-	109,882	109,882
	<hr/>	<hr/>	<hr/>
Funds			
Restricted funds	575,944	(109,882)	466,062
	<hr/>	<hr/>	<hr/>
	575,944	(109,882)	466,062
	<hr/>	<hr/>	<hr/>

Change to the statement of financial activities

	As previously reported £	Adjustment £	As restated at 31 March 2024 £
Income	2,668,063	(534,804)	2,133,259
Expenditure	(2,963,306)	520,959	(2,442,347)
	<hr/>	<hr/>	<hr/>
Deficit for the year	(295,243)	(13,845)	(309,088)
	<hr/>	<hr/>	<hr/>

Notes to the financial statements (*Continued*)
for the year ended 31 March 2025

18. Statement of funds

For the year ended 31 March 2025

	Balance at 1 April 2024 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2025 £
Unrestricted funds					
General fund	316,332	1,482,285	(1,731,436)	109,582	176,763
Designated funds					
Capital fund (2017)	75,591	-	-	(75,591)	-
Capital fund (2020)	22,247	-	-	(22,247)	-
Capital fund (2021)	5,996	-	-	(5,996)	-
Capital fund (2023)	5,748	-	-	(5,748)	-
	109,582	-	-	(109,582)	-
Total unrestricted funds	425,914	1,482,285	(1,731,436)	-	176,763
Restricted funds					
Arts Council England	350,000	-	-	-	350,000
Young People's projects	4,800	31,953	(32,569)	-	4,184
Staying Out project	5,051	-	(5,051)	-	-
SIRF Projects	12,800	-	(12,800)	-	-
Venues North	7,138	11,467	(6,748)	-	11,857
Tees Valley Combined Authority	-	374,816	(210,855)	-	163,961
Future Arts Centre	-	551	(551)	-	-
Arts and Minds	73,238	-	(73,238)	-	-
Collaborative Artistic Projects	8,785	29,088	(34,391)	-	3,482
North East Exchange	1,500	1,350	(206)	-	2,644
Wellington Square Shopping Centre	2,750	-	(2,750)	-	-
Film Hub North – Bigger Picture	-	10,375	(10,375)	-	-
Baring Foundation	-	48,200	(16,209)	-	31,991
Borderlands	-	34,967	-	-	34,967
Bailey Thomas	-	3,000	(981)	-	2,019
D'Oyly Carte	-	4,000	(455)	-	3,545
Total restricted funds	466,062	549,767	(407,180)	-	608,649
	891,976	2,032,052	(2,138,616)	-	785,412

Stockton Arts Centre

Notes to the financial statements (Continued)
for the year ended 31 March 2025

For the year ended 31 March 2024 as restated

	Balance at 1 April 2023 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2024 £
Unrestricted funds					
General fund	364,796	1,874,475	(2,019,694)	96,755	316,332
Designated funds					
COVID Recovery Fund	96,755	-	-	(96,755)	-
Capital fund (2017)	96,096	-	(20,505)	-	75,591
Capital fund (2020)	26,326	-	(4,079)	-	22,247
Capital fund (2021)	6,872	-	(876)	-	5,996
Capital fund (2023)	6,466	-	(718)	-	5,748
	<u>232,515</u>	<u>-</u>	<u>(26,178)</u>	<u>(96,755)</u>	<u>109,582</u>
Total unrestricted funds	<u>597,311</u>	<u>1,874,475</u>	<u>(2,045,872)</u>	<u>-</u>	<u>425,914</u>
Restricted funds					
Arts Council England	350,000	-	-	-	350,000
Young People's projects	11,753	29,650	(36,603)	-	4,800
Staying Out project	8,047	26,750	(29,746)	-	5,051
SIRF Projects	49,564	-	(36,764)	-	12,800
Venues North	5,101	9,713	(7,676)	-	7,138
Tees Valley Combined Authority	70,989	62,931	(133,920)	-	-
Future Arts Centre	5,876	77	(5,953)	-	-
Arts and Minds	39,712	72,123	(38,597)	-	73,238
Rix Thompson Rotherburg Foundation	19,140	5,100	(24,240)	-	-
Collaborative Artistic Projects	43,571	38,190	(72,976)	-	8,785
North East Exchange	-	1,500	-	-	1,500
Wellington Square Shopping Centre	-	2,750	-	-	2,750
Film Hub North – Bigger Picture	-	10,000	(10,000)	-	-
	<u>603,753</u>	<u>258,784</u>	<u>(396,475)</u>	<u>-</u>	<u>466,062</u>
Total restricted funds	<u>603,753</u>	<u>258,784</u>	<u>(396,475)</u>	<u>-</u>	<u>466,062</u>
	<u>1,201,064</u>	<u>2,133,259</u>	<u>(2,442,347)</u>	<u>-</u>	<u>891,976</u>

**Notes to the financial statements (Continued)
for the year ended 31 March 2025**

Designated funds

COVID Recovery Fund – reserves have been designated to support against future deficits and costs impacted by the COVID pandemic.

Capital fund – relates to other fixed assets which are shown as designated funds. Depreciation is charged against this fund so that it equals the net book value of these assets.

Restricted funds

Arts Council England – this equals the value of the property, further details of the valuation are in note 13 and 20.

Young People's projects – relates to funding received from Stockton on Tees Borough Council for various youth projects, including targeted work with care-experienced children and young people.

Staying Out – related to funding from Stockton on Tees Borough Council for an ongoing programme of weekly creative arts sessions aimed at people aged 65+ who are socially isolated.

SIRF projects – relates to funding received from Stockton International Riverside Festival for artistic projects for the festival 2023.

Venues North – relates to membership fees for this network managed by ARC, which is committed to supporting artists making new performance work in the North of England.

Tees Valley Combined Authority – relates to funding received to deliver strategic projects supporting cultural development in the Tees Valley.

Film Hub North – Bigger Picture – relates to funding received to increase the number of South Asian films within our cinema programme, and develop South Asian audiences.

Wellington Square Shopping Centre – relates to funding received to support a series of artist commissions for the shopping centre.

Future Arts Centre – relates to funding received to support Future Arts Centres, a national network co-led by ARC and the Albany, and associated project activity.

Arts and Minds – relates to funding received from the Comic Relief SMILES fund via Middlesbrough & Stockton Mind, to deliver creative activity for adults with mild to moderate mental health conditions.

Rix Thompson Rotherburg Foundation – relates to funding received to support the delivery of learning disabled-led club nights in 2023/2024.

Collaborative Artistic Projects – relates to monies for collaborative projects delivered in conjunction with other partners.

North East Exchange - relates to membership fees for this network managed by ARC, which is committed to supporting artists across the North East.

Notes to the financial statements *(Continued)*
for the year ended 31 March 2025

18. Statement of funds *(Continued)*

Baring Foundation – relates to funding for the collaborative project between ARC and Blind Tiger – Mouths of the Tees – a project supporting the mental health of men in Tees Valley

Borderlands - relates to delivery of a training programme for artists and communities involved in the Communities of Possibilities project run by Borderlands CPP.

Bailey Thomas – relates to support for ARCTic Piranha club nights for learning disabled adults.

D'Oyly Carte - relates to work supporting local young people through the We Are TS18 project.

19. Analysis of net assets between funds

For the year ended 31 March 2025

	Unrestricted Funds £	Designated funds £	Restricted funds £	Total £
Tangible assets	197,062	-	350,000	547,062
Net current assets	(20,299)	-	258,649	238,350
	<u>176,763</u>	<u>-</u>	<u>608,649</u>	<u>785,412</u>

For the year ended 31 March 2024 as restated

	Unrestricted Funds £	Designated funds £	Restricted funds £	Total £
Tangible assets	46,603	109,582	350,000	506,185
Net current assets	269,729	-	116,062	385,791
	<u>316,332</u>	<u>109,582</u>	<u>466,062</u>	<u>891,976</u>

20. Defined contribution retirement benefit scheme

The group operates a defined contribution pension plan for its employees. The amount recognised as an expense in the period was £15,128 (2024 - £13,994).

The defined contribution liability is allocated to unrestricted funds.

21. Financial commitments, guarantees and contingent liabilities

In the event of Stockton Arts Centre property at Dovecot Street, Stockton on Tees being sold and the net proceeds of sale not being used for the furtherance of the company's charitable purposes, then an amount of £200,000 (which is to be index linked from February 1997) would have to be paid to the Young Men's Christian Association and £81,000 (which is to be index linked from January 2004) to the Stockton Borough Council.

There is also a chattel mortgage on the property and certain equipment between Stockton Arts Centre and The Arts Council of England which states that a novated debt, equipment to the purchase price of the land and freehold property would have to be repaid to The Arts Council of England on the occurrence of certain events, such as the organisation ceasing to be a charity.

22. Related party transactions

There have been no related party transactions during the year (2024 – none).

Stockton Arts Centre

**Notes to the financial statements (Continued)
for the year ended 31 March 2025**

23. Cash generated from operations

	2025	2024
	£	£
Deficit for the year	(106,564)	(295,243)
Adjustments for:		
Investment income	(6,771)	(10,768)
Depreciation of tangible fixed assets	42,435	37,936
Movements in working capital:		
Increase in stocks	(350)	(1,325)
Decrease/(Increase) in debtors	111,064	(12,431)
(Decrease)/Increase in creditors	(44,318)	139,194
Cash outflow from operations	<u>(4,504)</u>	<u>(142,637)</u>

24. Analysis of changes in net funds

The charity has no debt during the year.

STOCKTON ARTS CENTRE

England & Wales - Charity number 1095460

Accounts

ARC

Stockton Arts Centre

Stockton Arts Centre Ltd

Annual Report and Consolidated Financial Statements

For the year ended 31 March 2024

Company Number: 04591795

Charity Number: 1095460

Stockton Arts Centre

Contents

	Page
Trustees' report	1 - 11
Independent auditors' report	12 - 15
Consolidated statement of financial activities	16
Consolidated balance sheet	17
Charitable balance sheet	18
Consolidated cash flow statement	19
Notes to the financial statements	20 - 36

Stockton Arts Centre

Trustees' report

For the year ended 31 March 2024

The Trustees present their annual report together with the audited financial statements of the Charity for the year 1 April 2023 to 31 March 2024. The annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Reference and administrative details

Company number: 04591795 (England and Wales)
Charity Number: 1095460
Registered office: Dovecote Street, Stockton on Tees, TS18 1LL

Advisors

Bankers: HSBC, 136 High Street, Stockton on Tees, Cleveland, TS18 1LR
Yorkshire Bank, 56 High Street, Stockton on Tees TS18 1SB

Auditors: CLA Evelyn Partners Limited, 17 Queens Lane, Newcastle upon Tyne, NE1 1RN

1. Structure, governance and management

Stockton Arts Centre is a registered charity number 1095460 governed by its memorandum and articles of association and a company limited by guarantee.

2023/2024 saw significant changes to personnel involved in the governance and management of ARC with Lynne Snowball stepping down as Chair in June to be succeeded by Kate Craddock. Chief Executive and Artistic Director, Annabel Turpin stood down in October with staff acting up to cover for an interim period. In January 2024, following an intensive recruitment process, Alexander Ferris took up the new post of Chief Executive and Creative Director.

The number of trustees, who are also the directors for the purpose of company law, reduced to 8 during the year following some planned resignations with individuals completing their tenure. The Trustees were:

	Board meetings attended
Aaron Bowman	4 out of 4
Kate Craddock (appointed Chair June 2023)	1 out of 1
Maria Crocker	1 out of 4
Arfan Hussain (appointed March 2023)	4 out of 4
Dan Mallaghan	4 out of 4
Patrick Mashedor (resigned June 2023)	3 out of 3
John McCann	4 out of 4
Jane Robinson (resigned March 2024)	2 out of 2
Sharuna Sagar	2 out of 4
Lynne Snowball (Chair, resigned June 2023)	3 out of 3
Nine White	4 out of 4

Trustees' report (*continued*)

For the year ended 31 March 2024

ARC's Board of Trustees is responsible for ensuring ARC's aims and objectives are achieved. It is responsible for forward strategy and direction, approving the annual business plan and budget, and monitoring performance and delivery, supporting the Chief Executive and the ARC team. Board Trustees have a diverse range of skills, experience and backgrounds, bringing a broad range of perspectives to board discussions and decisions.

ARC is committed to continuing to increase the diversity of the Board and advertises widely to identify prospective trustees. The recruitment processes were reviewed and changed in 2021 to support this aim. Following an open application process, suitable candidates are invited to meet the Chair, Chief Executive and other trustees to discuss the opportunity of joining ARC's Board. If it is decided to proceed with the appointment, prospective trustees are invited to observe a Board meeting before a final decision – by both parties – is made.

New trustees have a full induction process and are provided with an extensive package of information relating to the charity including job description, current and historical financial information, minutes of Board meetings, and the current business plan.

The Board of Trustees meets quarterly to administer the charity and formally considers ARC's mission, aims and objectives at least once a year. Ad hoc working groups or advisory groups are convened from time to time.

The Finance Sub-committee meets a minimum of three times during the year to discuss in detail the annual budget forecast outturn and annual financial reporting to inform the Board's considerations and decision-making process. Monthly management accounts are circulated to the nominated Finance sub-committee representatives, who include the Chair of the Board, to ensure prompt review of performance. Terms of Reference were reviewed by the Board in March 2022.

None of the trustees have any beneficial interest in the company. All the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

An executive director is appointed by the Trustees to manage the day-to-day operations of the charity. The Chief Executive and Creative Director is supported by a deputy, Operations Manager and a management team of seven.

2. Objectives and activities

The objects of the Charity are to promote, maintain, improve and advance the knowledge, understanding and appreciation of the arts and popular culture, primarily among the inhabitants of the Tees Valley.

To achieve its objects the charity has defined its mission as follows:

ARC is an organisation working from its venue to enhance the wellbeing of the whole community of Stockton and the Tees Valley, through arts and creative activity, through widening opportunities to experience and participate in the arts, and through partnership with other organisations.

To deliver this mission the charity has undertaken to achieve the following aims:

- To make an important contribution to the social and economic regeneration of Stockton and the Tees Valley
- To present an outstanding creative programme that is contemporary and relevant to our communities
- To increase the number and range of people engaging with ARC
- To support and develop artists and creative practitioners to create excellent work relevant to our communities
- To support and develop a cultural workforce to support our ambitions
- To realise the creative potential of our local communities
- To increase our financial and organisational resilience and ability to adapt to economic, environmental and societal change
- To act as a national and international leader in organisational sustainability, sector development, artistic practice and social impact
- To act as a catalyst for partnership and collaboration between public, private and voluntary sector organisations

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

During 2023/24, ARC continued to follow our Business Plan 2023 - 2026, which builds on post-COVID recovery plans and was produced in conjunction with the staff, Board and funding partners in response to the current context. It remains focussed on delivery of the above mission and aims, setting out a clear route map for the future of the charity as it seeks to return to a positive trading position.

The Business Plan is used by the Management Team to inform and steer activity and monitor progress against the aims and objectives. The Board of Trustees monitors the delivery of the Business Plan at its quarterly meetings.

3. Achievements and performance

During 2023/24, ARC presented 116 professional performances, 36 community performances, 440 film screenings and live broadcasts, as well as delivering more than 937 workshops and classes. Audience figures exceeded 54,000, with c 10,000 attendances at creative arts activities.

Live programme

ARC has continued to deliver an exciting and diverse programme of activity, engaging and connecting people to each other and to new ideas.

Theatre, dance and multi-disciplinary work

We continued to support theatre, dance and multi-disciplinary artists to develop new work in partnership with ARC, to strengthen relationships and help us build deeper connections with our communities.

Examples include ARC's first commissioned show for 2023/24, *Guest House* by Displace Yourself Theatre and *Creating Together*, which explored the power of kindness, featuring many of the regular participants from our local refugee and asylum seeker communities; a new piece from *Unfolding Theatre* called *Night Classes*, co-created with communities and featuring a strong BSL element; Stockton's first *Pop-up Pride*, curated by *Curious Arts* with support from ARC and other partners, featuring a re-staging of *Audrey Cook's* show, *Ricky the Itch* which was first commissioned in 2022 by *SIRF* via the *Tees Valley New Creatives* programme.

Stockton Arts Centre

Trustees' report (*continued*)

For the year ended 31 March 2024

ARC's produced work included a national tour of Luca Rutherford's *You Heard Me* with performances at ARC, a three week run at BAC in London followed by three weeks national touring and a performance and regional tour of Umar Butt's *Welcome to the Jungle*.

This year also saw the launch of a new community co-commissioning programme, *Make New Work* supported by Paul Hamlyn Foundation and Arts Council England. This enabled us to offer a number of seed commissions to artists as well as full commissions to develop new work inspired by provocations from the community.

Comedy & Music

We continued to attract high profile comedians to ARC, including Jenni Eclair, Ed Byrne, Reginald D Hunter and Josh Pugh, while our music programme continues to attract well-established bands and artists, such as Fairport Convention and PP Arnold with sellouts including Neville Staple, The Zombies and local band The Wildcats of Kilkenny. In January, we supported KU Promotions to bring *The Libertines* to ARC which sold out and brought profile to the programme.

Due to Easter dates, *Stockton Calling* had 2 outings in this year, each attracting c2,000 to a day-long music festival delivered in partnership with Tees Music Alliance and KU, featuring nine stages and more than 70 bands each time.

Family

ARC's family programme presented some of the best companies in the UK, including *Fidget Theatre*, *Associate Company Kitchen Zoo* and *Full House Theatre*, with shows for 3–7-year-olds throughout the year as well as a Christmas show for this age range. We continue to support and co-commission family work in order to ensure we can present work that is relevant to, and reflective of, our local community.

In 2023/24 this included our sixth co-commissioned Christmas show with *The Albany* in Deptford, *Well Done*, *Mummy Penguin* by *Can't Sit Still*.

Creative learning

We have continued to develop our creative learning programme, focussing on the quality of provision and a user-led ethos in terms of activity.

We work with a number of strategic partners to ensure we are reaching children and young people who have the least opportunity to engage in cultural activity. These include relationships with *Cornerhouse Youth Project (We Are TS18 – a dance group of young people from deprived backgrounds)* and *Stockton on Tees Borough Council*, around our *More Stuff Like This Please!* programme of activity for children and young people in care.

ARC's programme of daytime activity continued to offer a range of regular workshops and classes including creative art, ballet pilates and music, supplemented by occasional workshops in activities as varied as needlefelt, glass and calligraphy.

We continued to deliver *Staying Out*, an opportunity for older people either at risk of admission to or recently discharged from hospital. Funded by *Stockton Borough Council* through the *Better Care Fund*, its aim is to reduce hospital admissions/re-admissions through improving people's social interaction and sense of wellbeing. *Staying Out* operates as an alternative to day care, providing a day long programme of creative activities such as arts and crafts, music and singing, creative use of technologies and creative writing.

We also continued to provide activity, space and events for the *Holiday Activities and Food (HAF)* programmes, welcoming young people from across the borough to ARC.

Community-led programme

ARC's community-led programme continues to make an important contribution to the overall life of the centre, enabling us to reach a wider cross-section of our local community, helping to realise their creative ambitions. During 2023/24 we supported more than 40 community performances, featuring more than 1,000 young people performing and attracting audiences of c10,000.

Other community-led activity included Festival of Light and Colour (Diwali) and Pizza and Pitches, our community commissioning programme which invites local people to share their ideas for creative activity, which are voted on by an audience.

Cinema

Our cinema programme continued to show a range of mainstream and arthouse films supplemented by a number of live broadcasts from the National Theatre. ARC also hosted the second annual Tees Valley International Film Festival with over 1500 attendees across the 4 days.

We have continued regular screenings of family films, providing opportunities for families to see films together every Saturday morning and during school holidays.

Exhibitions

We use our top floor foyer Gallery space to help reflect our local community, through exhibitions that are either locally curated or feature locally produced artworks. With a more coherent and consistent programme, we have been able to increase visitors as well as host a number of successful preview and launch events. Exhibitions included work created or curated by Adam McLean, Staying Out and Arts & Minds Participants, The Northern School of Arts graduates and IN/Visible Disabled Women's National Arts Collective.

Supporting artists

ARC's programme of support for performance-based artists continues to make a positive impact and become further integrated within our core-programme, audience development and creative learning activity. Across 2023/24, ARC supported the development of more than 50 new performances by some of the UK's most exciting artists, including Tommy the Queer Historian, Akeim Toussaint Buck and Divija Melally. We also endeavoured to support a diverse range of North East based artists Vici Wreford-Sinnott, Scott Turnbull, Joseph Caslin, Eppie Brilliant, Saya Naruse and Audrey Cook.

ARC's continued rental of a house in Stockton enabled us to offer free workspace and accommodation to artists across the year.

ARCADE, the performance artist network, consists of c100 active members from across the North of England. During the year, artists benefited from 2,000 hours of free space for R&D and rehearsals, and 150+ one-to-one surgery sessions.

During 2023/24, we continued to deliver Tees Valley New Creatives, a career starting programme of free support to help people completing further and higher education creative courses secure employment in the cultural industries and unlock new opportunities in their fields.

Trustees' report (continued)

For the year ended 31 March 2024

Partnerships

ARC works both locally and nationally. Partnership working has remained key to ARC's activity, as we continued to lead on initiatives including Venues North, a network committed to supporting new and emerging artists from the North to get their work more widely seen regionally, nationally and internationally, and until October 2023 co-led Future Arts Centres (FAC), a network of more than 100 arts centres across the UK.

Venues North continued to build its paid membership providing a financial contribution towards time and travel costs for artists presenting at the meetings.

Future Arts Centres successfully applied to join Arts Council England's National Portfolio as an Investment Principles Support Organisation. In April 2023, FAC became an independent company with its own board of directors but retains its virtual base at ARC.

Equality and diversity

ARC is committed to achieving equality and diversity in all aspects of our work and activities. Through our equality policy and action plan, approved by the Board, we have continued to embed diversity throughout our work.

We have built on our experience around disability through the Cultural Shift programme, which officially concluded in March 2018. The programme made a significant long-term impact on the organisation, in terms of our artistic programme, practice, workforce and audiences. Legacy work has continued including support for our resident learning-disabled theatre company, Full Circle, disabled-led club nights and an ongoing commitment to supporting and presenting disabled artists. Vici Wreford-Sinnott, who led our Cultural Shift programme, remains an Associate Artist, supported to make new work at ARC.

We continued to improve access facilities and communication, offering relaxed performances and screenings, BSL interpreted performances, subtitled films and audio description on all film screenings where available.

Inspired by the North East initiative Culture Against Racism, we developed and published our first Anti-Racism plan in 2021. Board and staff members were involved in identifying ways we could better educate ourselves, diversify our workforce, continue to ensure our programme is representative and hold ourselves accountable. We have continued to develop and regularly monitor an annual plan as well as make a public report on progress in June each year.

We continue to work closely with Curious Arts to shift our practice in relation to those identifying as LGBTQIA+, and with support from Film Hub North, delivered the second year of Bigger Picture, an initiative to increase South Asian representation amongst both our film programme and audiences. We have continued to work with Displace Yourself to engage local refugees and asylum seekers through a monthly creative session.

We published our diversity statistics for 2023-24 as part of our commitment to transparency:

Workforce (staff/Board)	2023/2024
Disabled	14%
LGBTQIA+	15%
Global Majority	12%
Working class backgrounds	28%

Global Majority artists are generally under-represented in our programmes and we will seek to address this in the years to come through pro-active programming and relationship building with key local partners.

Strategic development

ARC continues to play an important role in strategic cultural development locally and nationally. Outgoing Chief Executive & Artistic Director Annabel Turpin was Deputy Chair of the Local Enterprise Partnership (LEP) and Theme Lead for Creative Place and led an independent Cultural Industries and Visitor Economy Task Force, which oversaw the Tees Valley Combined Authority's £1m cultural recovery programme. Incoming Chief Executive Alexander Ferris will play an active part on the Tees Valley Creative Place Advisory Group, which informs the Combined Authority's strategy and investment plans and has helped to design a number of the Combined Authority's key strategic projects such as Tees Valley Artist of the Year. Members of the Creative Learning team also contribute to Tees Valley Creative Education Partnership.

Audiences and participants

More than 54,000 watched live performance and film screenings at ARC in 2023/24, with c10,000 attendances at creative learning activities.

We have continued to employ dynamic pricing (budget airline style), as well as the innovative 'Pay What You Decide' model, first introduced in 2015, to ensure we are maximising both audiences and income. PWYD has been phenomenally successful, leading to significant increases in audience and income for new work. We published a free toolkit in May 2016, updated in 2019, and continue to offer advice and support to venues around the world adopting our approach.

We continue to use our comedy and music programme to maintain our cross-subsidy model, enabling us to support the development of a significant amount of new theatre and dance work.

We have maintained the breadth of our audience reach. Analysis of our audience data for 2023/24 has shown that 29.1% fall into the least engaged Audience Spectrum categories (compared to 28.3% in 2023/24), against a target of 20%:

- 8.9% - Up our Street
- 12.8% - Frontline Families
- 3.7% - Kaleidoscope Creativity
- 4.7% - Heydays

This achievement in terms of the breadth of our audiences has been underpinned by strong and consistent programming as well as high quality, targeted marketing and development activity.

All our marketing and promotion is highly targeted and supported by excellent data capture, fully compliant with GDPR. We continue to develop our marketing and audience development activity, with a drive to entice previous audiences back, post pandemic, increase frequency of attendance and attract new audiences.

We monitor feedback from audiences and artists via post-show talks, both formal/informal; social media; weekly discussions at staff meetings; Arts Council assessments and online surveys. Our annual survey for 2023/24 shows 96.7% of customers rated their overall enjoyment as Good or Excellent; 97% rated the quality of the event as Good or Excellent and 95.6% rated value for money as Good or Excellent.

No 60 – food and drink

ARC wholly owned trading subsidiary company (Stockton Arts Centre (Trading) Ltd) which provides ARC's catering service under the brand 'No 60'.

ARC recognises that No 60 makes an important contribution to the way customers perceive the organisation, playing a key part in providing a safe, welcoming place where people enjoy positive, social interaction alongside creative activities and cultural experiences. In addition, No 60 makes a financial contribution, which amounted to c£75,000 paid to the parent company at the end of the year, over and above management charges.

Fundraising

ARC's fundraising activity is led by the Chief Executive, supported by other staff. ARC operates outside of the voluntary fundraising regulator scheme, as the organisation's fundraising expenditure is well below the limit of £100,000 that requires registration. However, we are aware of the code and ensure that we operate in accordance with it at all times. Our fundraising activity targeting individuals is almost exclusively carried out at the point of ticket sale, minimising the risk of any individual being approached in a persistent or intrusive way.

4. Financial review

Following a number of years achieving a trading surplus and building reserves, ARC went into the pandemic in a reasonably strong financial position. This position was maintained through effective use of the Job Retention Scheme alongside successful fundraising from sources including Arts Council England's Culture Recovery Fund, Stockton Borough Council's Small Business Support scheme, trusts and foundations such as the Weston Culture Fund and Esmee Fairbairn, and sector-specific support from Film Hub North.

ARC's Statement of Financial Activities show a turnover of £2.7m in 2023/24, in line with last year (£2.2m) and a return to pre-pandemic levels.

In June 2020, in light of the pandemic, the Trustees agreed an increase to the level of reserves set in our reserves policy from £210k (equivalent of three months operational costs) to £250k.

The Trustees agreed to use part of the reserves over two years to aid the post Covid 19 recovery. The reserves are therefore expected to drop below the target level of £250k during 2024/25. They are £316,332 as at 31 March 2024. ARC plans to begin to rebuild them from 2025/26, at which point the target level will be revisited, taking inflation into account.

Financial plans and forecasts have been revised on the basis of expected scenarios going forward and Trustees are satisfied that ARC has adequate resources to continue as a going concern for the coming year.

ARC's forward plans are focussed on continuing to rebuild our income from all sources, particularly our earned income which was reduced to zero during the closure. We will continue to seek funding from other sources, including charitable trusts and foundations, and invite the public to make donations to support our ongoing charitable activity.

ARC is currently part of Arts Council England's National Portfolio and has secured funding for a further two years through to 2025/26, and has also agreed continued funding with Stockton on Tees Borough Council (SBC) for the same period, under an ongoing service level agreement. Both SBC and ACE nominate observers to monitor the charitable objectives through attendance at the quarterly Board meetings.

Pay and remuneration for staff is approved as part of the annual budget review. The Chief Executive recommends any organisation-wide increase, taking into account current trends and levels of inflation, which is discussed and approved by the Board. The Chief Executive's pay sits outside of this process and is discussed and approved by the Board following an annual performance review. ARC regularly benchmarks salaries with other UK arts centres which feeds into these processes.

Risk management

The trustees monitor progress against ARC's Business Plan and have risk management processes in place. There is a comprehensive review of risks annually, as part of the business planning process, with ongoing review at each board meeting. As part of this process, the trustees have further improved the risk management strategy and process, categorising across four areas – governance and management, physical, financial and artistic. The likelihood and possible impact of risks are graded as high, medium or low. Specific action, systems, controls and procedures are in place to mitigate identified risks. There were three risks categorised as high during 2023/2024.

The most significant risk was the impact of increasing inflation levels. To mitigate this, monthly monitoring of impact of increasing costs and box office income on budget, with proactive management including quarterly EOY projections, to allow for rescoping of activity and spending as necessary is in place. This risk has been downgraded in 2024.

Reduced availability of funding from foundations, trusts etc as competition for funds increases has also been flagged as a high risk. Actions in place include maintaining ARC's strong track record of delivery, credibility and profile with grant-awarding bodies; developing impactful grant applications, based on clear strategy and well-developed outcomes, relevant to current circumstances; and monitoring applications regularly and taking early action to cut expenditure if grants not secured.

Physical risks include failure of essential plant and equipment. To mitigate this risk ARC has successfully fundraised and invested more than £1m since 2013 in capital improvements, replacements and renewals. Alongside this, a proactive repairs and maintenance programme is in place.

5. Plans for future periods

Despite the challenges posed by COVID-19 recovery and the current economic situation, ARC is positive about its future. The Business Plan for 2023-2026 sets out our longer-term recovery plans as well as ambitions for the future. We are carefully considering our operational and financial capacity, to ensure ARC remains agile and well placed for the future.

Our close monitoring and robust financial management will ensure that we continue to react to changes in time to make necessary interventions.

Objectives - Creative Programme

- Continue to develop a collaborative approach to presenting outstanding live performances, film screenings, exhibitions, digital work, artist-led and creative learning activities that reflect our vision and artistic policy and excite our audiences
- Deliver activities which enable a diverse range of artists and creative practitioners to develop their ideas, practice and networks to support sustainable careers
- Involve our communities meaningfully and deeply in all aspects of ARC's work, increasing support for community-led creative activity
- Influence within and beyond the sector, leading regional and national networks contributing to national and international debates and driving outstanding practice and outcomes

Objectives - Audiences and Communities

- Provide the best vibrant, creative and social spaces where our communities can feel safe and welcome, and enjoy a sense of ownership
- Better listen, understand and reflect the needs and interests of local people in our programme and behaviours, through innovative and purposeful engagement both at ARC and by reaching into our communities
- Deploy creative and cost-effective multi-channel and targeted approaches to increase the number of people engaging with ARC
- Proactively identify and take positive action to remove barriers to participating in and experiencing cultural activity for all under-represented and disenfranchised groups

Objectives - Organisation

- Drive activity to reduce our environmental impact in all areas of our work, including programme, behaviours, building and café bar
- Continue our commitment to recruit and develop diverse, skilled and visionary staff, creative practitioners and Board members who are committed to positive organisational and societal change through arts and culture
- Optimise existing partnerships and forge new collaborations within and outside the cultural sector to improve outcomes for local people by working together
- Maintain a flexible and adaptable approach to delivery to ensure we can be genuinely artist and community-led, opportunistic and entrepreneurial, continuing to seek ways of diversifying decision-making within the organisation
- Maximise ARC's earned income, grants and donations and achieve efficiency targets as set out in our annual budgets, to contribute to our overall financial resilience

Statement of trustees' responsibilities

The trustees, who are also the directors of Stockton Arts Centre for the purposes of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Executive Committee to prepare financial statements for each financial year which give a true and fair view of both the charitable company's and the group's state of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. In preparing these financial statements, the Executive Committee is required to:

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make adjustments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

So far as each of the trustees is aware at the time the report is approved:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditors

CLA Evelyn Partners Limited have indicated their willingness to continue in office, and a resolution concerning their reappointment will be put forward at the Annual General Meeting.

Approved by the board on 18th December 2024 and signed on their behalf by:

Kate Craddock
.....
K C Craddock
Chair

**Independent Auditors' Report to the members of Stockton Arts Centre
For the year ended 31 March 2024**

Opinion

We have audited the financial statements of Stockton Arts Centre (the 'charitable company') and its subsidiary (the 'group') for the year ended 31 March 2024 which comprise the Statement of Financial Activities, the Consolidated Balance Sheet, the Charity Balance Sheet, the Cash Flow Statement 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 applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and charitable company's affairs as at 31 March 2024, and of the group's 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's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Independent Auditors' Report to the members of Stockton Arts Centre (Continued)
For the year ended 31 March 2024

Other information

The other information comprises the information included in the trustees report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has 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 parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 11 the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Independent Auditors' Report to the members of Stockton Arts Centre (Continued)
For the year ended 31 March 2024

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We obtained an understanding of the legal and regulatory framework applicable to both the company itself and the industry in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the directors and other management. The most significant were identified as the Companies Act 2006, UK GAAP (FRS102) and relevant tax legislation. We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statements. Our audit procedures included:

- confirming with the directors and management whether they have any knowledge or suspicion of fraud;
- obtaining an understanding of the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- assessing the risk of management override including identifying and testing a sample of journal entries;
- confirmation received from the bank to verify the balance as on the last day of the accounting year; and
- review of minutes of meetings of those charged with governance.

Our audit did not identify any key audit matters relating to the detection of irregularities including fraud. However, despite the audit being planned and conducted in accordance with ISAs (UK) there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularity likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our audit report.

Independent Auditors' Report to the members of Stockton Arts Centre (Continued)
For the year ended 31 March 2024

Use of our report

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



Craig Henderson (Senior Statutory Auditor)
For and on behalf of CLA Evelyn Partners Limited

.....18 December 2024.....

Statutory Auditors

17 Queens Lane
Newcastle upon Tyne
NE1 1RN

Stockton Arts Centre

Consolidated Statement of Financial Activities (Including Income and Expenditure Account)
For the year ended 31 March 2024

	Notes	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2024 £	Total 2023 £
Income from:						
Donations	4	550,404	-	-	550,404	466,775
Charitable activities	5	926,786	-	793,588	1,720,374	1,347,592
Other trading activities	6	386,517	-	-	386,517	337,338
Investments	7	10,768	-	-	10,768	3,423
Total income		<u>1,874,475</u>	<u>-</u>	<u>793,588</u>	<u>2,668,063</u>	<u>2,155,128</u>
Expenditure on:						
Raising funds	8	355,522	-	-	355,522	306,363
Charitable activities	9	1,664,172	26,178	917,434	2,607,784	2,063,078
Total expenditure		<u>2,019,694</u>	<u>26,178</u>	<u>917,434</u>	<u>2,963,306</u>	<u>2,369,441</u>
Net expenditure		(145,219)	(26,178)	(123,846)	(295,243)	(214,313)
Transfers	17	96,755	(96,755)	-	-	-
Net movement in funds		<u>(48,464)</u>	<u>(122,933)</u>	<u>(123,846)</u>	<u>(295,243)</u>	<u>(214,313)</u>
Reconciliation of funds						
Fund balances brought forward		364,796	232,515	699,790	1,297,101	1,511,414
Fund balances carried forward		<u>316,332</u>	<u>109,582</u>	<u>575,944</u>	<u>1,001,858</u>	<u>1,297,101</u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

Stockton Arts Centre

**Consolidated Balance Sheet
As at 31 March 2024**

	Notes	2024		2023	
		£	£	£	£
Fixed assets					
Tangible assets	13		506,185		530,242
Current assets					
Stocks		13,311		11,986	
Debtors	15	273,638		261,207	
Cash at bank and in hand		791,046		936,794	
		<u>1,077,995</u>		<u>1,209,987</u>	
Creditors: amounts falling due within one year	16	<u>(582,322)</u>		<u>(443,128)</u>	
Net current assets			495,673		766,859
		<u>1,001,858</u>		<u>1,297,101</u>	
The funds of the charity:					
Restricted funds			575,944		699,790
Unrestricted funds:					
General fund			316,332		364,796
Designated funds			109,582		232,515
	17		<u>1,001,858</u>		<u>1,297,101</u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the Board of Trustees on 18th December 2024 and are signed on their behalf by:

Kate Craddock

.....
K C Craddock
Chair

Company Registration Number: 04591795

The notes on pages 20 to 36 form part of these financial statements

Stockton Arts Centre

Charity Balance Sheet
As at 31 March 2024

	Notes	£	2024 £	£	2023 £
Fixed assets					
Tangible assets	13		506,185		530,242
Investments	14		1		1
			<u>506,186</u>		<u>530,243</u>
Current assets					
Debtors	15	282,804		305,709	
Cash at bank and in hand		703,041		891,547	
		<u>985,845</u>		<u>1,197,256</u>	
Creditors: amounts falling due within one year	16	(565,551)		(460,439)	
Net current assets			420,294		736,817
			<u>926,480</u>		<u>1,267,060</u>
The funds of the charity:					
Restricted funds			575,944		699,790
Unrestricted funds:					
General fund			240,954		334,755
Designated funds			109,582		232,515
	17		<u>926,480</u>		<u>1,267,060</u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the Board of Trustees on 18th December 2024 and are signed on their behalf by:

Kate Craddock

K C Craddock
Chair

Company Registration Number: 04591795

The notes on pages 20 to 36 form part of these financial statements

Stockton Arts Centre

Consolidated Statement of Cash Flows
For the year ended 31 March 2024

	Notes	2024 £	2023 £
Cash flows from operating activities			
<i>Net cash used in operating activities</i>	24	(142,637)	(134,006)
Cash flows from investing activities			
Interest received		10,768	3,423
Purchase of tangible fixed assets		(13,879)	(11,812)
<i>Net cash used in investing activities</i>		(3,111)	(8,389)
Change in cash and cash equivalents		(145,748)	(142,395)
Cash and cash equivalents at the beginning of the year		936,794	1,079,189
Cash and cash equivalents at the end of the year		791,046	936,794
Breakdown of cash and cash equivalents			
Cash at bank and in hand		791,046	936,794

**Notes to the financial statements
for the year ended 31 March 2024**

1. Accounting Policies

Charity information

Stockton Arts Centre is a private company limited by guarantee incorporated in England and Wales. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the charitable company.

1.1. Accounting convention

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, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

Stockton Arts Centre meets the definition of a public benefit under FRS 102. The financial statements are prepared under the historical cost convention or transaction value unless otherwise stated in the relevant accounting policy note(s). The financial statements are prepared in Sterling which is the functional currency of the charity and rounded to the nearest £.

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

1.2. Going concern

The financial statements have been prepared on a going concern basis. The Trustees have reviewed and considered relevant information, including the annual budget and future cash flows in making their assessment over the next 12 months.

1.3 Basis of consolidation

The group financial statements consolidate the financial statements of the charitable company and its subsidiary undertaking. Stockton Arts Centre (Trading) Limited, drawn up to 31 March each year on a line-by-line basis. No income and expenditure account is presented for Stockton Arts Centre as permitted by section 408 of the Companies Act 2006.

Notes to the financial statements (Continued)
for the year ended 31 March 2024

1.4 Fund structure

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purpose and uses of the designated funds are set out in the notes to the accounts.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

1.5 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Income from grants, including government grants is recognised when the performance conditions of the grant are met and when the charity becomes entitled to the income.

When donors specify that donations and grants given to the charity must be used in future accounting periods, the income is deferred until those periods.

When donors specify that donations and grants are for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, this income is included in restricted funds income when receivable.

Other trading activities income is recognised when receivable by the charity.

Investment income is recognised when receivable by the charity.

1.6 Resources expended

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is possible that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered.

Expenditure which is directly attributable to specific activities has been included in these cost categories.

Expenditure on raising funds represents those costs associated with generating the trading income.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries

**Notes to the financial statements (Continued)
for the year ended 31 March 2024**

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost of valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following basis:

Land and buildings	Nil
Equipment	2 – 10 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/ (expenditure) for the year.

The trustees consider that the freehold building is maintained in such a state of repair that its residual value is at least equal to its net book value. As a result the corresponding depreciation would not be material and is therefore not charged in the Statement of Financial Activities.

1.8 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/ (expenditure) for the year. Transaction costs are expensed as incurred.

A subsidiary is an entity controlled by the charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.9 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.10 Stock

Stock is stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is comprised of direct materials.

1.11 Debtors

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

1.12 Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.13 Creditors and provisions

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

**Notes to the financial statements (Continued)
for the year ended 31 March 2024**

1.14 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors are initially recognised at transaction. Financial liabilities classified as payable within one year are not amortised.

1.15 Pensions

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.16 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease.

1.17 Corporation tax

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. The group companies relieve their tax liability by making Gift Aid payments to the parent charity within nine months of the year end.

2. Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated 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 ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

There are no significant estimates.

Notes to the financial statements (Continued)
for the year ended 31 March 2024

3. Comparatives for the Statement of Financial Activities

	Notes	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2023 £
Income from:					
Donations	4	466,775	-	-	466,775
Charitable activities	5	487,071	7,184	853,337	1,347,592
Other trading activities	6	337,338	-	-	337,338
Investments	7	3,423	-	-	3,423
Total income		<u>1,294,607</u>	<u>7,184</u>	<u>853,337</u>	<u>2,155,128</u>
Expenditure on:					
Raising funds	8	306,363	-	-	306,363
Charitable activities	9	1,163,677	26,178	873,223	2,063,078
Total expenditure		<u>1,470,040</u>	<u>26,178</u>	<u>873,223</u>	<u>2,369,441</u>
Net income/expenditure		(175,433)	(18,994)	(19,886)	(214,313)
Transfers		203,245	(203,245)	-	-
Net movement in funds		<u>27,812</u>	<u>(222,239)</u>	<u>(19,886)</u>	<u>(214,313)</u>
Reconciliation of funds					
Fund balances brought forward		336,984	454,754	719,676	1,511,414
Fund balances carried forward		<u>364,796</u>	<u>232,515</u>	<u>699,790</u>	<u>1,297,101</u>

4. Donations

	2024 £	2023 £
Donations and gifts	17,377	13,748
Core grants	533,027	453,027
	<u>550,404</u>	<u>466,775</u>
Core grants analysis		
Arts Council England	371,723	311,723
Stockton Borough Council	161,304	141,304
	<u>533,027</u>	<u>453,027</u>

Notes to the financial statements (Continued)
for the year ended 31 March 2024

5. Income from charitable activities

	2024	2023
	£	£
Core Programme	726,368	674,541
Live Programme	574,574	397,093
Cinema	50,887	48,680
Creative Programme	362,592	257,107
Strategic Programme	5,953	212
	<u>1,720,374</u>	<u>1,377,633</u>

6. Other trading activities

	2024	2023
	£	£
Catering income	295,803	225,456
Services and retail	6,746	17,978
Room hire	74,802	79,278
Box office charges	9,166	14,626
	<u>386,517</u>	<u>337,338</u>

7. Investments

	2024	2023
	£	£
Interest receivable	10,768	3,423
	<u>10,768</u>	<u>3,423</u>

8. Raising funds

	2024	2023
	£	£
Catering expenditure	132,071	103,302
Catering staff costs	95,100	84,066
Marketing	55,337	54,197
Wages and salaries	73,014	65,071
	<u>355,522</u>	<u>306,636</u>

Notes to the financial statements (Continued)
for the year ended 31 March 2024

9. Expenditure on charitable activities

	Directly attributable costs £	Support costs £	2024 £	2023 £
Core Programme	1,387,385	400,616	1,788,001	1,411,919
Live Programme	397,520	114,787	512,307	373,442
Cinema	29,432	8,499	37,931	45,056
Creative Programme	185,834	53,661	239,495	252,907
Strategic Programme	23,317	6,733	30,050	37,334
	<u>2,023,488</u>	<u>584,296</u>	<u>2,607,784</u>	<u>2,120,658</u>

Analysis of support costs

	Core Programme £	Live Programme £	Cinema £	Creative Programme £
Staff costs	84,103	24,098	1,784	11,265
Depreciation	26,010	7,453	552	3,484
Property costs	134,478	38,531	2,853	18,013
Other costs	42,192	12,089	895	5,651
Administrative costs	93,736	26,858	1,989	12,556
Governance costs	20,097	5,758	426	2,692
	<u>400,616</u>	<u>114,787</u>	<u>8,499</u>	<u>53,661</u>

	Strategic Programme £	Total 2024 £	Total 2023 £
Staff costs	1,413	122,663	149,646
Depreciation	437	37,936	43,125
Property costs	2,260	196,135	197,382
Other costs	710	61,537	45,071
Administrative costs	1,575	136,714	104,227
Governance costs	338	29,311	20,665
	<u>6,733</u>	<u>584,296</u>	<u>560,116</u>

Support costs have been split based on direct costs, 69% core programme, 20% live programme, 1% cinema, 9% creative and 1% strategic. Prior year split was 66% core programme, 18% live programme, 2% cinema, 12% creative and 2% strategic.

Notes to the financial statements (Continued)
for the year ended 31 March 2024

10. Governance costs

	2024	2023
	£	£
Auditors' remuneration	11,000	6,200
	<u> </u>	<u> </u>

11. Net income/(expenditure) for the year

	2024	2023
	£	£
This is stated after charging:		
Depreciation	37,936	43,125
Fees payment to the auditors'		
Audit fees for the charitable company's accounts	9,000	6,200
Accounts fees for the subsidiary	2,000	1,500
Taxation compliance for the subsidiary	500	-
	<u> </u>	<u> </u>

12. Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

The total staff costs and employees benefits is as follows:

	2024	2023
	£	£
Wages and salaries	843,213	755,701
Social security costs	61,241	53,786
Pension costs	13,994	12,856
	<u> </u>	<u> </u>
	<u>918,448</u>	<u>822,343</u>

Notes to the financial statements *(Continued)*
for the year ended 31 March 2024

12. **Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel**
(Continued)

The average monthly number of employees during the year was:

	2024	2023
	Number	Number
Administration, marketing and commercial staff	29	29
Operational staff	24	27
Catering staff	17	17
	<u>70</u>	<u>73</u>

The number of employees who received total employee benefits (excluding employer pension costs) of more than £60,000 is as follows:

	2024	2023
	No.	No.
£60,001 - £70,000	1	1
	<u>1</u>	<u>1</u>

The key management personnel of the charity comprise the trustees, the Chief Executive Officer and Operations Director. The total employee benefits of the key management personnel of the charity were £108,944 (2023 - £135,690).

Trustees' remuneration and expenses

The trustees were not paid, nor waived, any remuneration during the year (2023 - £nil). No trustees were reimbursed travel expenses during the year (2023 - £nil). No charity trustee received payment for professional services supplied by the charity (2023 - £nil).

Notes to the financial statements (Continued)
for the year ended 31 March 2024

13. Tangible fixed assets
Group and Company

	Land and Buildings £	Equipment £	Total £
Cost			
At 1 April 2023	350,000	850,782	1,200,782
Additions	-	13,879	13,879
At 31 March 2024	350,000	864,661	1,214,661
Depreciation and impairment			
At 1 April 2023	-	670,540	670,540
Depreciation charged in the year	-	37,936	37,936
At 31 March 2024	-	708,476	708,476
Carrying amount			
At 31 March 2024	350,000	156,185	506,185
At 31 March 2023	350,000	180,242	530,242

The freehold and buildings is included in the financial statements at the amount paid to the liquidators of ARC Trust Limited. The professional valuation obtained by the liquidators reflected the market value of the facility, at March 2005, as adjusted for the covenants as detailed in note 20.

14. Fixed asset investment

	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
Shares in subsidiary undertaking	-	-	1	1

Investments held by the charity represent a £1 investment in the subsidiary company which represents 1 £1 ordinary share being 100% of the issued share capital of Stockton Arts Centre (Trading) Limited (company number 09490242). The subsidiary is used for non-primary purpose trading activities. The principal activity of this company is the provision of a food and drink service at ARC. A summary of the trading results are shown below:-

Notes to the financial statements (Continued)
for the year ended 31 March 2024

14. Fixed asset investment (Continued)

	2024	2023
	£	£
Turnover	302,549	225,456
Costs of sales	(111,170)	(88,356)
Administrative expenses	(116,001)	(106,915)
Profits	<u>75,378</u>	<u>30,297</u>
Assets	101,316	57,462
Liabilities	(25,938)	(27,420)
Net assets	<u>75,378</u>	<u>30,042</u>

Results of parent company

As permitted by section 408 of the Companies Act 2006, the results of the parent company are not presented as part of these financial statements. As required by the Charity SORP, the results of the parent company are as follows:

	2024	2023
	£	£
Total incoming resources	2,395,555	1,959,713
Net movement in funds	<u>(340,580)</u>	<u>(211,828)</u>

15. Debtors

	Group	Group	Charity	Charity
	2024	2023	2024	2023
	£	£	£	£
Trade debtors	38,579	115,266	38,579	115,266
Prepayments and accrued income	235,059	144,428	235,059	144,428
Other debtors	-	1,513	-	1,284
Amounts owed by group undertakings	-	-	9,166	44,731
	<u>273,638</u>	<u>261,207</u>	<u>282,804</u>	<u>305,709</u>

16. Creditors: amounts falling due within one year

	Group	Group	Charity	Charity
	2024	2023	2024	2023
	£	£	£	£
Trade creditors	179,818	124,876	167,544	118,589
Taxes and social security costs	26,257	22,112	26,257	22,112
Other creditors	46,646	19,654	46,646	19,654
Accruals and deferred income	329,601	276,486	325,104	300,084
	<u>582,322</u>	<u>443,128</u>	<u>565,551</u>	<u>460,439</u>

Notes to the financial statements (*Continued*)
for the year ended 31 March 2024

16. Creditors: amounts falling due within one year (*Continued*)

Deferred income

Deferred income relates to income received for events held post year end.

	£
At 1 April 2023	210,330
Amounts released to income	(210,330)
Additions during the year	158,666
	<hr/>
At 31 March 2024	158,666
	<hr/> <hr/>

Notes to the financial statements (*Continued*)
for the year ended 31 March 2024

17. Statement of funds

For the year ended 31 March 2024

	Balance at 1 April 2023 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2024 £
Unrestricted funds					
General fund	364,796	1,874,475	(2,019,694)	96,755	316,332
Designated funds					
COVID Recovery Fund	96,755	-	-	(96,755)	-
Capital fund (2017)	96,096	-	(20,505)	-	75,591
Capital fund (2020)	26,326	-	(4,079)	-	22,247
Capital fund (2021)	6,872	-	(876)	-	5,996
Capital fund (2023)	6,466	-	(718)	-	5,748
	<u>232,515</u>	<u>-</u>	<u>(26,178)</u>	<u>(96,755)</u>	<u>109,582</u>
Total unrestricted funds	<u>597,311</u>	<u>1,874,475</u>	<u>(2,045,872)</u>	<u>-</u>	<u>425,914</u>
Restricted funds					
Arts Council England	350,000	-	-	-	350,000
Young People's projects	11,753	29,650	(36,603)	-	4,800
Staying Out project	8,047	26,750	(29,746)	-	5,051
SIRF Projects	49,564	-	(36,764)	-	12,800
Associate Artist & Company Projects	96,037	534,804	(520,959)	-	109,882
Venues North	5,101	9,713	(7,676)	-	7,138
Tees Valley Combined Authority	70,989	62,931	(133,920)	-	-
Future Arts Centre	5,876	77	(5,953)	-	-
Arts and Minds	39,712	72,123	(38,597)	-	73,238
Rix Thompson Rotherburg Foundation	19,140	5,100	(24,240)	-	-
Collaborative Artistic Projects	43,571	38,190	(72,976)	-	8,785
North East Exchange	-	1,500	-	-	1,500
Wellington Square Shopping Centre	-	2,750	-	-	2,750
Film Hub North – Bigger Picture	-	10,000	(10,000)	-	-
	<u>699,790</u>	<u>793,588</u>	<u>(917,434)</u>	<u>-</u>	<u>575,944</u>
Total restricted funds	<u>699,790</u>	<u>793,588</u>	<u>(917,434)</u>	<u>-</u>	<u>575,944</u>
	<u>1,297,101</u>	<u>2,668,063</u>	<u>(2,963,306)</u>	<u>-</u>	<u>1,001,858</u>

Stockton Arts Centre

Notes to the financial statements (Continued)
for the year ended 31 March 2024

For the year ended 31 March 2023

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2023 £
Unrestricted funds					
General fund	336,984	1,294,607	(1,470,040)	203,245	364,796
Designated funds					
COVID Recovery Fund	300,000	-	-	(203,245)	96,755
Capital fund (2017)	116,601	-	(20,505)	-	96,096
Capital fund (2020)	30,405	-	(4,079)	-	26,326
Capital fund (2021)	7,748	-	(876)	-	6,872
Capital fund (2023)	-	7,184	(718)	-	6,466
	<u>454,754</u>	<u>7,184</u>	<u>(26,178)</u>	<u>(203,245)</u>	<u>232,515</u>
Total unrestricted funds	<u>791,738</u>	<u>1,301,791</u>	<u>(1,496,218)</u>	<u>-</u>	<u>597,311</u>
Restricted funds					
Arts Council England	350,000	-	-	-	350,000
Young People's projects	38,878	38,300	(65,425)	-	11,753
Staying Out project	23,751	26,750	(42,454)	-	8,047
Training	500	-	(500)	-	-
SIRF Projects	30,900	82,000	(63,336)	-	49,564
Associate Artist & Company Projects	149,153	397,273	(450,389)	-	96,037
Venues North	7,000	1,817	(3,716)	-	5,101
Tees Valley Combined Authority	47,671	118,033	(94,715)	-	70,989
Access Fund North	7,791	1,300	(9,091)	-	-
Film Hub North – Bigger Picture	7,829	13,452	(21,281)	-	-
Thirteen Housing	3,840	8,000	(11,840)	-	-
Wellington Square Shopping Centre	1,188	-	(1,188)	-	-
Wide Open Community Fund	3,000	-	(3,000)	-	-
Future Arts Centre	48,175	212	(42,511)	-	5,876
Arts and Minds	-	71,910	(32,198)	-	39,712
Rix Thompson Rotherburg Foundation	-	19,790	(650)	-	19,140
Collaborative Artistic Projects	-	74,500	(30,929)	-	43,571
	<u>719,676</u>	<u>853,337</u>	<u>(873,223)</u>	<u>-</u>	<u>699,790</u>
Total restricted funds	<u>719,676</u>	<u>853,337</u>	<u>(873,223)</u>	<u>-</u>	<u>699,790</u>
	<u>1,511,414</u>	<u>2,155,128</u>	<u>(2,369,411)</u>	<u>-</u>	<u>1,297,101</u>

**Notes to the financial statements (*Continued*)
for the year ended 31 March 2024**

Designated funds

COVID Recovery Fund – reserves have been designated to support against future deficits and costs impacted by the COVID pandemic.

Capital fund – relates to other fixed assets which are shown as designated funds. Depreciation is charged against this fund so that it equals the net book value of these assets.

Restricted funds

Arts Council England – this equals the value of the property, further details of the valuation are in note 13 and 20.

Young People's projects – relates to funding received from Stockton on Tees Borough Council for various youth projects, including targeted work with care-experienced children and young people.

Staying Out – related to funding from Stockton on Tees Borough Council for an ongoing programme of weekly creative arts sessions aimed at people aged 65+ who are socially isolated.

SIRF projects – relates to funding received from Stockton International Riverside Festival for artistic projects for the festival 2023.

Associate Artist & Company Projects – relates to monies received from artists for staffing and touring productions. The balance carried forward relates to productions which are not yet complete.

Venues North – relates to membership fees for this network managed by ARC, which is committed to supporting artists making new performance work in the North of England.

Tees Valley Combined Authority – relates to funding received to deliver strategic projects supporting cultural development in the Tees Valley.

Access Fund North – relates to a strategic grant received from Arts Council England to pilot a support scheme for disabled artists to access professional development opportunities.

Film Hub North – Bigger Picture – relates to funding received to increase the number of South Asian films within our cinema programme, and develop South Asian audiences.

Thirteen Housing – relates to funding received to support creative community engagement work with residents.

Wellington Square Shopping Centre – relates to funding received to support a series of artist commissions for the shopping centre.

Wide Open Community Fund – relates to funding received for Creating Together, a group of asylum seekers and refugees, to support a creative residency in June 2022.

Future Arts Centre – relates to funding received to support Future Arts Centres, a national network co-led by ARC and the Albany, and associated project activity.

Arts and Minds – relates to funding received from the Comic Relief SMILES fund via Middlesbrough & Stockton Mind, to deliver creative activity for adults with mild to moderate mental health conditions.

Notes to the financial statements (*Continued*)
for the year ended 31 March 2024

17. Statement of funds (*Continued*)

Rix Thompson Rotherburg Foundation – relates to funding received to support the delivery of learning disabled-led club nights in 2023/2024.

Collaborative Artistic Projects – relates to monies for collaborative projects delivered in conjunction with other partners.

North East Exchange - relates to membership fees for this network managed by ARC, which is committed to supporting artists across the North East.

18. Analysis of net assets between funds

For the year ended 31 March 2024

	Unrestricted Funds £	Designated funds £	Restricted funds £	Total £
Tangible assets	46,603	109,582	350,000	506,185
Net current assets	269,729	-	225,944	495,673
	<u>316,332</u>	<u>109,582</u>	<u>575,944</u>	<u>1,001,858</u>

For the year ended 31 March 2023

	Unrestricted Funds £	Designated funds £	Restricted funds £	Total £
Tangible assets	44,482	135,760	350,000	530,242
Net current assets	320,314	96,755	349,790	766,859
	<u>364,796</u>	<u>232,515</u>	<u>699,790</u>	<u>1,297,101</u>

19. Defined contribution retirement benefit scheme

The group operates a defined contribution pension plan for its employees. The amount recognised as an expense in the period was £13,994 (2023 - £12,856).

The defined contribution liability is allocated to unrestricted funds.

20. Financial commitments, guarantees and contingent liabilities

In the event of Stockton Arts Centre property at Dovecot Street, Stockton on Tees being sold and the net proceeds of sale not being used for the furtherance of the company's charitable purposes, then an amount of £200,000 (which is to be index linked from February 1997) would have to be paid to the Young Men's Christian Association and £81,000 (which is to be index linked from January 2004) to the Stockton Borough Council.

There is also a chattel mortgage on the property and certain equipment between Stockton Arts Centre and The Arts Council of England which states that a novated debt, equipment to the purchase price of the land and freehold property would have to be repaid to The Arts Council of England on the occurrence of certain events, such as the organisation ceasing to be a charity.

21. Related party transactions

There have been no related party transactions during the year (2023 – none).

Stockton Arts Centre

**Notes to the financial statements (Continued)
for the year ended 31 March 2024**

24. Cash generated from operations

	2024	2023
	£	£
Deficit for the year	(295,243)	(242,125)
Adjustments for:		
Investment income	(10,768)	(3,423)
Depreciation of tangible fixed assets	37,936	43,125
Movements in working capital:		
Increase in stocks	(1,325)	(1,239)
Increase in debtors	(12,431)	21,400
Increase in creditors	139,194	48,256
Cash outflow from operations	(142,637)	(134,006)

25. Analysis of changes in net funds

The charity has no debt during the year.

STOCKTON ARTS CENTRE

England & Wales - Charity number 1095460

Accounts

Registered number: 04591795
Charity number: 1095460

STOCKTON ARTS CENTRE
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

STOCKTON ARTS CENTRE
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details of the Charity, its Trustees and advisers	1 - 2
Trustees' report	2 - 12
Independent auditors' report on the financial statements	13 - 16
Consolidated statement of financial activities	17
Consolidated balance sheet	18
Charity balance sheet	19
Consolidated statement of cash flows	20
Notes to the financial statements	21 - 42

STOCKTON ARTS CENTRE
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2023

Trustees	A J D Bowman K C Craddock M Crocker D Mallaghan J McCann J E Robinson M Hussain (appointed 7 March 2023) S Sagar (appointed 13 September 2022) N White (appointed 13 September 2022)
Company registered number	04591795
Charity registered number	1095460
Registered office	ARC Dovecot Street Stockton on Tees Tees Valley TS18 1LL
Chief executive officer	Annabel Turpin
Independent auditors	Waltons Business Advisers Limited Chartered Accountants Maritime House Harbour Walk The Marina Hartlepool Teesside TS24 0UX

STOCKTON ARTS CENTRE
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2023

The Trustees present their annual report together with the audited financial statements of the Group and Charity for the 1 April 2022 to 31 March 2023. The annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the Group and the Charity qualify as small under section 383 of the Companies Act 2006, the group strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Structure, governance and management

Stockton Arts Centre (ARC) is a registered charity number 1095460 governed by its memorandum and articles of association and a company limited by guarantee.

The number of trustees, who are also the directors for the purpose of company law, was increased to 10 during the year to provide continuity, before returning to nine in June 2023. The Trustees were:

	Board meetings attended
Aaron Bowman	3 out of 4
Kate Craddock (resigned Sept 2022, appointed Chair June 2023)	1 out of 1
Maria Crocker	2 out of 4
Ishy Din (resigned Sept 2022)	1 out of 1
Arfan Hussain (appointed March 2023)	1 out of 1
Dan Mallaghan	4 out of 4
Patrick Masheder (resigned June 2023)	2 out of 4
John McCann	4 out of 4
Jane Robinson	3 out of 4
Sharuna Sagar (appointed Sept 2022)	3 out of 3
Lynne Snowball (Chair, resigned June 2023)	4 out of 4
Nine White (appointed Sept 2022)	3 out of 3

ARC's Board of Trustees is responsible for ensuring ARC's aims and objectives are achieved. It is responsible for forward strategy and direction, approving the annual business plan and budget, and monitoring performance and delivery, supporting the Chief Executive and her team. Board Trustees have a diverse range of skills, experience and backgrounds, bringing a broad range of perspectives to board discussions and decisions.

ARC is committed to continuing to increase the diversity of the Board and advertises widely to identify prospective trustees. The recruitment processes were reviewed and changed in 2021 to support this aim. Suitable candidates are invited to meet the Chair, Chief Executive and other trustees to discuss the opportunity of joining ARC's Board. If it is decided to proceed with the appointment, prospective trustees are invited to observe a Board meeting before a final decision – by both parties – is made.

New trustees have a full induction process and are provided with an extensive package of information relating to the charity including job description, current and historical financial information, minutes of Board meetings, and the current business plan.

The Board of Trustees meets quarterly to administer the charity and formally considers ARC's mission, aims and objectives at least once a year. Ad hoc working groups or advisory groups are convened from time to time.

STOCKTON ARTS CENTRE
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

The Finance Sub-committee meets three times during the year to discuss in detail the annual budget forecast outturn and annual financial reporting to inform the Board's considerations and decision-making process. Monthly management accounts are circulated to the nominated Finance sub-committee representatives, who include the Chair of the Board, to ensure prompt review of performance. Terms of Reference were reviewed by the Board in March 2022.

None of the trustees have any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

An executive director is appointed by the Trustees to manage the day to day operations of the charity. The Chief Executive and Artistic Director, Annabel Turpin, is supported by a deputy, Operations Manager Shaun Dowd, and a management team of seven.

Objectives and activities

● Policies and objectives

The objects of the Charity are to promote, maintain, improve and advance the knowledge, understanding and appreciation of the arts and popular culture, primarily among the inhabitants of the Tees Valley.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

● Strategies for achieving objectives

To achieve its objects the charity has defined its mission as follows:

ARC is an organisation working from its venue to enhance the wellbeing of the whole community of Stockton and the Tees Valley, through arts and creative activity, through widening opportunities to experience and participate in the arts, and through partnership with other organisations.

To deliver this mission the charity has undertaken to achieve the following aims:

- To make an important contribution to the social and economic regeneration of Stockton and the Tees Valley
- To present an outstanding creative programme that is contemporary and relevant to our communities
- To increase the number and range of people engaging with ARC
- To support and develop artists and creative practitioners to create excellent work relevant to our communities
- To support and develop a cultural workforce to support our ambitions
- To realise the creative potential of our local communities
- To increase our financial and organisational resilience and ability to adapt to economic, environmental and societal change
- To act as a catalyst for partnership and collaboration between public, private and voluntary sector organisations
- To act as a national and international leader in organisational sustainability, sector development, artistic practice and social impact

During 2022/23, a new Business Plan was developed which covers the period 2023/24 – 2025/26. The plan sets out ARC's ambitions, building on progress to date in terms of post-COVID recovery and was produced in conjunction with the staff, Board and funding partners in response to the current context. It remains focussed on delivery of the above mission and aims, setting out a clear route map for the future of the charity as it seeks to return to positive trading position.

STOCKTON ARTS CENTRE
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Objectives and activities (continued)

The Business Plan is used by the Management Team to inform and steer activity and monitor progress against the aims and objectives. The Board of Trustees monitors the delivery of the Business Plan at its quarterly meetings.

Achievements and performance

• **Activities undertaken to achieve objectives**

During 2022/23, ARC presented 186 professional performances, 72 community performances, 441 film screenings and live broadcasts, as well as delivering more than 750 workshops and classes. Audience figures exceeded 50,720, with c8,700 attendances at creative arts activities.

Live programme

ARC has continued to deliver an exciting and diverse programme of activity, engaging and connecting people to each other and to new ideas.

Theatre, dance and multi-disciplinary work

We continued to support theatre, dance and multi-disciplinary artists to develop new work in partnership with ARC, to strengthen relationships and help us build deeper connections with our communities.

Examples include a new show Ribbons by internationally renowned artist Natasha Davis working with local collaborators; Dominic Nelson-Ashley's My Name is Paul, about growing up as a Black father in Middlesbrough; and Gillian Lees & Adam York Gregory's My Different North, a 24-hour durational performance installation building on hundreds of conversations with local people.

Resident learning-disabled theatre company, Full Circle, staged their first festival, including a remount of their show Stomping Ground, a cabaret show, daytime rave and a series of workshops, with attendances exceeding 380.

ARC Productions included Daniel Bye & Boff Whalley's These Hills Are Ours and Luca Rutherford's You Heard Me, which continued to tour nationally, and previews of Umar Butt's new show, Welcome to the Jungle.

Comedy & Music

We continued to attract high profile comedians to ARC, including Maisie Adam, Tez Ilyas, Chris McCausland and Adam Rowe, while our music programme continues to flourish, with sellouts including China Crisis, Toyah and local band The Wildcats of Kilkenny.

Stockton Calling returned post-pandemic, attracting c2,000 to a day-long music festival delivered in partnership with Tees Music Alliance and KU, featuring nine stages and more than 70 bands.

Family

ARC's family programme presented some of the best companies in the UK, including M6, Peut Etre, Stuff and Nonsense and Tangled Feet, with shows for 3–7-year-olds throughout the year as well as a Christmas show for this age range. We continue to support and commission family work in order to ensure we can present work that is relevant to, and reflective of, our local community.

In 2022/23 this included our fifth co-commissioned Christmas show with The Albany in Deptford, The Snow Queen by Wrongsemble.

STOCKTON ARTS CENTRE
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Objectives and activities (continued)

Creative learning

We have continued to develop our creative learning programme, focussing on the quality of provision and a user-led ethos in terms of activity.

We work with a number of strategic partners to ensure we are reaching children and young people who have the least opportunity to engage in cultural activity. These include relationships with Cornerhouse Youth Project (We Are TS18 – a dance group of young people from deprived backgrounds) and Stockton on Tees Borough Council, around our More Stuff Like This Please! programme of activity for children and young people in care.

ARC's programme of daytime activity continued to offer a range of regular workshops and classes including creative art, ballet pilates and music, supplemented by occasional workshops in activities as varied as needlefelt, glass and calligraphy.

We continued to deliver Staying Out, an opportunity for older people either at risk of admission to or recently discharged from hospital. Funded by Stockton Borough Council through the Better Care Fund, its aim is to reduce hospital admissions/readmissions through improving people's social interaction and sense of wellbeing. Staying Out operates as an alternative to day care, providing a day long programme of creative activities such as arts and crafts, music and singing, creative use of technologies and creative writing.

Community-led programme

ARC's community-led programme continues to make an important contribution to the overall life of the centre, enabling us to reach a wider cross-section of our local community, helping to realise their creative ambitions. During 2022/23 we supported more than 72 community performances, featuring more than 1,000 young people performing and attracting audiences of c12,600.

Other community-led activity included Holi Festival, Festival of Light and Colour (Diwali) and Pizza and Pitches, our community commissioning programme which invites local people to share their ideas for creative activity, which are voted on by an audience. Projects developed through this scheme in 2022/23 included Think Fashion!, a clothing swap-shop and fashion show staged by young people from Ian Ramsey C of E School.

Cinema

Our cinema programme continued to show a range of mainstream and arthouse films supplemented by a number of live broadcasts from the National Theatre. ARC also hosted the inaugural Tees Valley International Film Festival as well as special post-film Q&A's involving film creatives after screenings of I Get Knocked Down, Love Without Walls and Malam.

We have continued regular screenings of family films, providing opportunities for families to see films together every Saturday morning and during school holidays.

Exhibitions

We use our top floor foyer Gallery space to help reflect our local community, through exhibitions that are either locally curated or feature locally produced artworks. With a more coherent and consistent programme, we have been able to increase visitors as well as host a number of successful preview and launch events. Exhibitions included work created or curated by Full Circle, Michael Colwill, Kim McDermottroe and The Northern School of Arts graduates.

STOCKTON ARTS CENTRE
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Objectives and activities (continued)

Supporting artists

ARC's programme of support for performance-based artists continues to make a positive impact and become further integrated within our core-programme, audience development and creative learning activity. Across 2022/23, ARC supported the development of more than 30 new performances by some of the UK's most exciting artists, including North East based artists Kieran Barker, Eppie Brilliant, Audrey Cook and Lizzie Lovejoy, and artists and companies from outside the region such as Ergon Theatre, Pigfoot Theatre and Mish Weaver.

ARC's continued rental of a house in Stockton enabled us to offer free workspace and accommodation to artists across the year.

ARCADE, the performance artist network, consists of c100 active members from across the North of England. During the year, artists benefited from 2,400 hours of free space for R&D and rehearsals, and 150+ one-to-one surgery sessions.

During 2022/23, we continued to deliver Tees Valley New Creatives, a career starting programme of free support to help people completing further and higher education creative courses secure employment in the cultural industries and unlock new opportunities in their fields. Results from 2020-2022 show that <51% of members secured paid creative and cultural industries employment, predominately in the Tees Valley; filling 100+ different roles and commission opportunities including a number exclusively created with high profile stakeholders including SIRF and Borderlands. Additionally, <20 members utilised programme activity to initiate their entrepreneurial propensity in the region; with successful business start-ups ranging from theatre companies and stores selling self-created work online, to a film and media company which has now been awarded funding for future growth and sustainability.

Partnerships

ARC works both locally and nationally. Partnership working has remained key to ARC's activity, as we continued to lead on initiatives including Venues North, a network committed to supporting new and emerging artists from the North to get their work more widely seen regionally, nationally and internationally, and co-lead Future Arts Centres (FAC), a network of more than 100 arts centres across the UK.

Venues North transitioned from a free to paid membership model, retaining all members and enabling the network to move to a position where it can provide access support where required, and a financial contribution towards time and travel costs for artists presenting at the meetings.

Future Arts Centres successfully applied to join Arts Council England's National Portfolio as an Investment Principles Support Organisation. From April 2023, FAC will become an independent company with its own board of directors but retain its virtual base at ARC.

Equality and diversity

ARC is committed to achieving equality and diversity in all aspects of our work and activities. Through our equality policy and action plan, approved by the Board, we have continued to embed diversity throughout our work.

We have built on our experience around disability through the Cultural Shift programme, which officially concluded in March 2018. The programme made a significant long-term impact on the organisation, in terms of our artistic programme, practice, workforce and audiences. Legacy work has continued including support for our resident learning-disabled theatre company, Full Circle, disabled-led club nights and an ongoing commitment to supporting and presenting disabled artists. Vici Wreford-Sinnott, who led our Cultural Shift programme, remains

STOCKTON ARTS CENTRE
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Objectives and activities (continued)

an Associate Artist, supported to make new work at ARC.

We continued to improve access facilities and communication, offering relaxed performances and screenings, BSL interpreted performances, subtitled films and audio description on all film screenings where available.

In 2021/22, prompted by the North East initiative Culture Against Racism, we developed and published our first Anti-Racism plan. Board and staff members were involved in identifying ways we could better educate ourselves, diversify our workforce, continue to ensure our programme is representative and hold ourselves accountable. We have continued to develop and regularly monitor an annual plan as well as make a public report on progress in June each year.

We continue to work closely with Curious Arts to shift our practice in relation to those identifying as LGBTQIA+, and with support from Film Hub North, delivered the second year of Bigger Picture, an initiative to increase South Asian representation amongst both our film programme and audiences. We have continued to work with Displace Yourself to engage local refugees and asylum seekers through a monthly creative session.

We published our diversity statistics for 2022/23 as part of our commitment to transparency:

Supported Artists	2022/23
Disabled	26%
LGBTQIA+	21%
Global Majority	12%
Working class backgrounds	28%
Workforce (staff/Board)	2022/23
Disabled	11%
LGBTQIA+	25%
Global Majority	8%
Working class backgrounds	38%

We recognise that Global Majority artists are particularly under-represented and will be hosting a second GM artist takeover in Sept 2023 to help address this by forging new relationships.

Strategic development

ARC continues to play an important role in strategic cultural development locally and nationally. Chief Executive & Artistic Director Annabel Turpin is Deputy Chair of the Local Enterprise Partnership (LEP) and Theme Lead for Creative Place. In May 2020 she was asked by the Tees Valley Mayor to lead an independent Cultural Industries and Visitor Economy Task Force, which oversaw the Tees Valley Combined Authority's £1m cultural recovery programme. She now co-chairs the Tees Valley Creative Place Advisory Group, which informs the Combined Authority's strategy and investment plans.

Audiences and participants

More than 50,720 watched live performance and film screenings at ARC in 2022/23, with c8,700 attendances at creative learning activities.

We have continued to employ dynamic pricing (budget airline style), as well as the innovative 'Pay What You Decide' model, first introduced in 2015, to ensure we are maximising both audiences and income. PWYD has been phenomenally successful, leading to significant increases in audience and income for new work. We

STOCKTON ARTS CENTRE
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Objectives and activities (continued)

published a free toolkit in May 2016, updated in 2019, and continue to offer advice and support to venues around the world adopting our approach.

We continue to use our comedy and music programme to maintain our cross-subsidy model, enabling us to support the development of a significant amount of new theatre and dance work.

We have maintained the breadth of our audience reach. Analysis of our audience data for 2022/23 has shown that 28.3% fall into the least engaged Audience Spectrum categories (compared to 27.8% in 2021/22), against a target of 20%:

- 8.3% Up our Street
- 12% Facebook Families
- 3.9% Kaleidoscope Creativity
- 4.1% Heydays

This achievement in terms of the breadth of our audiences has been underpinned by strong and consistent programming as well as high quality, targeted marketing and development activity.

All our marketing and promotion is highly targeted and supported by excellent data capture, fully compliant with GDPR. We continue to develop our marketing and audience development activity, with a drive to entice previous audiences back, post pandemic, increase frequency of attendance and attract new audiences.

We monitor feedback from audiences and artists via post-show talks, both formal/informal; social media; weekly discussions at staff meetings; Arts Council assessments and online surveys. Our annual survey for 2022/23 show 97% of customers rated their overall enjoyment as Good or Excellent; 96.9% rated the quality of the event as Good or Excellent and 97.3% rated value for money as Good or Excellent.

No 60 – food and drink

ARC wholly owned trading subsidiary company (Stockton Arts Centre (Trading) Ltd) which provides ARC's catering service under the brand 'No 60'.

ARC recognises that No 60 makes an important contribution to the way customers perceive the organisation, playing a key part in providing a safe, welcoming place where people enjoy positive, social interaction alongside creative activities and cultural experiences. In addition, No 60 makes a financial contribution, which amounted to c£30,000 paid to the parent company at the end of the year, over and above management charges.

Fundraising

ARC's fundraising activity is led by the Chief Executive, supported by other staff. ARC operates outside of the voluntary fundraising regulator scheme, as the organisation's fundraising expenditure is well below the limit of £100,000 that requires registration. However, we are aware of the code and ensure that we operate in accordance with it at all times. Our fundraising activity targeting individuals is almost exclusively carried out at the point of ticket sale, minimising the risk of any individual being approached in a persistent or intrusive way.

STOCKTON ARTS CENTRE
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Financial review

● **Going concern**

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

● **Financial position**

Following a number of years achieving a trading surplus and building reserves, ARC went into the pandemic in a reasonably strong financial position. This position was maintained through effective use of the Job Retention Scheme alongside successful fundraising from sources including Arts Council England's Culture Recovery Fund, Stockton Borough Council's Small Business Support scheme, trusts and foundations such as the Weston Culture Fund and Esmee Fairbairn, and sector-specific support from Film Hub North.

ARC's Statement of Financial Activities show a turnover of £2.2m in 2022/23, an increase on last year (£2m) and a return to pre-pandemic levels. The overall deficit for the year was c-£242k, considerably better than anticipated at the beginning of the financial year (£300k deficit was budgeted).

Reserves policy

In June 2020, in light of the pandemic, the Trustees agreed an increase to the level of reserves set in our reserves policy from £210k (equivalent of three months operational costs) to £250k. However, the need to provide additional resilience through the recovery period and current economic environment led to the unrestricted reserves increasing to c£337k at the end of 2021/22.

We have drawn on the designated COVID recovery fund to support this year's deficit, which means the unrestricted reserves remain in place to support deficit budgets to continue subsidising activities and investing in engaging our communities over the next two years. This provides a satisfactory level of financial resilience in the current climate.

The reserves are therefore expected to drop below the target level of £250k in 2024/25 before ARC begins to rebuild them, at which point the target level will be revisited, taking inflation into account.

Financial plans and forecasts have been revised on the basis of expected scenarios going forward and Trustees are satisfied that ARC has adequate resources to continue as a going concern for the coming year.

ARC's forward plans are focussed on continuing to rebuild our income from all sources, particularly our earned income which was reduced to zero during the closure. We will continue to seek funding from other sources, including charitable trusts and foundations, and invite the public to make donations to support our ongoing charitable activity.

ARC is currently part of Arts Council England's National Portfolio, and in November 2022 secured funding for a further three years through to 2025/26, and has also agreed continued funding with Stockton on Tees Borough Council (SBC) for the same period, under an ongoing service level agreement. Both SBC and ACE nominate observers to monitor the charitable objectives through attendance at the quarterly Board meetings.

Pay and remuneration for staff is approved as part of the annual budget review. The Chief Executive recommends any organisation-wide increase, taking into account current trends and levels of inflation, which is discussed and approved by the Board. The Chief Executive's pay sits outside of this process and is discussed and approved by the Board following an annual performance review. ARC regularly benchmarks salaries with

STOCKTON ARTS CENTRE
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

other UK arts centres which feeds into these processes.

• **Principal risks and uncertainties**

The trustees monitor progress against ARC's Business Plan and have risk management processes in place. There is a comprehensive review of risks annually, as part of the business planning process, with ongoing review at each board meeting. As part of this process, the trustees have further improved the risk management strategy and process, categorising across four areas – governance and management, physical, financial and artistic. The likelihood and possible impact of risks are graded as high, medium or low. Specific action, systems, controls and procedures are in place to mitigate identified risks. There are three risks categorised as high.

The most significant risk was the impact of increasing inflation levels. To mitigate this, monthly monitoring of impact of increasing costs and box office income on budget, with proactive management including quarterly EOY projections, to allow for rescoping of activity and spending as necessary is in place.

Reduced availability of funding from foundations, trusts etc as competition for funds increases has also been flagged as a high risk. Actions in place include maintaining ARC's strong track record of delivery, credibility and profile with grant-awarding bodies; developing impactful grant applications, based on clear strategy and well-developed outcomes, relevant to current circumstances; and monitoring applications regularly and taking early action to cut expenditure if grants not secured.

Physical risks include failure of essential plant and equipment. To mitigate this risk ARC has successfully fundraised and invested more than £1m since 2013 in capital improvements, replacements and renewals. Alongside this, a more proactive repairs and maintenance programme is being developed.

Plans for future periods

Despite the challenges posed by COVID-19 and the current economic situation, ARC is positive about its future. The new Business Plan for 2023-2026 sets out our longer-term recovery plans as well as ambitions for the future.

We will be using funds designated for COVID recovery as well as our reserves to support deficit budgets in 2023/24 and 2024/25, ensuring that we are able to continue using arts and cultural activity to strengthen our local community, before returning to a break-even trading position in 2025/26. However, uncertainty around inflation makes future projections even more speculative than usual, but our close monitoring and robust financial management will ensure that we continue to react to changes in time to make necessary interventions.

Objectives - Creative Programme

- Continue to develop a collaborative approach to presenting outstanding live performances, film screenings, exhibitions, digital work, artist-led and creative learning activities that reflect our vision and artistic policy and excite our audiences
- Deliver activities which enable a diverse range of artists and creative practitioners to develop their ideas, practice and networks to support sustainable careers
- Involve our communities meaningfully and deeply in all aspects of ARC's work, increasing support for community-led creative activity
- Influence within and beyond the sector, leading regional and national networks contributing to national and international debates and driving outstanding practice and outcomes

STOCKTON ARTS CENTRE
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Plans for future periods (continued)

Objectives - Audiences and Communities

- Provide the best vibrant, creative and social spaces where our communities can feel safe and welcome, and enjoy a sense of ownership
- Better listen, understand and reflect the needs and interests of local people in our programme and behaviours, through innovative and purposeful engagement both at ARC and by reaching into our communities
- Deploy creative and cost-effective multi-channel and targeted approaches to increase the number of people engaging with ARC
- Proactively identify and take positive action to remove barriers to participating in and experiencing cultural activity for all under-represented and disenfranchised groups

Objectives - Organisation

- Drive activity to reduce our environmental impact in all areas of our work, including programme, behaviours, building and café bar
- Continue our commitment to recruit and develop diverse, skilled and visionary staff, creative practitioners and Board members who are committed to positive organisational and societal change through arts and culture
- Optimise existing partnerships and forge new collaborations within and outside the cultural sector to improve outcomes for local people by working together
- Maintain a flexible and adaptable approach to delivery to ensure we can be genuinely artist and community-led, opportunistic and entrepreneurial, continuing to seek ways of diversifying decision-making within the organisation
- Maximise ARC's earned income, grants and donations and achieve efficiency targets as set out in our annual budgets, to contribute to our overall financial resilience

STOCKTON ARTS CENTRE
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Statement of Trustees' responsibilities

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

Company law requires the Trustees to prepare financial statements for each financial . 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 Group and the Charity and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

Auditors

The auditors, Waltons Business Advisers Limited, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:

K C Craddock
(Chair of Trustees)

Date: 11/10/2023

STOCKTON ARTS CENTRE
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF STOCKTON ARTS CENTRE

UNQUALIFIED OPINION

We have audited the financial statements of Stockton Arts Centre (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the charity balance sheet, the consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 March 2023 and of the Group's 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 and the Charities Act 2011.

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 Auditors' 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

STOCKTON ARTS CENTRE
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF STOCKTON ARTS CENTRE (CONTINUED)

OTHER INFORMATION

The other information comprises the information included in the annual report other than the financial statements and our auditors' report thereon. The Trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

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

- the parent charitable company has not kept adequate and sufficient accounting records, 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; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a Strategic report.

STOCKTON ARTS CENTRE
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF STOCKTON ARTS CENTRE (CONTINUED)

RESPONSIBILITIES OF TRUSTEES

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

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the group and the areas in which it operates, and considered the risk of acts by the group that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We identified the greatest potential for fraud in the following areas: existence and timing of recognition of income and management override of controls (especially in the posting of journals). We discussed these risks with management and designed audit procedures as follows:

- to test the timing and existence of revenue
- to review journals posted to key control accounts or posted around the year end, to look for potential "window dressing" as well as looking at a sample throughout the year.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

STOCKTON ARTS CENTRE
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF STOCKTON ARTS CENTRE (CONTINUED)

USE OF OUR REPORT

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

THESE ACCOUNTS HAVE NOT BEEN SIGNED
Heather O'Driscoll FCA (senior statutory auditor)

for and on behalf of

Waltons Business Advisers Limited

Chartered Accountants

Statutory Auditors

Maritime House

Harbour Walk

The Marina

Hartlepool

Teesside

TS24 0UX

Date:

STOCKTON ARTS CENTRE
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2023**

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Designated funds 2023 £	Total funds 2023 £	Total funds 2022 £
INCOME AND ENDOWMENTS FROM:						
Donations and legacies	3	466,775	-	-	466,775	531,010
Charitable activities	4	517,112	853,337	7,184	1,377,633	1,335,058
Other trading activities	5	337,338	-	-	337,338	208,052
Investments		3,423	-	-	3,423	184
TOTAL INCOME		1,324,648	853,337	7,184	2,185,169	2,074,304
EXPENDITURE ON:						
Raising funds	5,6	306,636	-	-	306,636	225,983
Charitable activities	7	1,221,257	873,223	26,178	2,120,658	1,876,367
TOTAL EXPENDITURE		1,527,893	873,223	26,178	2,427,294	2,102,350
NET EXPENDITURE		(203,245)	(19,886)	(18,994)	(242,125)	(28,046)
Transfers between funds	17	203,245	-	(203,245)	-	-
NET MOVEMENT IN FUNDS		-	(19,886)	(222,239)	(242,125)	(28,046)
RECONCILIATION OF FUNDS:						
Total funds brought forward		336,984	719,676	454,754	1,511,414	1,539,460
Net movement in funds		-	(19,886)	(222,239)	(242,125)	(28,046)
TOTAL FUNDS CARRIED FORWARD		336,984	699,790	232,515	1,269,289	1,511,414

The Consolidated statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 21 to 42 form part of these financial statements.

STOCKTON ARTS CENTRE
(A company limited by guarantee)
REGISTERED NUMBER: 04591795


CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2023

	Note	2023 £	2022 £
FIXED ASSETS			
Tangible assets	12	530,242	561,555
		<u>530,242</u>	<u>561,555</u>
CURRENT ASSETS			
Stocks	14	11,986	10,747
Debtors	15	261,207	282,607
Cash at bank and in hand		936,794	1,079,189
		<u>1,209,987</u>	<u>1,372,543</u>
Creditors: amounts falling due within one year	16	(470,940)	(422,684)
NET CURRENT ASSETS		739,047	949,859
TOTAL NET ASSETS		1,269,289	1,511,414
CHARITY FUNDS			
Designated funds	17	232,515	454,754
Restricted funds	17	699,790	719,676
Unrestricted funds	17	336,984	336,984
TOTAL FUNDS		1,269,289	1,511,414

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on
11 October 2023 and signed on their behalf by:

K C Craddock
 (Chair of Trustees) 

The notes on pages 21 to 42 form part of these financial statements.

STOCKTON ARTS CENTRE
(A company limited by guarantee)
REGISTERED NUMBER: 04591795

CHARITY BALANCE SHEET
AS AT 31 MARCH 2023

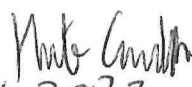
	Note	2023 £	2022 £
FIXED ASSETS			
Tangible assets	12	530,242	561,555
Investments	13	1	1
		<u>530,243</u>	<u>561,556</u>
CURRENT ASSETS			
Debtors	15	305,709	340,173
Cash at bank and in hand		891,547	1,022,364
		<u>1,197,256</u>	<u>1,362,537</u>
Creditors: amounts falling due within one year	16	(458,210)	(412,423)
NET CURRENT ASSETS		<u>739,046</u>	<u>950,114</u>
TOTAL NET ASSETS		<u><u>1,269,289</u></u>	<u><u>1,511,670</u></u>
CHARITY FUNDS			
Designated funds	17	234,744	454,754
Restricted funds	17	699,790	719,676
Unrestricted funds	17	334,755	337,240
TOTAL FUNDS		<u><u>1,269,289</u></u>	<u><u>1,511,670</u></u>

The Charity's net movement in funds for the year was £(242,381) (2022 - £(56,940)).

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

K C Craddock
 (Chair of Trustees) 
 Date: 11 OCT 2023

The notes on pages 21 to 42 form part of these financial statements.

STOCKTON ARTS CENTRE
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

	2023	2022
	£	£
CASH FLOWS FROM OPERATING ACTIVITIES		
Net cash used in operating activities	(134,006)	19,463
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	3,423	184
Purchase of tangible fixed assets	(11,812)	(30,846)
NET CASH USED IN INVESTING ACTIVITIES	(8,389)	(30,662)
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR	(142,395)	(11,199)
Cash and cash equivalents at the beginning of the year	1,079,189	1,090,388
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	936,794	1,079,189

The notes on pages 21 to 42 form part of these financial statements

STOCKTON ARTS CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1. GENERAL INFORMATION

The Charity is a company limited by guarantee and registered in England and Wales. The members of the Charity are the Trustees named on page 1. In the event of the Charity being wound up the liability in respect of the guarantee is limited to £1 per member.

The registered office address is:

ARC
Dovecot Street
Stockton-On-Tees
Tees Valley
TS18 1LL

2. ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Stockton Arts Centre 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.

The consolidated statement of financial activities (SOFA) and consolidated 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 taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of financial activities in these financial statements.

2.2 Going concern

The financial statements have been prepared on a going concern basis. The Trustees have reviewed and considered relevant information, including the annual budget and future cash flows in making their assessment.

Current budgets predict in year deficits in the short term as the charity recovers from the lockdowns imposed during Covid and recovers audience numbers. Existing reserves will be used to fund this with a return to a surplus position in following years.

The Trustees have concluded that they can continue to adopt the going concern basis in preparing the annual report and accounts

STOCKTON ARTS CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. ACCOUNTING POLICIES (CONTINUED)

2.3 Income

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 income receivable can be measured reliably.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Grants are included in the consolidated statement of financial activities when the performance conditions of the grant are met and the charity becomes entitled to the income. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Other trading activities income is recognised when receivable by the charity.

Investment income is recognised when receivable by the charity.

Other income, including ticket sales and contracts, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service or event.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

Expenditure on raising funds represents those costs associated with generating the trading income.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.5 Tangible fixed assets and depreciation

Tangible fixed assets costing £250 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

STOCKTON ARTS CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. ACCOUNTING POLICIES (CONTINUED)

2.5 Tangible fixed assets and depreciation (continued)

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Freehold property	- Nil
Office equipment	- 2-10 years straight line
Equipment	- 3 - 5 years straight line

The Trustees consider that the freehold property is maintained in such a state of repair that its residual value is at least equal to its net book value. As a result the corresponding depreciation would not be material and is therefore not charged in the Statement of Financial Activities.

2.6 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

2.7 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price. Cost is based on the cost of purchase on a first in, first out basis.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price. The impairment loss is recognised immediately in profit or loss.

2.8 Debtors

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

2.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.10 Liabilities and provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

2.11 Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

STOCKTON ARTS CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. ACCOUNTING POLICIES (CONTINUED)

2.12 Pensions

The Group contributes to a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

2.13 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The aim and use of each restricted fund is set out in the notes to the financial statements.

3. INCOME FROM DONATIONS AND GRANTS

	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Core Grants			
Arts Council England	311,723	311,723	<i>311,723</i>
Stockton Borough Council	141,304	141,304	<i>149,128</i>
Other grants			
Coronavirus job retention scheme	-	-	<i>52,606</i>
Donations	13,748	13,748	<i>17,553</i>
	466,775	466,775	<i>531,010</i>

STOCKTON ARTS CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2023 £	Restricted funds 2023 £	Designated funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Core Programme	30,122	637,235	7,184	674,541	719,114
Live Programme	397,093	-	-	397,093	265,570
Cinema	48,680	-	-	48,680	47,564
Creative Programme	41,217	215,890	-	257,107	165,747
Strategic Programme	-	212	-	212	137,063
	<u>517,112</u>	<u>853,337</u>	<u>7,184</u>	<u>1,377,633</u>	<u>1,335,058</u>
<i>Total 2022</i>	<u>637,686</u>	<u>697,372</u>	<u>-</u>	<u>1,335,058</u>	

STOCKTON ARTS CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

5. TRADING ACTIVITIES

	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Charity trading income			
Catering income	225,456	225,456	161,680
Services and retail	17,978	17,978	9,417
Room hire	79,278	79,278	25,194
Box office charges	14,626	14,626	11,761
	<u>337,338</u>	<u>337,338</u>	<u>208,052</u>
Fundraising trading expenses			
Catering expenditure	103,302	103,302	68,154
Salaries	84,066	84,066	81,119
	<u>187,368</u>	<u>187,368</u>	<u>149,273</u>
	<u>149,970</u>	<u>149,970</u>	<u>58,779</u>
Net income from trading activities	<u>58,779</u>	<u>58,779</u>	
Total 2022	<u>58,779</u>	<u>58,779</u>	

6. COST OF RAISING FUNDS

	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Marketing	54,197	54,197	20,511
Wages and salaries	65,071	65,071	56,199
Total 2023	<u>119,268</u>	<u>119,268</u>	<u>76,710</u>
<i>Total 2022</i>	<u>76,710</u>	<u>76,710</u>	

STOCKTON ARTS CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

7. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

Summary by fund type

	Unrestricted funds 2023 £	Restricted funds 2023 £	Designated funds 2023 £	Total 2023 £	Total 2022 £
Core Programme	707,046	687,444	17,429	1,411,919	1,122,447
Live Programme	368,832	-	4,610	373,442	261,026
Cinema	44,500	-	556	45,056	21,740
Creative Programme	74,242	175,543	3,122	252,907	233,434
Strategic Programme	26,637	10,236	461	37,334	237,720
	<u>1,221,257</u>	<u>873,223</u>	<u>26,178</u>	<u>2,120,658</u>	<u>1,876,367</u>
<i>Total 2022</i>	<u>980,347</u>	<u>853,856</u>	<u>42,164</u>	<u>1,876,367</u>	

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £	Total funds 2022 £
Core Programme	1,039,030	372,889	1,411,919	1,122,447
Live Programme	274,790	98,652	373,442	261,026
Cinema	33,155	11,901	45,056	21,740
Creative Programme	186,097	66,810	252,907	233,434
Strategic Programme	27,470	9,864	37,334	237,720
	<u>1,560,542</u>	<u>560,116</u>	<u>2,120,658</u>	<u>1,876,367</u>
<i>Total 2022</i>	<u>1,411,632</u>	<u>464,735</u>	<u>1,876,367</u>	

STOCKTON ARTS CENTRE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

Analysis of Support costs	Core programme 2023		Live programme 2023		Cinema 2023		Creative programme 2023		Strategic programme 2023		Total funds 2022	
	£	£	£	£	£	£	£	£	£	£	£	£
Staff costs	99,634	26,352	3,180	17,846	2,634	149,646	128,783					
Depreciation	28,713	7,594	916	5,143	759	43,125	59,257					
Property costs	131,420	34,756	4,193	23,537	3,476	197,382	130,142					
Other costs	30,007	7,937	958	5,374	795	45,071	50,800					
Administration	69,354	18,375	2,216	12,445	1,837	104,227	80,880					
Governance costs	13,761	3,638	438	2,465	363	20,665	14,873					
Total 2023	372,889	98,652	11,901	66,810	9,864	560,116	464,735					
Total 2022	268,971	67,778	5,646	60,612	61,728	464,735						

Support costs have been split based on direct costs, 66% core programme, 18% live programme, 2% cinema, 12% creative and 2% strategic. Prior year split was 60% core programme, 14% live programme, 1% cinema, 12% creative and 12% strategic.

STOCKTON ARTS CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

9. AUDITORS' REMUNERATION

	2023 £	2022 £
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	6,200	5,500
Fees payable to the Charity's auditor in respect of:		
All assurance services not included above	-	185
Accountancy services (including consolidation and subsidiary accounts)	1,500	2,800
	7,700	8,485

10. STAFF COSTS

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Wages and salaries	755,701	682,502	673,957	603,386
Social security costs	53,786	41,617	51,464	39,614
Contribution to defined contribution pension schemes	12,856	10,825	12,856	10,825
	822,343	734,944	738,277	653,825

The average number of persons employed by the Charity during the year was as follows:

	Group 2023 No.	Group 2022 No.	Company 2023 No.	Company 2022 No.
Administration, marketing and commercial staff	29	25	29	25
Operational staff	27	25	27	25
Catering staff	17	21	-	-
	73	71	56	50

STOCKTON ARTS CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

10. STAFF COSTS (CONTINUED)

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2023 No.	<i>Group 2022 No.</i>
In the band £60,001 - £70,000	1	<i>1</i>

The key management personnel of the charity comprise the trustees, the Chief Executive Officer and Operations Director. The total employee benefits of the key management personnel were £135,690 (2022 - £124,340).

11. TRUSTEES' REMUNERATION AND EXPENSES

During the year, no Trustees received any remuneration or other benefits (2022 - £NIL).

During the year no Trustee expenses have been incurred (2022 - £NIL).

STOCKTON ARTS CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

12. TANGIBLE FIXED ASSETS

Group and Company

	Freehold property £	Equipment £	Total £
Cost			
At 1 April 2022	350,000	838,970	1,188,970
Additions	-	11,812	11,812
At 31 March 2023	<u>350,000</u>	<u>850,782</u>	<u>1,200,782</u>
Depreciation			
At 1 April 2022	-	627,415	627,415
Charge for the year	-	43,125	43,125
At 31 March 2023	<u>-</u>	<u>670,540</u>	<u>670,540</u>
Net book value			
At 31 March 2023	<u>350,000</u>	<u>180,242</u>	<u>530,242</u>
<i>At 31 March 2022</i>	<u>350,000</u>	<u>211,555</u>	<u>561,555</u>

The freehold land and buildings is included in the financial statements at the amount paid to the liquidators of ARC Trust Limited. The professional valuation obtained by the liquidators reflected the market value of the facility, at March 2005, as adjusted for the covenants as detailed in note 24.

STOCKTON ARTS CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

13. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £
Charity	
Cost	
At 1 April 2022	1
At 31 March 2022	1

Principal subsidiaries

The following was a subsidiary undertaking of the Charity:

Name	Company number	Holding	Included in consolidation
Stockton Arts Centre (Trading) Limited	09490242	100%	Yes

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit for the year £	Net assets £
Stockton Arts Centre (Trading) Limited	225,456	195,271	30,297	1

STOCKTON ARTS CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

14. STOCKS

	Group 2023	<i>Group 2022</i>
	£	£
Bar stock	11,986	10,747

15. DEBTORS

	Group 2023	<i>Group 2022</i>	Company 2023	<i>Company 2022</i>
	£	£	£	£
Due within one year				
Trade debtors	115,266	150,435	115,266	150,435
Amounts owed by group undertakings	-	-	44,731	57,897
Other debtors	1,513	1,181	1,284	850
Prepayments and accrued income	144,428	130,991	144,428	130,991
	261,207	282,607	305,709	340,173

STOCKTON ARTS CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group	<i>Group</i>	Company	<i>Company</i>
	2023	<i>2022</i>	2023	<i>2022</i>
	£	<i>£</i>	£	<i>£</i>
Trade creditors	124,876	<i>72,602</i>	118,589	<i>67,491</i>
Other taxation and social security	22,112	<i>21,301</i>	22,112	<i>21,301</i>
Other creditors	19,654	<i>19,493</i>	19,654	<i>19,493</i>
Accruals and deferred income	304,298	<i>309,288</i>	297,855	<i>304,138</i>
	470,940	<i>422,684</i>	458,210	<i>412,423</i>
			Group	<i>Group</i>
			2023	<i>2022</i>
			£	<i>£</i>
Deferred income at 1 April 2022			206,080	<i>98,420</i>
Resources deferred during the year			210,330	<i>206,080</i>
Amounts released from previous periods			(206,080)	<i>(98,420)</i>
			210,330	<i>206,080</i>

Deferred income relates to income received for events held post year end.

STOCKTON ARTS CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

17. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2023 £
Unrestricted funds					
General Funds	336,984	1,324,648	(1,527,893)	203,245	336,984
Designated funds					
Covid recovery fund	300,000	-	-	(203,245)	96,755
Capital fund (2017)	116,601	-	(20,505)	-	96,096
Capital fund (2020)	30,405	-	(4,079)	-	26,326
Capital fund (2021)	7,748	-	(876)	-	6,872
Capital fund (2023)	-	7,184	(718)	-	6,466
	454,754	7,184	(26,178)	(203,245)	232,515

STOCKTON ARTS CENTRE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

17. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2023 £
Restricted funds					
Arts Council England	350,000	-	-	-	350,000
Young People's Projects	38,878	38,300	(65,425)	-	11,753
Staying out	23,751	26,750	(42,454)	-	8,047
Training	500	-	(500)	-	-
SIRF Projects	30,900	82,000	(63,336)	-	49,564
Associate Artist & Company Projects	149,153	397,273	(450,389)	-	96,037
Venues North	7,000	1,817	(3,716)	-	5,101
Tees Valley Combined Authority	47,671	118,033	(94,715)	-	70,989
Access Fund North	7,791	1,300	(9,091)	-	-
Film Hub North - Bigger Picture	7,829	13,452	(21,281)	-	-
Thirteen Housing	3,840	8,000	(11,840)	-	-
Wellington Square Shopping Centre	1,188	-	(1,188)	-	-
Wide Open Community Fund	3,000	-	(3,000)	-	-
Future Arts Centre	48,175	212	(42,511)	-	5,876
Arts & Minds	-	71,910	(32,198)	-	39,712
Rix Thompson Rotherburg Foundation	-	19,790	(650)	-	19,140
Collaborative artistic projects	-	74,500	(30,929)	-	43,571
	<u>719,676</u>	<u>853,337</u>	<u>(873,223)</u>	<u>-</u>	<u>699,790</u>
Total of funds	<u><u>1,511,414</u></u>	<u><u>2,185,169</u></u>	<u><u>(2,427,294)</u></u>	<u><u>-</u></u>	<u><u>1,269,289</u></u>

STOCKTON ARTS CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

17. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR YEAR

	<i>Balance at 1 April 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 March 2022 £</i>
Unrestricted funds					
General Funds	247,207	1,376,932	(1,206,330)	(80,825)	336,984
Designated funds					
Covid recovery fund	200,000	-	-	100,000	300,000
Capital fund (2013)	16,704	-	(16,704)	-	-
Capital fund (2017)	137,106	-	(20,505)	-	116,601
Capital fund (2020)	34,484	-	(4,079)	-	30,405
Capital fund (2021)	8,624	-	(876)	-	7,748
	<u>396,918</u>	<u>-</u>	<u>(42,164)</u>	<u>100,000</u>	<u>454,754</u>

STOCKTON ARTS CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

17. STATEMENT OF FUNDS (CONTINUED)

	<i>Balance at 1 April 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 March 2022 £</i>
Restricted funds					
Arts Council England	350,000	-	-	-	350,000
Young People's Projects	26,058	79,070	(56,949)	(9,301)	38,878
Staying out	17,000	26,750	(19,999)	-	23,751
Training	-	500	-	-	500
SIRF Projects	-	36,000	(5,100)	-	30,900
Associate Artist & Company Projects	150,085	285,759	(286,383)	(308)	149,153
Venues North	-	7,000	-	-	7,000
Tees Valley Combined Authority - New Creatives/Greater Tees	26,879	34,655	(13,863)	-	47,671
Access Fund North	-	11,700	(3,909)	-	7,791
What's On Your Mind Project	-	49,920	(40,280)	(9,640)	-
Film Hub North - Bigger Picture	-	21,495	(13,666)	-	7,829
Thirteen Housing	-	6,152	(2,312)	-	3,840
Wellington Square Shopping Centre	-	2,500	(1,312)	-	1,188
Jerwood Charitable Foundation	3,867	7,508	(11,375)	-	-
Wide Open Community Fund	-	3,000	-	-	3,000
Decerna Funding - SME works lighting	240,000	-	(240,000)	-	-
Future Arts Centre	80,891	125,363	(158,079)	-	48,175
Collaborative artistic projects	555	-	(629)	74	-
	<u>895,335</u>	<u>697,372</u>	<u>(853,856)</u>	<u>(19,175)</u>	<u>719,676</u>
Total of funds	<u>1,539,460</u>	<u>2,074,304</u>	<u>(2,102,350)</u>	<u>-</u>	<u>1,511,414</u>

STOCKTON ARTS CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

17. STATEMENT OF FUNDS (CONTINUED)

Designated funds

COVID recovery fund – reserves have been designated to support against future deficits and costs impacted by the COVID-19 pandemic. In the current year £203k of this fund was used to support core deficits.

Capital fund – relates to other fixed assets which are shown as designated funds. Depreciation is charged against this fund so that it equals the net book value of the asset.

Restricted funds

Arts Council England – this equals the value of the property, further details of the valuation are in note 12 and 24.

Young People's Projects – relates to funding received from Stockton on Tees Borough Council for various youth projects, including targeted work with care-experienced children and young people.

Staying Out – relates to funding from Stockton on Tees Borough Council Public Health for an ongoing programme of weekly creative arts sessions aimed at people aged 65+ who are socially isolated.

Training – relates to a grant received from Stockton on Tees Borough Council to support employee learning.

SIRF projects – relates to funding received from Stockton International Riverside Festival for artistic projects for the festival 2023.

Associate Artist & Company projects – relates to monies received from artists for staging and touring productions. The balance carried forward relates to productions which are not yet complete.

Venues North – relates to membership fees for this network managed by ARC, which is committed to supporting artists making new performance work in the North of England.

Tees Valley Combined Authority – relates to funding received to deliver strategic projects supporting cultural development in the Tees Valley.

Access Fund North – relates to a strategic grant received from Arts Council England to pilot a support scheme for disabled artists to access professional development opportunities.

Film Hub North- Bigger Picture – relates to funding received to increase the number of South Asian films within our cinema programme, and develop South Asian audiences.

Thirteen Housing – relates to funding received to support creative community engagement work with residents.

Wellington Square Shopping Centre – relates to funding received to support a series of artist commissions for the shopping centre.

Wide Open Community Fund – relates to funding received for Creating Together, a group of asylum seekers and refugees, to support a creative residency in June 2022.

Future Arts Centres – relates to funding received to support Future Arts Centres, a national network co-led by ARC and the Albany, and associated project activity.

STOCKTON ARTS CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

17. STATEMENT OF FUNDS (CONTINUED)

Arts & Minds – relates to funding received from the Comic Relief SMILES fund via Middlesbrough & Stockton Mind, to deliver creative activity for adults with mild to moderate mental health conditions.

Rix Thompson Rotherburg Foundation – relates to funding received to support the delivery of learning disabled-led club nights in 2023/4.

Collaborative artistic projects – relates to monies for collaborative projects delivered in conjunction with other partners.

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2023 £	Restricted funds 2023 £	Designated funds 2023 £	Total funds 2023 £
Tangible fixed assets	44,482	350,000	135,760	530,242
Current assets	763,442	349,790	96,755	1,209,987
Creditors due within one year	(470,940)	-	-	(470,940)
Total	336,984	699,790	232,515	1,269,289

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2022 £	Restricted funds 2022 £	Designated funds 2022 £	Total funds 2022 £
Tangible fixed assets	56,801	350,000	154,754	561,555
Current assets	693,442	379,101	300,000	1,372,543
Creditors due within one year	(413,259)	(9,425)	-	(422,684)
Total	336,984	719,676	454,754	1,511,414

STOCKTON ARTS CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

19. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Group 2023 £	<i>Group 2022 £</i>
Net expenditure for the year (as per Statement of Financial Activities)	(242,125)	<i>(28,046)</i>
Adjustments for:		
Depreciation charges	43,125	<i>59,258</i>
Interest received	(3,423)	<i>(184)</i>
Increase in stocks	(1,239)	<i>(6,826)</i>
Decrease/(increase) in debtors	21,400	<i>(138,051)</i>
Increase in creditors	48,256	<i>133,312</i>
Net cash provided by/(used in) operating activities	(134,006)	<i>19,463</i>

20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	Group 2023 £	<i>Group 2022 £</i>
Cash in hand	936,794	<i>1,079,189</i>
Total cash and cash equivalents	936,794	<i>1,079,189</i>

21. ANALYSIS OF CHANGES IN NET DEBT

	At 1 April 2022 £	Cash flows £	At 31 March 2023 £
Cash at bank and in hand	1,079,189	(142,395)	936,794

22. CONTINGENT LIABILITIES

The charity received grant income of £5,970 from Hays Travel Foundation. There is a contingent liability in respect of this grant until October 2023 with it becoming repayable if the conditions of the grant agreement are breached.

STOCKTON ARTS CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

23. PENSION COMMITMENTS

The group contributes to a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £12,856 (2022 - £10,825)

Amounts totalling £2,450 (2022 - £2,101) were payable to the fund at the balance sheet date and are included in creditors

24. OTHER FINANCIAL COMMITMENTS

In the event of Stockton Arts Centre property at Dovecot Street, Stockton on Tees, being sold and the net proceeds of the sale not being used for the furtherance of the company's charitable purposes, then an amount of £200,000 (which is to be index linked from February 1997) would have to be paid to the Young Men's Christian Association and £81,000 (which is to be index linked from January 2004) to Stockton Borough Council.

There is also a chattel mortgage on the property and certain equipment between Stockton Arts Centre and The Arts Council of England which states that a novated debt, equipment to the purchase price of the land and freehold property would have to be repaid to the Arts Council of England on the occurrence of certain events, such as the organisation ceasing to be a charity.

25. RELATED PARTY TRANSACTIONS

The Group and Charity has entered into related party transactions during the year totalling £280. There are no outstanding balances owing between the related parties and the Group and Charity at 31 March 2023.

STOCKTON ARTS CENTRE

England & Wales - Charity number 1095460

Accounts

Registered number: 04591795
Charity number: 1095460

STOCKTON ARTS CENTRE
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

STOCKTON ARTS CENTRE
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details of the Charity, its Trustees and advisers	1 - 2
Trustees' report	2 - 15
Independent auditors' report on the financial statements	16 - 19
Consolidated statement of financial activities	20
Consolidated balance sheet	21
Charity balance sheet	22
Consolidated statement of cash flows	23
Notes to the financial statements	24 - 45

STOCKTON ARTS CENTRE
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2022**

Trustees	A J D Bowman K C Craddock M Crocker I A Din D Mallaghan P J Masheder J McCann J E Robinson L Snowball
Company registered number	04591795
Charity registered number	1095460
Registered office	ARC Dovecot Street Stockton on Tees Tees Valley TS18 1LL
Chief executive officer	Annabel Turpin
Independent auditors	Waltons Business Advisers Limited Chartered Accountants Maritime House Harbour Walk The Marina Hartlepool Teesside TS24 0UX

STOCKTON ARTS CENTRE
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2022

The Trustees present their annual report together with the audited financial statements of the Group and Charity for the year 1 April 2021 to 31 March 2022. The annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the Group and the Charity qualify as small under section 383 of the Companies Act 2006, the group strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Context

Given the huge impact of the global COVID-19 pandemic between 2020-22, it feels important to acknowledge the trading conditions over the past two years.

During the year 2020-21, ARC was only able to open its building for nine weeks due to the global COVID-19 pandemic and associated lockdown restrictions. Although we continued to deliver creative activity remotely for our communities, providing a vital lifeline to many people struggling with isolation and other impacts of lockdown, closure of the building had a major impact on our business model.

In May 2021 restrictions were lifted and we re-opened the building, but activity remained lower than pre-pandemic levels. We moved our creative learning programme from its 'online' home back into the building immediately, restarted our film programme in June, and ran some live events on a socially distanced basis in June/July. Alongside this, our artist and community-led activity continued in whatever form it was planned in, and we continued to provide access to events and activities online as much as possible, to broaden our reach to those who could not come to the building in person.

We were forced to reschedule some live music and comedy events in the May-July 2021 period as they were not financially viable for the promoters until we returned to full capacities.

Government restrictions on capacities for venues were lifted from Monday 19 July 2021. At this point, case levels in Stockton and the Tees Valley were extremely high, and we took a cautious approach. We maintained capacity restrictions for a further five weeks, returning to full capacities from Monday 22 Aug 2021. We kept all other COVID-19 secure procedures, including a requirement to wear masks, in place until 31 March 2022 in order to maintain the safety of our staff, customers and artists.

We continued to use the operating model adopted in autumn 2020 to minimise costs, working with slightly reduced building opening hours. Whilst we will maintain the flexibility to extend hours for special events, or as customer numbers demand, we anticipate core hours remaining the same for the foreseeable future to reduce pressure on costs. Overall, activities across our live, film and creative learning programmes were c60% of pre-pandemic levels.

One positive outcome from the pandemic was that the importance of ARC and the opportunities and experiences we create in people's lives became more apparent. The positive response to reopening and feedback we received underlined how much our local communities value our work – seeing ARC as a safe, welcoming place where they could experience arts and culture and enjoy positive, social interaction.

Despite the financial challenges ahead, as we rebuild our business, we are committed to continuing to deliver as much activity as resources allow.

STOCKTON ARTS CENTRE
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Structure, governance and management

Stockton Arts Centre is a registered charity number 1095460 governed by its memorandum and articles of association and a company limited by guarantee.

The number of trustees, who are also the directors for the purpose of company law, was increased to eight with an additional appointment during the year. The Trustees were:

	Board meetings attended
Aaron Bowman	4 out of 5
Kate Craddock (resigned Sept 2022)	3 out of 5
Maria Crocker	5 out of 5
Ishy Din (resigned Sept 2022)	4 out of 5
Dan Mallaghan	5 out of 5
Patrick Masheder	5 out of 5
John McCann	5 out of 5
Jane Robinson	3 out of 5
Sharuna Sagar (appointed Sept 2022)	N/A
Lynne Snowball (Chair)	5 out of 5
Nina White (appointed Sept 2022)	N/A

ARC's Board of Trustees is responsible for ensuring ARC's aims and objectives are achieved. It is responsible for forward strategy and direction, approving the annual business plan and budget, and monitoring performance and delivery, supporting the Chief Executive and her team. Board Trustees have a diverse range of skills, experience and backgrounds, bringing a broad range of perspectives to board discussions and decisions.

ARC is committed to continuing to increase the diversity of the Board and advertises widely to identify prospective trustees. The recruitment processes were reviewed and changed in 2021 to support this aim. Suitable candidates are invited to meet the Chair, Chief Executive and other trustees to discuss the opportunity of joining ARC's Board. If it is decided to proceed with the appointment, prospective trustees are invited to observe a Board meeting before a final decision – by both parties – is made.

New trustees have a full induction process and are provided with an extensive package of information relating to the charity including job description, current and historical financial information, minutes of Board meetings, and the current business plan.

The Board of Trustees meets quarterly to administer the charity and formally considers ARC's mission, aims and objectives at least once a year. Ad hoc working groups or advisory groups are convened from time to time.

The Finance Sub-committee meets three times during the year to discuss in detail the annual budget forecast outturn and annual financial reporting to inform the Board's considerations and decision-making process. Monthly management accounts are circulated to the nominated Finance sub-committee representatives, who include the Chair of the Board, to ensure prompt review of performance. Terms of Reference were reviewed by the Board in March 2022.

None of the trustees have any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

STOCKTON ARTS CENTRE
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

An executive director is appointed by the Trustees to manage the day to day operations of the charity. The Chief Executive and Artistic Director, Annabel Turpin, is supported by a deputy, Operations Manager Shaun Dowd, and a management team of seven.

Objectives and activities

● **Policies and objectives**

The objects of the Charity are to promote, maintain, improve and advance the knowledge, understanding and appreciation of the arts and popular culture, primarily among the inhabitants of the Tees Valley.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

STOCKTON ARTS CENTRE
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Objectives and activities (continued)

• **Strategies for achieving objectives**

To achieve its objects the charity has defined its mission as follows:

ARC is an organisation working from its venue to enhance the wellbeing of the whole community of Stockton and the Tees Valley, through arts and creative activity, through widening opportunities to experience and participate in the arts, and through partnership with other organisations.

To deliver this mission the charity has undertaken to achieve the following aims:

- To make an important contribution to the social and economic regeneration of Stockton and the Tees Valley
- To present a multi-artform programme of activity that is contemporary and relevant to our audiences
- To increase the number and range of people engaging with ARC
- To support and develop artists to create excellent work relevant to our audiences
- To support and develop a cultural workforce to support our ambitions
- To realise the creative potential of the local community
- To encourage the local community to invest in ARC through using its facilities
- To act as a catalyst for partnership and collaboration between public, private and voluntary sector organisations
- To increase our financial resilience and ability to adapt to economic change

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

During 2021/22, ARC's work was aligned with priorities set out in a transitional Business Plan, which covers the period 2021/22 – 2022/23. The plan sets out ARC's recovery plans and was produced in conjunction with the staff, Board and funding partners in response to the current context. It remains focussed on delivery of the above mission and aims, setting out a clear route map for the future of the charity as we build back from the disruption caused by the pandemic.

The Business Plan is used by the Management Team to inform and steer activity and monitor progress against the aims and objectives. The Board of Trustees monitors the delivery of the Business Plan at its quarterly meetings.

STOCKTON ARTS CENTRE
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Objectives and activities (continued)

Achievements and performance

● **Activities undertaken to achieve objectives**

Despite the disruption caused by COVID-19, and reduced levels of activity, ARC's performance this year has been positive in terms of quality and impact of activity, and associated engagement levels.

During 2021/22, ARC presented 156 professional performances, 26 community performances, 337 film screenings and live broadcasts, as well as delivering more than 360 workshops and classes. Audience figures exceeded 31,000, with c3,000 attendances at creative arts activities.

30 live performances were broadcast online, attracting audiences of c930.

Live programme

ARC has continued to deliver an exciting and diverse programme of activity, engaging and connecting people to each other and to new ideas.

Theatre, dance and multi-disciplinary work

We continued to support theatre, dance and multi-disciplinary artists to develop new work in partnership with ARC, to strengthen relationships and help us build deeper connections with our communities. The programme included a number of shows commissioned for online presentation whilst under restrictions, as well as live work. Examples of online work include a new film made by internationally renowned artist Natasha Davis with local asylum seekers and refugees; new work by Melody Sproates in collaboration with ARC Associate Scott Turnbull; in the Year 2072, a short film made by Andy Field & Beckie Darlington with children from Billingham South Primary School and a live streamed cabaret curated by local queer collective, Bordello.

Adam York Gregory and Gillian Lees' 24 hour durational installation and sonic exhibition Taking the Time was staged in Wellington Square shopping centre, capturing 1,440 memories from local people.

Disabled artists continued to feature in our programme, with ARC Associate Vici Wreford-Sinnott's audio piece, The Unsung; the premiere of learning disabled company The Lawnmowers Retake Remake, and a new circus promenade show, Parade of Horribles, developed at ARC with lead artist Mish Weaver.

ARC Productions included Daniel Bye & Boff Whalley's These Hills Are Ours and Luca Rutherford's You Heard Us, both of which are touring nationally, as well as Scott Turnbull's The Smog.

Three Artists of Change worked with us throughout 2021, directly employed to develop their own practice as well as support ARC to explore how our programme can better respond directly to the needs, interests and tastes of our local communities. Lizzie Lovejoy, Symoné and Lauren Vevers brought new perspectives into the organisation, developed new initiatives and programmes reflecting their artistic practice and lived experiences, extending our networks as well as impacting on how we work with artists and communities going forward.

We also extended our digital programme through an additional project grant from Arts Council England. We applied primarily to find ways of providing paid work for freelance artists whilst providing meaningful content for our audiences during the pandemic.

What's On Your Mind? was a series of digital artist commissions designed to reflect what is concerning our local communities in 2021. Freelance Creative Director, Paula Clark led a series of creative consultations to develop 14 provocations, commissioning a series of rapid response digital commissions created in response, broadcast twice-weekly Oct-Dec. Local film-maker Daniel Smith acted as a creative rapporteur, reviewing all 14 works and

STOCKTON ARTS CENTRE
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Objectives and activities (continued)

creating a legacy film that summarised what's on the minds of our communities. The project employed 17 artists and reached online audiences of c25,000.

Comedy & Music

We continued to attract high profile comedians to ARC, including Sarah Millican, Jason Manford, Gary Delaney, Reginald D Hunter and Sindhu Vee, while our music programme continues to flourish, with sellouts including The Young Uns, Glenn Tilbrook and local band The Wildcats of Kilkenny.

We continued to work with Master Musicians International to present monthly daytime classical recitals.

Family

ARC's family programme presented some of the best companies in the UK, including Stuff and Nonsense, Art with Heart, The Herd Theatre and Protein Dance, with shows for 3-7 year olds throughout the year as well as a Christmas show for this age range. We continue to support and commission family work in order to ensure we can present work that is relevant to, and reflective of, our local community.

In 2021/22 this included a new show by MOTH Physical Theatre, Jack and Jill and the Landfill, co-commissioned with The Civic in Barnsley and our fourth co-commissioned Christmas show with The Albany in Deptford, The Tin Foil Astronaut by ARC Associate Company, Kitchen Zoo.

Creative learning

We have continued to develop our creative learning programme, focussing on the quality of provision and a user-led ethos in terms of activity.

We work with a number of strategic partners to ensure we are reaching children and young people who have the least opportunity to engage in cultural activity. These include relationships with Eastern Ravens Trust (voluntary organisation supporting young carers) and Cornerhouse Youth Project (We Are TS18 – a dance group of young people from deprived backgrounds), We have also continued to work closely with Stockton Borough Council to deliver More Stuff Like This Please!, a programme of activity for children and young people in care.

ARC's programme of daytime activity for adults successfully transitioned from online only delivery to hybrid delivery, offering a range of regular workshops and classes including creative art, ballet pilates and music.

We continued to deliver Staying Out, an opportunity for older people either at risk of admission to or recently discharged from hospital. Funded by Stockton Borough Council through the Better Care Fund, its aim is to reduce hospital admissions/readmissions through improving people's social interaction and sense of wellbeing. Staying Out operates as an alternative to day care, providing a day long programme of creative activities such as arts and crafts, music and singing, creative use of technologies and creative writing.

Community-led programme

ARC's community-led programme continues to make an important contribution to the overall life of the centre, enabling us to reach a wider cross-section of our local community, helping to realise their creative ambitions. During 2021/22 we supported more than 26 community performances, featuring more than 1,000 young people performing and attracting audiences of c5,000.

Other community-led activity included Pizza and Pitches, our community commissioning programme which invites local people to share their ideas for creative activity, which are voted on by an audience. Projects developed through this scheme in 2021 included Creative Courage, a variety evening featuring work by local

STOCKTON ARTS CENTRE
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Objectives and activities (continued)

groups in aid of survivors of sexual abuse and violence; a mural project with Hopefields Education in Thornaby, for children and young people who experience additional social, emotional and mental health needs, and Creative Arts Recruitment, designed to help people engage with creative activities.

Cinema

Our cinema programme recommenced in June 2021, with mainstream and arthouse films supplemented by a number of live broadcasts from the National Theatre. Live cinema events included the Women X Film Festival, The Battle of Stockton community-led screening event, and post-film Q&A's involving film creatives after screenings of Salad Fingers, The Parapod Movie, Lipstick Under My Burkha and Granada Nights.

We have continued regular screenings of family films, providing opportunities for families to see films together every Saturday morning and during school holidays.

Exhibitions

We use our top floor foyer Gallery space to help reflect our local community, through exhibitions that are either locally curated or feature locally produced artworks. With a more coherent and consistent programme, we have been able to increase visitors as well as host a number of successful preview and launch events. Exhibitions included work created or curated by Dyad, Bobby Benjamin, Tees Valley New creatives as well as a series by Artist of Change Lizzie Lovejoy, exploring what it means to be Northern through the lens of home, family and class.

Supporting artists

ARC's programme of support for performance-based artists continues to make a positive impact and become further integrated within our core-programme, audience development and creative learning activity. Across 2021-22, ARC supported the development of more than 40 new performances by some of the UK's most exciting artists, including North East based artists Azula Bandit, Dominic-Nelson Ashley & Kitchen Zoo, mid-career artists including Aidan Moesby and Rowan McCabe, and established artists and companies such as Mish Weaver, Symone and Displace Yourself Theatre.

ARC's continued rental of a house in Stockton enabled us to offer free workspace and accommodation to artists across the year.

ARCADE, the performance artist network, consists of c100 active members from across the North of England. During the year, artists benefited from 2,400 hours of free space for R&D and rehearsals, and 100+ one-to-one surgery sessions.

During 2021/22, we continued to deliver Tees Valley New Creatives, a career starting programme of free support to help people completing further and higher education creative courses secure employment in the cultural industries and unlock new opportunities in their fields. Results from 2020-2022 show that <51% of members secured paid creative and cultural industries employment, predominately in the Tees Valley; filling 100+ different roles and commission opportunities including a number exclusively created with high profile stakeholders including SIRF and Borderlands. Additionally, <20 members utilised programme activity to initiate their entrepreneurial propensity in the region; with successful business start-ups ranging from theatre companies and stores selling self-created work online, to a film and media company which has now been awarded funding for future growth and sustainability.

STOCKTON ARTS CENTRE
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Objectives and activities (continued)

Partnerships

ARC works both locally and nationally. Partnership working has remained key to ARC's activity, as we continued to lead on initiatives including Venues North, a network committed to supporting new and emerging artists from the North to get their work more widely seen regionally, nationally and internationally, and co-lead Future Arts Centres (FAC), a network of more than 100 arts centres across the UK.

In 2019, FAC was commissioned to deliver Arts Council England's National Lottery 25th anniversary celebrations. This led to the development of Here and Now, a £1m national and local celebration of culture within communities. 40 new projects which were scheduled to take place in and around 40 arts centres across the country during 2020/21, led by artists and co-created with local people. Due to the pandemic, the project was extended to December 2021. Here and Now reached audiences of nearly 1m people, involved 2,500 participants, with projects led by 38 artists, 16 companies and 453 co-creators. A series of legacy podcasts were recorded and released at the end of the project.

Equality and diversity

ARC is committed to achieving equality and diversity in all aspects of our work and activities. Through our equality policy and action plan, approved by the Board, we have continued to embed diversity throughout our work.

We have built on our experience around disability through the Cultural Shift programme, which officially concluded in March 2018. The programme made a significant long term impact on the organisation, in terms of our artistic programme, practice, workforce and audiences. Legacy work has continued including support for our resident learning disabled theatre company, Full Circle, disabled-led club nights and an ongoing commitment to supporting and presenting disabled artists. Vici Wreford-Sinnott, who led our Cultural Shift programme, remains an Associate Artist, supported to make new work at ARC. We worked with Vici in 2021 to update our disability artistic policy, and to share our ongoing learning with the sector. We co-hosted an online event, attended by more than 80 venues from across the UK, which was accompanied by the publication of a new 30+ page resource outlining our experience, sharing ideas and including a number of questions and prompts to help other venues looking to embed disability equality in their organisations.

We were invited by Arts Council England to pilot and manage a new bursary programme to support disabled artists to participate in professional development activities, where access is a barrier. Access Fund North was launched in January 2022 and will run through to December 2022.

We continued to improve access facilities and communication, offering relaxed performances and screenings, BSL interpreted performances, subtitled films and audio description on all film screenings where available.

In 2021/22, prompted by the North East initiative Culture Against Racism, we developed and published our first Anti-Racism plan. Board and staff members were involved in identifying ways we could better educate ourselves, diversify our workforce, continue to ensure our programme is representative and hold ourselves accountable. The plan was monitored regularly throughout the year, and a public report made on progress alongside a plan for 2022/23 in June 2022.

In January 2022, we handed over ARC's building to Artist of Change Symone, along with a group of 15 Global Majority artists to stage Uprising, a weekend of informal performances, workshops, and discussions.

We continue to work closely with Curious Arts to shift our practice in relation to those identifying as LGBTQIA+, and with support from Film Hub North, launched Bigger Picture, an initiative to increase South Asian representation amongst both our film programme and audiences. We have continued to work with Displace Yourself to engage local refugees and asylum seekers through a monthly creative session.

STOCKTON ARTS CENTRE
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Objectives and activities (continued)

We published our diversity statistics for 2021-22 as part of our commitment to transparency:

Supported Artists	2021/22
Disabled	31%
LGBTQIA+	53%
Global Majority	26%
Working class backgrounds	36%
Workforce (staff/Board)	2021/22
Disabled	7%
LGBTQIA+	17%
Global Majority	8.5%
Working class backgrounds	43%

Strategic development

ARC continues to play an important role in strategic cultural development locally and nationally. Chief Executive & Artistic Director Annabel Turpin is Deputy Chair of the Local Enterprise Partnership (LEP) and Theme Lead for Creative Place. In May 2020 she was asked by the Tees Valley Mayor to lead an independent Cultural Industries and Visitor Economy Task Force, which oversaw the Tees Valley Combined Authority's £1m cultural recovery programme. She now co-chairs the Tees Valley Creative Place Advisory Group, which informs the Combined Authority's strategy and investment plans.

Audiences and participants

More than 31,000 watched live performance and film screenings at ARC in 2021/22, with c3,000 attendances at creative learning activities.

We have continued to employ dynamic pricing (budget airline style), as well as the innovative 'Pay What You Decide' model, first introduced in 2015, to ensure we are maximising both audiences and income. PWYD has been phenomenally successful, leading to significant increases in audience and income for new work. We published a free toolkit in May 2016, updated in 2019, and continue to offer advice and support to venues around the world adopting our approach.

We continue to use our comedy and music programme to maintain our cross-subsidy model, enabling us to support the development of a significant amount of new theatre and dance work.

We have maintained the breadth of our audience reach. Analysis of our audience data for 2021/22 has shown that 27.8% fall into the least engaged Audience Spectrum categories (compared to 27.2% in 2019/20), against a target of 20%:

- 8.7% Up our Street
- 11.4% Facebook Families
- 3.8% Kaleidoscope Creativity
- 3.9% Heydays

This achievement in terms of the breadth of our audiences has been underpinned by strong and consistent programming as well as high quality, targeted marketing and development activity.

All our marketing and promotion is highly targeted and supported by excellent data capture, fully compliant with

STOCKTON ARTS CENTRE
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Objectives and activities (continued)

GDPR. We continue to develop our marketing and audience development activity, with a drive to entice previous audiences back, post pandemic, increase frequency of attendance and attract new audiences.

We monitor feedback from audiences and artists via post-show talks, both formal/informal; social media; weekly discussions at staff meetings; Arts Council assessments and online surveys. Our annual survey for 2021/22 show 96% of customers rated their overall enjoyment as Good or Excellent; 95% rated the quality of the event as Good or Excellent and 95% rated value for money as Good or Excellent.

No 60 – food and drink

ARC wholly owned trading subsidiary company (Stockton Arts Centre (Trading) Ltd) which provides ARC's catering service under the brand 'No 60' recommenced service as the building reopened in May 2021.

ARC recognises that No 60 makes an important contribution to the way customers perceive the organisation, playing a key part in providing a safe, welcoming place where people enjoy positive, social interaction alongside creative activities and cultural experiences. For that reason, it committed to supporting it through recovery during 2021/22, acknowledging that an immediate return to profit was unlikely given its dependence on the rebuilding of ARC's programme and footfall. However changes in the operating model meant that trading results exceeded expectations.

Fundraising

ARC's fundraising activity is led by the Chief Executive, supported by other staff. ARC operates outside of the voluntary fundraising regulator scheme, as the organisation's fundraising expenditure is well below the limit of £100,000 that requires registration. However, we are aware of the code and ensure that we operate in accordance with it at all times. Our fundraising activity targeting individuals is almost exclusively carried out at the point of ticket sale, minimising the risk of any individual being approached in a persistent or intrusive way.

Financial review

● **Going concern**

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

STOCKTON ARTS CENTRE
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

● **Financial position**

Following a number of years achieving a trading surplus and building reserves, ARC went into the pandemic in a reasonably strong financial position. This position was maintained through effective use of the Job Retention Scheme alongside successful fundraising from a number of sources, including Arts Council England's Culture Recovery Fund, Stockton Borough Council's Small Business Support scheme, trusts and foundations such as the Weston Culture Fund and Esmee Fairbairn, and sector-specific support from Film Hub North.

ARC's Statement of Financial Activities show a turnover of £2.07m in 2021-22, a slight increase on last year (£1.98m) and c8% decrease on 2019/20. Due to a reduction in costs, alongside successful fundraising – including a Cultural Recovery Fund award to boost our reserves, we made an unrestricted surplus of c£90k.

In June 2020, in light of the pandemic, the Trustees agreed an increase to the level of reserves set in our reserves policy from £210k (equivalent of three months operational costs) to £250k. However, the ongoing impact of COVID-19 during 2021/22 demonstrated the importance of retaining reserves to support recovery. At the end of 2021/22, the unrestricted reserves level was above target at £337k, which provides some financial resilience in the face of a slow recovery period compounded by high inflation and the cost of living crisis.

Reserves policy

Reserves will be largely used to support ARC's continuing costs during recovery enabling us to continue subsidising activities and investing in re-engaging our communities. The Board has agreed a medium-term financial plan to utilise reserves on a one-off basis over the next two years to maintain activity as ARC recovers from the impact of the pandemic. Financial plans and forecasts have been revised on the basis of expected scenarios going forward and Trustees are satisfied that ARC has adequate resources to continue as a going concern for the coming year.

ARC's forward plans are focussed on rebuilding our income from all sources, particularly our earned income which was reduced to zero during the closure. We will continue to seek funding from other sources, including charitable trusts and foundations, and invite the public to make donations to support our ongoing charitable activity.

ARC is currently part of Arts Council England's National Portfolio, and in June 2017 secured funding for a further four years through to 2021/22, and has also agreed continued funding with Stockton on Tees Borough Council (SBC) for the same period, under an ongoing service level agreement. In the light of COVID-19, Arts Council England's funding has been extended to March 2023. Both SBC and ACE nominate observers to monitor the charitable objectives through attendance at the quarterly Board meetings.

Pay and remuneration for staff is approved as part of the annual budget review. The Chief Executive recommends any organisation-wide increase, taking into account current trends and levels of inflation, which is discussed and approved by the Board. The Chief Executive's pay sits outside of this process and is discussed and approved by the Board following an annual performance review. ARC regularly benchmarks salaries with other UK arts centres which feeds into these processes.

STOCKTON ARTS CENTRE
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

● **Principal risks and uncertainties**

The Trustees monitor progress against ARC's Business Plan and have risk management processes in place. There is a comprehensive review of risks annually, as part of the business planning process, with ongoing review at each board meeting. As part of this process, the Trustees have further improved the risk management strategy and process, categorising across four areas – governance and management, physical, financial and artistic. The likelihood and possible impact of risks are graded as high, medium or low. Specific action, systems, controls and procedures are in place to mitigate identified risks. There are three risks categorised as high.

The most significant risk was the ongoing impact of COVID-19. A detailed plan and revised financial forecasts were developed to manage closure and re-opening, utilising a large proportion of the reserves built up in previous years to mitigate financial impact. Local and national guidance has been monitored and acted upon as appropriate. Trustees have been kept fully updated on the developing situation, with regular detailed briefings from the Chief Executive on impact and forward plans.

Physical risks include failure of essential plant and equipment. To mitigate this risk ARC has successfully fundraised and invested more than £1m since 2013 in capital improvements, replacements and renewals. Alongside this, a more proactive repairs and maintenance programme is being developed.

The most significant governance and management risk is the loss of the Chief Executive/Artistic Director. ARC has made significant steps to build the resilience of the organisation, restructuring the staff team in 2016 to introduce an Operations Director & Deputy Chief Executive role, and reviewing organisational resilience annually. ARC's growth has facilitated the increase of the management team to seven, reducing the reliance on the Chief Executive. A comprehensive Business Plan and strategic planning processes also provides continuity.

Plans for future periods

Despite the challenges posed by COVID-19 and the resulting need to comply with social distancing measures, ARC is positive about its future. During 2021, we developed an outline plan for the period 2023-2026, setting out our longer term recovery plans as well as ambitions for the future.

We will be using funds designated for COVID-19 recovery during 2022/23 to support a deficit budget, ensuring that we are able to continue using arts and cultural activity to strengthen our local community, bringing people together. At this stage, anticipate needing to draw on reserves in 2023/23 before returning to a break even trading position in 2023/24. However, uncertainty around inflation makes future projections even more speculative than usual, but our close monitoring and robust financial management will ensure that we continue to react to changes in time to make necessary interventions.

In late 2022, we will start to develop our outline plan into a full Business Plan, once we have confirmation of our Arts Council funding status for 2023-2026 (decision due in October). We have confirmed an ongoing commitment from Stockton on Tees Borough Council for this period.

Whilst the impact of COVID-19 has affected the speed of progress against our aims, the key strategic objectives remain unchanged:

Artistic objectives

- i. Work with artists and communities to commission, develop and present creative opportunities and cultural experiences that reflect our artistic policy
- ii. Ensure that at least 50% of supported artists are either disabled, lesbian, gay, bisexual, transgender, queer, intersex, asexual, artists of colour or from working class backgrounds, with at least 20% to be artists of colour

STOCKTON ARTS CENTRE
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Plans for future periods (continued)

- iii. Present a programme of live music, comedy and work for families, exhibitions and films, including live broadcasts, rated Good or Excellent by 90% of our audiences
- iv. Deliver a high quality programme of creative learning for early years, young people, adults, disabled and older people, targeted at communities which have traditionally been least engaged by the cultural sector, rated Good or Excellent by 80% of participants
- v. Contribute to the wider development and sustainability of the arts and cultural sector through leadership of strategic projects

Audience objectives

- vi. Develop and implement creative re-engagement activity designed to reconnect to ARC's existing audiences, pre and post re-opening, aiming for 50% to have returned to ARC by March 2023
- vii. Continue to attract audiences from communities which have traditionally been least engaged by the cultural sector, maintaining a minimum of 25% of our audience base drawn from the four least engaged Audience Spectrum categories
- viii. Continue to offer online access to live events and creative learning activities post pandemic, aiming for at least 20% of events to be live streamed and 40% of creative learning activities to remain accessible online

Organisational objectives

- ix. Support the ongoing development of ARC's Board and staff team through training and other learning opportunities to further improve our practice, reach and impact
- x. Ensure equality is embedded in our policies and practices by working with diverse-led partners, and achieve a more representative workforce
- xi. Continue to reduce our environmental impact and meet our environmental responsibility in all areas of our work, including programme, behaviour, building and café bar
- xii. Achieve ARC's earned income, fundraising and cost control targets
- xiii. Reinstate No 60's café and bar service, rated Good or Excellent by 80% of customers, and explore ways of achieving greater community impact through training activity

STOCKTON ARTS CENTRE
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Statement of Trustees' responsibilities

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

Company law requires the 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 Group and the Charity and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

Auditors

The auditors, Waltons Business Advisers Limited, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:



L. Snowball
(Trustee)

Date: 28 September 2022

STOCKTON ARTS CENTRE
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF STOCKTON ARTS CENTRE

UNQUALIFIED OPINION

We have audited the financial statements of Stockton Arts Centre (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the charity balance sheet, the consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 March 2022 and of the Group's 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 and the Charities Act 2011.

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 Auditors' 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

STOCKTON ARTS CENTRE
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF STOCKTON ARTS CENTRE (CONTINUED)

OTHER INFORMATION

The other information comprises the information included in the annual report other than the financial statements and our auditors' report thereon. The Trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

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

- the parent charitable company has not kept adequate and sufficient accounting records, 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; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a Strategic report.

STOCKTON ARTS CENTRE
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF STOCKTON ARTS CENTRE (CONTINUED)

RESPONSIBILITIES OF TRUSTEES

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

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the group and the areas in which it operates, and considered the risk of acts by the group that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We identified the greatest potential for fraud in the following areas: existence and timing of recognition of income and management override of controls (especially in the posting of journals). We discussed these risks with management and designed audit procedures as follows:

- to test the timing and existence of revenue
- to review journals posted to key control accounts or posted around the year end, to look for potential "window dressing" as well as looking at a sample throughout the year.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

STOCKTON ARTS CENTRE
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF STOCKTON ARTS CENTRE (CONTINUED)

USE OF OUR REPORT

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Heather O'Driscoll FCA (senior statutory auditor)

for and on behalf of

Waltons Business Advisers Limited

Chartered Accountants

Statutory Auditors

Maritime House

Harbour Walk

The Marina

Hartlepool

Teesside

TS24 0UX

Date: 10 October 2022

STOCKTON ARTS CENTRE
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2022**

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Designated funds 2022 £	Total funds 2022 £	<i>As restated Total funds 2021 £</i>
INCOME FROM:						
Donations and grants	3	531,010	-	-	531,010	745,210
Charitable activities	4	637,686	697,372	-	1,335,058	1,232,489
Other trading activities	5	208,052	-	-	208,052	10,076
Interest receivable		184	-	-	184	210
TOTAL INCOME		1,376,932	697,372	-	2,074,304	1,987,985
EXPENDITURE ON:						
Raising funds	6,5	225,983	-	-	225,983	165,842
Charitable activities	7	980,347	853,856	42,164	1,876,367	1,330,283
TOTAL EXPENDITURE		1,206,330	853,856	42,164	2,102,350	1,496,125
NET INCOME/(EXPENDITURE)		170,602	(156,484)	(42,164)	(28,046)	491,860
Transfers between funds	18	(80,825)	(19,175)	100,000	-	-
NET MOVEMENT IN FUNDS		89,777	(175,659)	57,836	(28,046)	491,860
RECONCILIATION OF FUNDS:						
Total funds brought forward		247,207	895,335	396,918	1,539,460	1,047,600
Net movement in funds		89,777	(175,659)	57,836	(28,046)	491,860
TOTAL FUNDS CARRIED FORWARD		336,984	719,676	454,754	1,511,414	1,539,460

The Consolidated statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 24 to 45 form part of these financial statements.

STOCKTON ARTS CENTRE
(A company limited by guarantee)
REGISTERED NUMBER: 04591795

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2022

	Note	2022 £	As restated 2021 £
FIXED ASSETS			
Tangible assets	12	561,555	589,967
		561,555	589,967
CURRENT ASSETS			
Stocks	14	10,747	3,921
Debtors	15	285,577	144,556
Cash at bank and in hand		1,079,189	1,090,388
		1,375,513	1,238,865
Creditors: amounts falling due within one year	16	(425,654)	(289,372)
		949,859	949,493
TOTAL NET ASSETS		1,511,414	1,539,460
CHARITY FUNDS			
Designated funds	18	454,754	396,918
Restricted funds	18	719,676	895,335
Unrestricted funds	18	336,984	247,207
TOTAL FUNDS		1,511,414	1,539,460

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



L. Snowball
 (Trustee)

Date: 28 September 2022

The notes on pages 24 to 45 form part of these financial statements.

STOCKTON ARTS CENTRE
(A company limited by guarantee)
REGISTERED NUMBER: 04591795

CHARITY BALANCE SHEET
AS AT 31 MARCH 2022

	Note	2022 £	As restated 2021 £
FIXED ASSETS			
Tangible assets	12	561,555	589,967
Investments	13	1	1
		561,556	589,968
CURRENT ASSETS			
Debtors	15	340,173	222,453
Cash at bank and in hand		1,022,364	1,044,063
		1,362,537	1,266,516
Creditors: amounts falling due within one year	16	(412,423)	(287,874)
NET CURRENT ASSETS		950,114	978,642
TOTAL NET ASSETS		1,511,670	1,568,610
CHARITY FUNDS			
Designated funds	18	454,754	396,918
Restricted funds	18	821,931	895,335
Unrestricted funds	18	234,985	276,357
TOTAL FUNDS		1,511,670	1,568,610

The Charity's net movement in funds for the year was £(56,940) (2021 - £523,162).

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



L Snowball
(Trustee)

Date: 28 September 2022

The notes on pages 24 to 45 form part of these financial statements.

STOCKTON ARTS CENTRE
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

	2022 £	2021 £
CASH FLOWS FROM OPERATING ACTIVITIES		
Net cash used in operating activities	19,463	578,099
	<hr/>	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	184	210
Purchase of tangible fixed assets	(30,846)	(23,534)
	<hr/>	<hr/>
NET CASH USED IN INVESTING ACTIVITIES	(30,662)	(23,324)
	<hr/>	<hr/>
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR	(11,199)	554,775
Cash and cash equivalents at the beginning of the year	1,090,388	535,613
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	1,079,189	1,090,388
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 24 to 45 form part of these financial statements

STOCKTON ARTS CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1. GENERAL INFORMATION

The Charity is a company limited by guarantee and registered in England and Wales. The members of the Charity are the Trustees named on page 1. In the event of the Charity being wound up the liability in respect of the guarantee is limited to £1 per member.

The registered office address is:

ARC
Dovecot Street
Stockton-On-Tees
Tees Valley
TS18 1LL

2. ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Stockton Arts Centre 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.

The consolidated statement of financial activities (SOFA) and consolidated 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 taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of financial activities in these financial statements.

2.2 Going concern

The financial statements have been prepared on a going concern basis. The Trustees have reviewed and considered relevant information, including the annual budget and future cash flows in making their assessment.

Current budgets predict in year deficits in the short term as the charity recovers from the lockdowns imposed during Covid and recovers audience numbers. Existing reserves will be used to fund this with a return to a surplus position in following years.

The Trustee have concluded that they can continue to adopt the going concern basis in preparing the annual report and accounts

STOCKTON ARTS CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. ACCOUNTING POLICIES (CONTINUED)

2.3 Income

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 income receivable can be measured reliably.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Grants are included in the consolidated statement of financial activities when the performance conditions of the grant are met and the charity becomes entitled to the income. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Other trading activities income is recognised when receivable by the charity.

Investment income is recognised when receivable by the charity.

Other income, including ticket sales and contracts, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service or event.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

Expenditure on raising funds represents those costs associated with generating the trading income.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.5 Tangible fixed assets and depreciation

Tangible fixed assets costing £80 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

STOCKTON ARTS CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. ACCOUNTING POLICIES (CONTINUED)

2.5 Tangible fixed assets and depreciation (continued)

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Land & Buildings	- Nil
Office equipment	- 2-10 years straight line
Equipment	- 3 - 5 years straight line

The Trustees consider that the freehold property is maintained in such a state of repair that its residual value is at least equal to its net book value. As a result the corresponding depreciation would not be material and is therefore not charged in the Statement of Financial Activities.

2.6 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

2.7 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price. Cost is based on the cost of purchase on a first in, first out basis.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price. The impairment loss is recognised immediately in profit or loss.

2.8 Debtors

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

2.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.10 Liabilities and provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

2.11 Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

STOCKTON ARTS CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. ACCOUNTING POLICIES (CONTINUED)

2.12 Pensions

The Group contributes to a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

2.13 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The aim and use of each restricted fund is set out in the notes to the financial statements.

3. INCOME FROM DONATIONS AND GRANTS

	Unrestricted funds 2022 £	Total funds 2022 £	<i>As restated Total funds 2021 £</i>
Core Grants			
Arts Council England	311,723	311,723	311,723
Stockton Borough Council	149,128	149,128	141,147
Other grants			
Coronavirus job retention scheme	52,606	52,606	273,553
Donations	17,553	17,553	18,787
	<u>531,010</u>	<u>531,010</u>	<u>745,210</u>

STOCKTON ARTS CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	<i>As restated</i> Total funds 2021 £
Core Programme	326,779	392,335	719,114	944,079
Live Programme	265,570	-	265,570	54,484
Cinema	26,069	21,495	47,564	3,103
Creative Programme	19,268	146,479	165,747	10,311
Strategic Programme	-	137,063	137,063	220,512
	<u>637,686</u>	<u>697,372</u>	<u>1,335,058</u>	<u>1,232,489</u>
<i>Total 2021 as restated</i>	<u>464,093</u>	<u>768,396</u>	<u>1,232,489</u>	

STOCKTON ARTS CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

5. TRADING ACTIVITIES

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	<i>As restated</i> <i>Total funds</i> 2021 £
Charity trading income				
Catering income	161,680	-	161,680	3,674
Services and retail	9,417	-	9,417	5,133
Room hire	25,194	-	25,194	1,269
Box office charges	11,761	-	11,761	-
	<u>208,052</u>	<u>-</u>	<u>208,052</u>	<u>10,076</u>
Fundraising trading expenses				
Catering expenditure	68,154	-	68,154	15,825
Salaries	79,116	-	79,116	89,342
	<u>147,270</u>	<u>-</u>	<u>147,270</u>	<u>105,167</u>
	<u>60,782</u>	<u>-</u>	<u>60,782</u>	<u>(95,091)</u>
Net income from trading activities	<u>(95,091)</u>	<u>(165,949)</u>	<u>(95,091)</u>	<u>(95,091)</u>
Total 2021	<u>(95,091)</u>	<u>(165,949)</u>	<u>(95,091)</u>	

6. COST OF RAISING FUNDS

	Unrestricted funds 2022 £	Total funds 2022 £	<i>Total</i> <i>funds</i> 2021 £
Marketing	20,511	20,511	10,889
Wages and salaries	56,199	56,199	49,786
Total 2022	<u>76,710</u>	<u>76,710</u>	<u>60,675</u>
<i>Total 2021</i>	<u>60,675</u>	<u>60,675</u>	

STOCKTON ARTS CENTRE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

7. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

Summary by fund type

	Unrestricted funds 2022 £	Restricted funds 2022 £	Designated funds 2022 £	Total 2022 £	Total 2021 £
Core Programme	679,875	418,168	24,404	1,122,447	782,963
Live Programme	61,629	193,248	6,149	261,026	111,578
Cinema	21,228	-	512	21,740	20,336
Creative Programme	143,574	84,361	5,499	233,434	100,548
Strategic Programme	74,041	158,079	5,600	237,720	314,858
	<u>980,347</u>	<u>853,856</u>	<u>42,164</u>	<u>1,876,367</u>	<u>1,330,283</u>
<i>Total 2021</i>	<u>748,870</u>	<u>532,262</u>	<u>49,151</u>	<u>1,330,283</u>	

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £	Total funds 2021 £
Core Programme	853,476	268,971	1,122,447	782,963
Live Programme	193,248	67,778	261,026	111,578
Cinema	16,094	5,646	21,740	20,336
Creative Programme	172,822	60,612	233,434	100,548
Strategic Programme	175,992	61,728	237,720	314,858
	<u>1,411,632</u>	<u>464,735</u>	<u>1,876,367</u>	<u>1,330,283</u>
<i>Total 2021</i>	<u>962,188</u>	<u>368,095</u>	<u>1,330,283</u>	

STOCKTON ARTS CENTRE

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

Analysis of Support costs

	Core programme 2022	Live programme 2022	Cinema 2022	Creative programme 2022	Strategic programme 2022	Total funds 2022	Total funds 2021
	£	£	£	£	£	£	£
Staff costs	74,535	18,781	1,564	16,798	17,105	128,783	131,376
Depreciation	34,297	8,642	720	7,728	7,870	59,257	72,388
Property costs	75,318	18,982	1,581	16,974	17,287	130,142	78,750
Other costs	29,402	7,409	617	6,626	6,746	50,800	29,650
Administration	46,812	11,795	983	10,547	10,743	80,880	43,476
Governance costs	8,607	2,169	181	1,939	1,977	14,873	12,455
Total 2022	268,971	67,778	5,646	60,612	61,728	464,735	368,095
<i>Total 2021</i>	<i>196,617</i>	<i>40,890</i>	<i>15,643</i>	<i>27,822</i>	<i>87,123</i>	<i>368,095</i>	

Support costs have been split based on direct costs, 60% core programme, 14% live programme, 1% cinema, 12% creative and 12% strategic.

STOCKTON ARTS CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

9. AUDITORS' REMUNERATION

	2022 £	2021 £
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	5,500	4,500
Fees payable to the Charity's auditor in respect of:		
Taxation compliance for the subsidiary	-	300
All assurance services not included above	185	-
Accountancy services (including consolidation and subsidiary accounts)	2,800	1,500
	5,485	6,300

10. STAFF COSTS

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Wages and salaries	682,502	682,417	603,386	593,232
Social security costs	41,617	41,617	39,614	41,617
Contribution to defined contribution pension schemes	10,825	9,819	10,825	9,819
	734,944	733,853	653,825	644,668

The average number of persons employed by the Charity during the year was as follows:

	Group 2022 No.	Group 2021 No.	Company 2022 No.	Company 2021 No.
Administration, marketing and commercial staff	25	19	25	19
Operational staff	25	36	25	36
Catering staff	18	13	-	-
	68	68	50	55

STOCKTON ARTS CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

10. STAFF COSTS (CONTINUED)

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2022 No.	<i>Group 2021 No.</i>
In the band £60,001 - £70,000	1	1

The key management personnel of the charity comprise the trustees, the Chief Executive Officer and Operations Director. The total employee benefits of the key management personnel were £124,340 (2021 - £124,711).

11. TRUSTEES' REMUNERATION AND EXPENSES

During the year, no Trustees received any remuneration or other benefits (2021 - £NIL).

During the year no Trustee expenses have been incurred (2021 - £NIL).

STOCKTON ARTS CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

12. TANGIBLE FIXED ASSETS

Group and Company

	Freehold property £	Equipment £	Total £
Cost			
At 1 April 2021 (as previously stated)	350,000	810,934	1,160,934
Prior Year Adjustment	-	(2,810)	(2,810)
At 1 April 2021 (as restated)	<u>350,000</u>	<u>808,124</u>	<u>1,158,124</u>
Additions	-	30,846	30,846
At 31 March 2022	<u>350,000</u>	<u>838,970</u>	<u>1,188,970</u>
Depreciation			
At 1 April 2021 (as previously stated)	-	572,879	572,879
Prior Year Adjustment	-	(4,722)	(4,722)
At 1 April 2021 (as restated)	<u>-</u>	<u>568,157</u>	<u>568,157</u>
Charge for the year	-	59,258	59,258
At 31 March 2022	<u>-</u>	<u>627,415</u>	<u>627,415</u>
Net book value			
At 31 March 2022	<u>350,000</u>	<u>211,555</u>	<u>561,555</u>
At 31 March 2021 (as restated)	<u>350,000</u>	<u>239,967</u>	<u>589,967</u>

The freehold land and buildings is included in the financial statements at the amount paid to the liquidators of ARC Trust Limited. The professional valuation obtained by the liquidators reflected the market value of the facility, at March 2005, as adjusted for the covenants as detailed in note 24.

STOCKTON ARTS CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

13. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £
Charity	
Cost	
At 1 April 2021	1
At 31 March 2022	<u>1</u>

PRINCIPAL SUBSIDIARIES

The following was a subsidiary undertaking of the Charity:

Name	Company number	Holding	Included in consolidation
Stockton Arts Centre (Trading) Limited	09490242	100%	Yes

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit for the year £	Net liabilities £
Stockton Arts Centre (Trading) Limited	183,775	154,881	28,894	(255)

STOCKTON ARTS CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

14. STOCKS

	Group 2022	<i>Group 2021</i>
	£	£
Bar stock	10,747	3,921

15. DEBTORS

	Group 2022	<i>Group As restated 2021</i>	Company 2022	<i>Company As restated 2021</i>
	£	£	£	£
Due within one year				
Trade debtors	150,435	39,097	150,435	37,425
Amounts owed by group undertakings	2,970	-	57,897	79,569
Other debtors	1,181	6,960	850	6,960
Prepayments and accrued income	130,991	98,499	130,991	98,499
	285,577	144,556	340,173	222,453

STOCKTON ARTS CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2022	<i>Group 2021</i>	Company 2022	<i>Company 2021</i>
	£	£	£	£
Trade creditors	72,602	98,668	67,491	98,257
Amounts owed to group undertakings	2,970	-	-	-
Other taxation and social security	21,301	9,831	21,301	9,831
Other creditors	19,493	18,481	19,493	18,480
Accruals and deferred income	309,288	162,392	304,138	161,306
	<u>425,654</u>	<u>289,372</u>	<u>412,423</u>	<u>287,874</u>

	Group 2022	<i>Group 2021</i>
	£	£
Deferred income at 1 April 2021	94,820	81,378
Resources deferred during the year	206,080	94,820
Amounts released from previous periods	(94,820)	(81,378)
	<u>206,080</u>	<u>94,820</u>

Deferred income relates to income received for events held post year end.

17. PRIOR YEAR ADJUSTMENTS

A prior year adjustment has been made to restate the classification of fixed assets. This included moving £1,912 of equipment previously classed as trade debtors. This adjustment had no impact on the overall reserves brought forward.

£6,276 previously included in donations as coronavirus job retention scheme has been reclassified to charitable activity income. This was £2,276 in respect of the Jerwood Charitable Foundation and £4,000 from the Thirteen Group for activity sessions.

£3,846 of administrative costs within Stockton Arts Centre (Trading) Limited have been transferred from charitable activities into fundraising trading expenses.

£80,893 of wages have been reclassified from direct to support costs to better reflect the nature of these job roles.

The formatting of notes has been amended resulting in a slightly changed presentation.

STOCKTON ARTS CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

18. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2022 £
Unrestricted funds					
General Funds	247,207	1,376,932	(1,206,330)	(80,825)	336,984
Designated funds					
Covid recovery fund	200,000	-	-	100,000	300,000
Capital fund (2013)	16,704	-	(16,704)	-	-
Capital fund (2017)	137,106	-	(20,505)	-	116,601
Capital fund (2020)	34,484	-	(4,079)	-	30,405
Capital fund (2021)	8,624	-	(876)	-	7,748
	<u>396,918</u>	<u>-</u>	<u>(42,164)</u>	<u>100,000</u>	<u>454,754</u>

STOCKTON ARTS CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

18. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2022 £
Restricted funds					
Arts Council England	350,000	-	-	-	350,000
Young People's Projects	26,058	79,070	(56,949)	(9,301)	38,878
Staying out	17,000	26,750	(19,999)	-	23,751
Training	-	500	-	-	500
SIRF Projects	-	36,000	(5,100)	-	30,900
Associate Artist & Company Projects	150,085	285,759	(286,383)	(308)	149,153
Venues North	-	7,000	-	-	7,000
Tees Valley Combined Authority - New Creatives/Greater Tees	26,879	34,655	(13,863)	-	47,671
Access Fund North	-	11,700	(3,909)	-	7,791
What's On Your Mind Project	-	49,920	(40,280)	(9,640)	-
Film Hub North - Bigger Picture	-	21,495	(13,666)	-	7,829
Thirteen Housing	-	6,152	(2,312)	-	3,840
Wellington Square Shopping Centre	-	2,500	(1,312)	-	1,188
Jerwood Charitable Foundation	3,867	7,508	(11,375)	-	-
Wide Open Community Fund	-	3,000	-	-	3,000
Weston Culture Fund	240,000	-	(240,000)	-	-
Future Arts Centre	80,891	125,363	(158,079)	-	48,175
Other funds	555	-	(629)	74	-
	<u>895,335</u>	<u>697,372</u>	<u>(853,856)</u>	<u>(19,175)</u>	<u>719,676</u>
Total of funds	<u><u>1,539,460</u></u>	<u><u>2,074,304</u></u>	<u><u>(2,102,350)</u></u>	<u><u>-</u></u>	<u><u>1,511,414</u></u>

STOCKTON ARTS CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

18. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR YEAR

	<i>Balance at 1 March 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 March 2021 £</i>
Unrestricted funds					
General Funds	142,330	1,219,589	(914,712)	(200,000)	247,207
Designated funds					
Covid recovery fund	-	-	-	200,000	200,000
Capital fund (2013)	41,761	-	(25,057)	-	16,704
Capital fund (2017)	157,611	-	(20,505)	-	137,106
Capital fund (2020)	37,933	-	(3,449)	-	34,484
Capital fund (2021)	-	-	(140)	8,764	8,624
	<u>237,305</u>	<u>-</u>	<u>(49,151)</u>	<u>208,764</u>	<u>396,918</u>

STOCKTON ARTS CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

18. STATEMENT OF FUNDS (CONTINUED)

	<i>Balance at 1 March 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 March 2021 £</i>
Restricted funds					
Arts Council England	350,000	-	-	-	350,000
Future Arts Centre Here & Now NL25 project	83,200	150,000	(168,400)	-	64,800
Artistic projects	119,062	307,431	(240,765)	(8,764)	176,964
Jerwood Charitable Foundation	-	6,143	(2,275)	-	3,868
Arts Council England - strategic Touring - REACH Project	18,193	9,901	(28,094)	-	-
Staying Out Project	15,000	31,750	(29,750)	-	17,000
Young People's Projects	13,066	23,171	(10,180)	-	26,057
Arts Council England _ Ambition for Excellence	68,203	-	(52,112)	-	16,091
Weston Garfield Foundation	-	240,000	-	-	240,000
Other funds	1,241	-	(686)	-	555
	<u>667,965</u>	<u>768,396</u>	<u>(532,262)</u>	<u>(8,764)</u>	<u>895,335</u>
Total of funds	<u><u>1,047,600</u></u>	<u><u>1,987,985</u></u>	<u><u>(1,496,125)</u></u>	<u><u>-</u></u>	<u><u>1,539,460</u></u>

STOCKTON ARTS CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

18. STATEMENT OF FUNDS (CONTINUED)

Designated funds

COVID recovery fund – reserves have been designated to support against future deficits and costs impacted by the COVID-19 pandemic.

Capital fund – relates to other fixed assets which are shown as designated funds. Depreciation is charged against this fund so that it equals the net book value of the asset.

Restricted funds

Arts Council England – this equals the value of the property, further details of the valuation are in note 12 and 24.

Young People's Projects – relates to funding received from Stockton on Tees Borough Council for various youth projects, including targeted work with care-experienced children and young people.

Staying Out – relates to funding from Stockton on Tees Borough Council Public Health for an ongoing programme of weekly creative arts sessions aimed at people aged 65+ who are socially isolated.

Training – relates to a grant received from Stockton on Tees Borough Council to support employee learning.

SIRF projects – relates to funding received from Stockton International Riverside Festival for artistic projects for the festival 2022.

Associate Artist & Company projects – relates to monies received from artists for staging and touring productions. The balance carried forward relates to productions which are not yet complete.

Venues North – relates to membership fees for this network managed by ARC, which is committed to supporting artists making new performance work in the North of England.

Tees Valley Combined Authority – New Creatives/Greater Tees – relates to funding received to deliver strategic projects supporting cultural development in the Tees Valley.

Access Fund North – relates to a strategic grant received from Arts Council England to pilot a support scheme for disabled artists to access professional development opportunities.

What's On Your Mind Project – relates to a project grant from Arts Council England to support a programme of rapid response digital artistic commissions informed by creative community consultation.

Film Hub North Bigger Picture – relates to funding received to increase the number of South Asian films within our cinema programme, and develop South Asian audiences.

Thirteen Housing – relates to funding received to support creative community engagement work with residents.

Wellington Square Shopping Centre – relates to funding received to support a series of artist commissions for the shopping centre.

Jerwood Charitable Foundation – relates to funding received to host a Weston Jerwood Creative Fellow during 2021, as part of a scheme to support salaried positions in arts and cultural organisations for people from low socio-economic backgrounds.

STOCKTON ARTS CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

18. STATEMENT OF FUNDS (CONTINUED)

Wide Open Community Fund – relates to funding received for Creating Together, a group of asylum seekers and refugees, to support a creative residency in June 2022.

Weston Culture Fund – relates to a generous grant to support the recovery of ARC's artistic activities during 2021, from the Garfield Weston Foundation's scheme created to support the sector to restart its work, refresh activities and re-engage audiences following COVID-19 closures.

Future Arts Centres – relates to funding received to support Future Arts Centres, a national network co-led by ARC and the Albany, and associated project activity.

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2022 £	Restricted funds 2022 £	Designated funds 2022 £	Total funds 2022 £
Tangible fixed assets	56,801	350,000	154,754	561,555
Current assets	696,412	379,101	300,000	1,375,513
Creditors due within one year	(416,229)	(9,425)	-	(425,654)
Total	336,984	719,676	454,754	1,511,414

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2021 £	Restricted funds 2021 £	Designated funds 2021 £	Total funds 2021 £
Tangible fixed assets	43,049	350,000	196,918	589,967
Current assets	493,530	545,335	200,000	1,238,865
Creditors due within one year	(289,372)	-	-	(289,372)
Total	247,207	895,335	396,918	1,539,460

STOCKTON ARTS CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

20. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Group 2022 £	<i>Group 2021 £</i>
Net income/expenditure for the year (as per Statement of Financial Activities)	(28,046)	491,860
Adjustments for:		
Depreciation charges	59,258	74,987
Interest received	(184)	(210)
Decrease/(increase) in stocks	(6,826)	9,806
Decrease/(increase) in debtors	(138,051)	26,524
Increase/(decrease) in creditors	133,312	(24,868)
Net cash provided by operating activities	19,463	578,099

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	Group 2022 £	<i>Group 2021 £</i>
Cash in hand	1,079,189	1,090,388
Total cash and cash equivalents	1,079,189	1,090,388

22. ANALYSIS OF CHANGES IN NET DEBT

	At 1 April 2021 £	Cash flows £	At 31 March 2022 £
Cash at bank and in hand	1,090,388	(11,199)	1,079,189
	1,090,388	(11,199)	1,079,189

STOCKTON ARTS CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

23. PENSION COMMITMENTS

The group contributes to a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £10,825 (2021 - £9,819)

Amounts totalling £2,101 (2021 - £1,923) were payable to the fund at the balance sheet date and are included in creditors

24. OTHER FINANCIAL COMMITMENTS

In the event of Stockton Arts Centre property at Dovecot Street, Stockton on Tees, being sold and the net proceeds of the sale not being used for the furtherance of the company's charitable purposes, then an amount of £200,000 (which is to be index linked from February 1997) would have to be paid to the Young Men's Christian Association and £81,000 (which is to be index linked from January 2004) to Stockton Borough Council.

There is also a chattel mortgage on the property and certain equipment between Stockton Arts Centre and The Arts Council of England which states that a novated debt, equivalent to the purchase price of the land and freehold property would have to be repaid to the Arts Council of England on the occurrence of certain events, such as the organisation ceasing to be a charity.

25. RELATED PARTY TRANSACTIONS

The Group and Charity has not entered into any related party transaction during the year, nor are there any outstanding balances owing between related parties and the Group and Charity at 31 March 2022.

STOCKTON ARTS CENTRE

England & Wales - Charity number 1095460

Accounts

ARC

Stockton Arts Centre

Stockton Arts Centre Ltd

Annual Report and Consolidated Financial Statements

For the year ended 31 March 2021



Company Number: 04591795

Charity Number: 1095460

Stockton Arts Centre

Contents

	Page
Trustees' report	1 - 9
Independent auditors' report	10 - 13
Consolidated statement of financial activities	14
Consolidated balance sheet	15
Charitable balance sheet	16
Consolidated cash flow statement	17
Notes to the financial statements	18 - 34

Stockton Arts Centre

Trustees' report

For the year ended 31 March 2021

The trustees present their report and accounts for the year ended 31 March 2021.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's governing documents, the Companies Act 2006 and the Statement of Recommended Practice, "Accounting and Reporting by Charities".

Reference and administrative details

Company number: 04591795 (England and Wales)
Charity Number: 1095460
Registered office: Dovecote Street, Stockton on Tees, TS18 1LL

Advisors

Bankers: HSBC, 136 High Street, Stockton on Tees, Cleveland, TS18 1LR
Yorkshire Bank, 56 High Street, Stockton on Tees TS18 1SB

Auditors: Haines Watts, 17 Queens Lane, Newcastle upon Tyne, NE1 1RN

1. Structure, governance and management

Stockton Arts Centre is a registered charity number 1095460 governed by its memorandum and articles of association and a company limited by guarantee.

The trustees, who are also the directors for the purpose of company law, who served during the year were:

	Board meetings attended
Aaron Bowman	4 out of 4
Kate Craddock	4 out of 4
Ishy Din	4 out of 4
Patrick Masheder	4 out of 4
John McCann	4 out of 4
Jane Robinson	4 out of 4
Lynne Snowball (Chair)	4 out of 4
Dan Mallaghan (appointed March 2020)	3 out of 4
Maria Crocker (appointed June 2020)	4 out of 4

ARC's Board of Trustees is responsible for ensuring ARC's aims and objectives are achieved. It is responsible for forward strategy and direction, approving the annual business plan and budget, and monitoring performance and delivery, supporting the Chief Executive and her team. Board Trustees have a diverse range of skills, experience and backgrounds, bringing a broad range of perspectives to board discussions and decisions.

ARC is committed to continuing to increase the diversity of the Board and advertises widely to identify prospective trustees. Suitable candidates are then invited to meet the Chair, Chief Executive and other trustees to discuss the opportunity of joining ARC's Board. If it is decided to proceed with the appointment, prospective trustees are invited to observe a Board meeting before a final decision – by both parties – is made.

Trustees' report (*continued*)

For the year ended 31 March 2021

New trustees have a full induction process and are provided with an extensive package of information relating to the charity including job description, current and historical financial information, minutes of Board meetings, and the current business plan.

The Board of Trustees meets quarterly to administer the charity and formally considers ARC's mission, aims and objectives at least once a year. Ad hoc working groups or advisory groups are convened from time to time, and artists working with ARC are invited to observe Board meetings, introducing new perspectives.

The Finance Sub-committee meets three times during the year to discuss in detail the annual budget forecast outturn and annual financial reporting to inform the Board's considerations and decision-making process. Monthly management accounts are circulated to the nominated Finance sub-committee representatives, who include the Chair of the Board, to ensure prompt review of performance. Terms of Reference were agreed by the Board in March 2019.

None of the trustees have any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

An executive director is appointed by the Trustees to manage the day to day operations of the charity. The Chief Executive and Artistic Director, Annabel Turpin, is supported by a deputy, Operations Manager Shaun Dowd, and a management team of seven.

2. Objectives and activities

The objects of the Charity are to promote, maintain, improve and advance the knowledge, understanding and appreciation of the arts and popular culture, primarily among the inhabitants of the Tees Valley.

To achieve its objects the charity has defined its mission as follows:

ARC is an organisation working from its venue to enhance the wellbeing of the whole community of Stockton and the Tees Valley, through arts and creative activity, through widening opportunities to experience and participate in the arts, and through partnership with other organisations.

To deliver this mission the charity has undertaken to achieve the following aims:

- To make an important contribution to the social and economic regeneration of Stockton and the Tees Valley
- To present a multi-artform programme of activity that is contemporary and relevant to our audiences
- To increase the number and range of people engaging with ARC
- To support and develop artists to create excellent work relevant to our audiences
- To support and develop a cultural workforce to support our ambitions
- To realise the creative potential of the local community
- To encourage the local community to invest in ARC through using its facilities
- To act as a catalyst for partnership and collaboration between public, private and voluntary sector organisations
- To increase our financial resilience and ability to adapt to economic change

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

This report has been prepared in unprecedented times. The COVID-19 pandemic resulted in the difficult decision to close ARC's doors to the public on 16 March 2020 to protect our users and staff. The building reopened when restrictions permitted on Mon 7 Sept through to Wed 4 Nov 2020 and then remained closed for the rest of the financial year.

During this time, ARC's focus was on securing the long term survival of the organisation whilst continuing to deliver meaningful activities for our communities.

Initially, most staff were furloughed with a small number continuing to work remotely, but as the programme grew during the year, more programming, marketing and engagement staff were brought back to ensure relationships with customers and stakeholders were maintained to support ARC's eventual reopening.

Despite being displaced from the building, ARC's work remained aligned with priorities set out in the Business Plan 2018/19 – 2021/22. However, towards the end of the financial year, a new, two-year interim Business Plan was prepared and approved, which covers the period 2021/22 – 2022/23. It provides an up to date statement of activity for the final year of our 2018-2022 Plan, in light of the significant impact of the COVID-19 pandemic, and also a pathway into our next four year Business Plan, which will cover the period 2023/24 – 2026/27.

It sets out a clear plan for the organisation – reflecting our mission and aims - as we continue to steer a route through the pandemic. This plan will be agile, adapting to the continuing uncertainties caused by COVID.

The Business Plan is used by the Management Team to inform and steer activity and monitor progress against the aims and objectives. The Board of Trustees monitors the delivery of the Business Plan at its quarterly meetings

3. Achievements and performance

"I've learned another way to do things. Zoom and streamed shows have made a massive difference during lockdown."
Regular participant

Despite ARC's building being closed for more than 43 weeks of the year, we have continued to connect with artists and communities, helping people to stay creative. Most engagements (86%) took place remotely – either online, or by phone and post for those people who weren't digitally connected.

Overall, we delivered 212 classes, either online or available online and in-person; 73 film screenings; 25 opportunities to see live work, including live streamed from ARC; and 8 brand new productions created to work within COVID measures.

"It's really kept us both going, cos if you don't want to be on a computer nowadays, you're stuck."
Staying Out participant

Full details of ARC in Lockdown can be found in here: <https://arconline.co.uk/arc-in-lockdown/>

Highlights include:

- Remote delivery of our Staying Out programme for socially isolated people aged 65+, providing creative activity as well as weekly welfare checks, with more than 750 engagements
- Monthly Creating Together sessions offering adults who have come to the UK seeking refuge or asylum, have experienced, or are at risk of homelessness, or have mental health support needs, opportunities to share and develop skills in different creative and arts activities
- Regular classes including arts and crafts, ukulele, ballet Pilates and creative writing with more than 2,000 engagements
- Relaunching More Stuff Like This Please, enabling care-experienced children and young people to engage in a wide range of creative workshops, both online and in-person, as guidance allowed
- We ARConnected, a COVID responsive community project designed to help people stay creative while self-isolating, shielding, or in lockdown by inviting them to contribute their creative work in response to a fortnightly theme. 144 pieces were submitted which were exhibited at ARC during the autumn re-opening and went on to join an exhibition at Flushings Town Hall in New York
- Providing 300+ free packed lunches for local children at risk of hunger poverty during October half term
- Celebrating with our communities, including our Festival of Light and Colour with a specially commissioned telling of the Diwali story – with more than 4,000 engagements, and marking Transgender Day of Remembrance with an online vigil
- Pizza and Pitches, the continuation of our community commissioning programme which supported Wild Vision Collective to curate and present LIGHT:space, a night time art trail exhibited in windows
- FAB! at ARC, a programme designed to engage families with ARC during lockdown, which resulted in 115 engagements, 35% of which were new to ARC and 26% reconnected after 2+ years. 11 participants joined from our refugee and asylum seeker community
- Tees Valley Young Creatives, a career starting programme of free support to help people completing further and higher education creative courses in 2020 and 2021 secure employment in the cultural industries, and unlock new opportunities in their fields
- Appointments of our three Artists of Change: Lizzie Lovejoy, a Northern creative practitioner whose work focuses on community, heritage and cultural identity; Symoné, a multi-disciplinary circus and performance artist; and Lauren Vevers, a multi-disciplinary artist who is exploring environmental responsibility
- Creation of new work including Natasha Davis' Your Story, My Story, Their Story Now (co-created film and online Q&A) and Yolanda Mercy's Unheard Stories (plays performed by phone)

Partnerships

ARC works both locally and nationally. Partnership working has remained key to ARC's activity, as we continued to lead on initiatives including Venues North, a network committed to supporting new and emerging artists from the North to get their work more widely seen regionally, nationally and internationally, and Future Arts Centres (FAC), a network of more than 100 arts centres across the UK.

In 2019, FAC was commissioned to deliver Arts Council England's National Lottery 25th anniversary celebrations. This led to the development of Here and Now, a £1m national and local celebration of culture within communities. 40 new projects which were scheduled to take place in and around 40 arts centres across the country during 2020/21, led by artists and co-created with local people. Due to the pandemic, this project has been extended through to December 2021.

Equality and diversity

ARC is committed to achieving equality and diversity in all aspects of our work and activities. Through our equality policy and action plan, approved by the Board, we have continued to proactively find ways of embedding diversity in our programme, reach and workforce.

Despite the pandemic, we have continued to support artists making new work from a range of backgrounds, including disabled artists Vici Wreford-Sinnott and Aidan Moesby, LGBTQIA+ artists Bordello Collective and Melody Sproates and artists of colour, Umar Butt and Yolanda Mercy.

We were delighted to achieve an Arts Council England Outstanding rating for our work around the Creative Case for Diversity for the second year running.

Whilst our focus in terms of audiences has been on maintaining existing relationships, we have paid particular attention to communities that we know face barriers to engagement. At the beginning of the pandemic, we prioritised re-imagining our older people's programme recognising that they were in some of the most vulnerable, isolated situations. Building on that, we were then able to bring back other programmes for our refugee and asylum seeker communities and care-experienced young people. Community celebration events such as the Festival of Light and Colour and Transgender Day of Remembrance, whilst delivered online, also gave us the opportunity to re-engage with these communities. Analysis of our ticket booking data using the arts segmentation tool Audience Finder shows that 34.5% of our bookers come from the four least-engaged audience segments, compared to c26% in previous years and 15% nationally.

Most of our workforce has been furloughed during the year, but we took the opportunity towards the end of 2020/21 to roll out a major diversity training programme for all staff and Board members. Working with our strategic partners, Little Cog and Curious Arts, we re-ran disability equality training and for the first time, delivered LGBTQIA+ training. We also started a series of conversations about anti-racism, in response to the North East's Culture Against Racism movement, resulting in an organisation-wide action plan. Anti-racism training was requested as part of this so we worked with Tees Valley-based One Community Link to deliver a series of sessions. Pledges and actions resulting from this training have fed into our plans for 2021/22 and beyond, including a commitment to review our recruitment processes to support further diversification of our workforce and Board membership.

Strategic development

ARC continues to play an important role in strategic cultural development locally and nationally. Chief Executive & Artistic Director Annabel Turpin is a member of the Local Enterprise Partnership (LEP) and Theme Lead for Culture. In May 2020 she was asked by the Tees Valley Mayor to lead an independent Cultural Industries and Visitor Economy Task Force, which has overseen the Tees Valley Combined Authority's £1m cultural recovery programme. The Task Force also made recommendations around the Combined Authority's longer term investment plans which were adopted in November 2021.

No 60 – food and drink

ARC's wholly owned trading subsidiary company (Stockton Arts Centre (Trading) Ltd provides ARC's catering service under the brand 'No 60'. Apart from the Sept-Nov period when the building was open, it was unable to trade in 2020/21, resulting in an inevitable deficit at the end of the year of £29,150. This was mitigated to a large extent by use of the Job Retention Scheme.

ARC recognises that No 60 makes an important contribution to the way customers perceive the organisation, playing a key part in providing a safe, welcoming place where people enjoy positive, social interaction alongside creative activities and cultural experiences. For that reason, it is committed to supporting it through recovery during 2021/22, acknowledging that an immediate return to profit is unlikely given its dependence on the rebuilding of ARC's programme and footfall. This position will be kept under review.

Fundraising

ARC's fundraising activity is led by the Chief Executive, supported by other staff. ARC operates outside of the voluntary fundraising regulator scheme, as the organisation's fundraising expenditure is well below the limit of £100,000 that requires registration. However, we are aware of the code and ensure that we operate in accordance with it at all times. Our fundraising activity targeting individuals is almost exclusively carried out at the point of ticket sale, minimising the risk of any individual being approached in a persistent or intrusive way.

4. Financial review

Following a number of years achieving a trading surplus and building reserves, ARC went into the pandemic in a reasonably strong financial position. This position has been maintained through effective use of the Job Retention Scheme alongside successful fundraising from a number of sources, including Arts Council England's Culture Recovery Fund, Stockton Borough Council's Small Business Support scheme, trusts and foundations such as the Weston Culture Fund and Esmee Fairbairn, and sector-specific support from Film Hub North.

ARC's Statement of Financial Activities shows a turnover of c£1.99m in 2020-21, a decrease of £264k from c£2.25m in 2019/20.

In June 2020, in light of the pandemic, the Trustees agreed an increase to the level of reserves set in our reserves policy from £210k (equivalent of three months operational costs) to £250k. The organisation recognises the need to balance financial resilience with ongoing investment in the growth and stability of the charity and will continue to review this policy annually. At the end of 2020/21, the unrestricted reserves level was £247k. We will seek to rebuild to £250k in future years as recovery allows.

ARC recognises that recovery is going to take time and require additional subsidy whilst earned income is rebuilt, and have allocated £200k to a designated COVID recovery fund. This will allow us to continue delivering against our aims and objectives, furthering our charitable aims, whilst retaining a reasonable level of unrestricted reserves to mitigate further uncertainties.

Financial plans and forecasts have been revised on the basis of expected scenarios going forward and Trustees are satisfied that ARC has adequate resources to continue as a going concern for the coming year, with a strong commitment to recovery in the future.

ARC is currently part of Arts Council England's National Portfolio with funding secured through to March 2022, with the opportunity to extend this to March 2023 due to the pandemic. Confirmation of 2022/23 funding will be received in Dec 2021. ARC has agreed funding with Stockton Borough Council (SBC) through to 2023/24, under an ongoing service level agreement. Both SBC and ACE nominate observers to monitor the charitable objectives through attendance at the quarterly Board meetings.

Pay and remuneration for staff is approved as part of the annual budget review. The Chief Executive recommends any organisation-wide increase, taking into account current trends and levels of inflation, which is discussed and approved by the Board. The Chief Executive's pay sits outside of this process and is discussed and approved by the Board following an annual performance review. ARC regularly benchmarks salaries with other UK arts centres which feeds into these processes.

Risk management

The trustees monitor progress against ARC's Business Plan and have risk management processes in place. There is a comprehensive review of risks annually, as part of the business planning process, with ongoing review at each board meeting. As part of this process, the trustees have categorised risks across four areas – governance and management, physical, financial and artistic. The likelihood and possible impact of risks are graded as high, medium or low. Specific action, systems, controls and procedures are in place to mitigate identified risks. There are three risks categorised as high.

The most significant risk in 2020/21 was the impact of COVID-19, which has been well managed throughout the year. The likelihood of further disruption has been written into our risk register with appropriate controls and mitigations.

Physical risks include failure of essential plant and equipment. To mitigate this risk ARC has successfully fundraised and invested more than £1m since 2013 in capital improvements, replacements and renewals. Alongside this, a more proactive repairs and maintenance programme is being developed.

The most significant governance and management risk is the loss of the Chief Executive/Artistic Director. ARC has made significant steps to build the resilience of the organisation, restructuring the staff team in 2016 to introduce an Operations Director & Deputy Chief Executive role, and reviewing organisational resilience annually. ARC's growth has facilitated the increase of the management team to seven, reducing the reliance on the Chief Executive. A comprehensive Business Plan and strategic planning processes also provides continuity.

5. Plans for future periods

Despite the challenges posed by COVID-19, ARC is positive about its future. As mentioned above, we developed a new transition Business Plan for the 2021/22-2022/23, which sets out how the charity will achieve its mission and aims during recovery. Our key strategic objectives are:

Artistic objectives

- i. Work with artists and communities to commission, develop and present creative opportunities and cultural experiences that reflect our artistic policy
- ii. Ensure that at least 50% of supported artists are either disabled, lesbian, gay, bisexual, transgender, queer, intersex, asexual, artists of colour or from working class backgrounds, with at least 20% to be artists of colour
- iii. Present a programme of live music, comedy and work for families, exhibitions and films, including live broadcasts, rated Good or Excellent by 90% of our audiences
- iv. Deliver a high quality programme of creative learning for early years, young people, adults, disabled and older people, targeted at communities which have traditionally been least engaged by the cultural sector, rated Good or Excellent by 80% of participants
- v. Contribute to the wider development and sustainability of the arts and cultural sector through leadership of strategic projects

Audience objectives

- vi. Develop and implement creative re-engagement activity designed to reconnect to ARC's existing audiences, pre and post re-opening, aiming for 50% to have returned to ARC by March 2023
- vii. Continue to attract audiences from communities which have traditionally been least engaged by the cultural sector, maintaining a minimum of 25% of our audience base drawn from the four least engaged Audience Spectrum categories
- viii. Continue to offer online access to live events and creative learning activities post pandemic, aiming for at least 20% of events to be live streamed and 40% of creative learning activities to remain accessible online

Organisational objectives

- ix. Support the ongoing development of ARC's Board and staff team through training and other learning opportunities to further improve our practice, reach and impact
- x. Ensure equality is embedded in our policies and practices by working with diverse-led partners, and achieve a more representative workforce
- xi. Continue to reduce our environmental impact and meet our environmental responsibility in all areas of our work, including programme, behaviour, building and café bar
- xii. Achieve ARC's earned income, fundraising and cost control targets

Trustees' report (continued)
For the year ended 31 March 2021

- xiii. Reinstate No60's café and bar service, rated Good or Excellent by 80% of customers, and explore ways of achieving greater community impact through training activity

Statement of trustees' responsibilities

The trustees, who are also the directors of Stockton Arts Centre for the purposes of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Executive Committee to prepare financial statements for each financial year which give a true and fair view of both the charitable company's and the group's state of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. In preparing these financial statements, the Executive Committee is required to:

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make adjustments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

So far as each of the trustees is aware at the time the report is approved:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditors

The auditors, Haines Watts, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by the board on 14/9/21 2021 and signed on their behalf by:


.....

L Snowball
Chair

**Independent Auditors' Report to the members of Stockton Arts Centre
For the year ended 31 March 2021**

Opinion

We have audited the financial statements of Stockton Arts Centre (the 'charitable company') and its subsidiary (the 'group') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, Group and Charitable Company, the Balance Sheet, the Cash Flow Statement 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 applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and charitable company's affairs as at 31 March 2021, and of the group's 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's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

However, not all future events or conditions can be predicted. The COVID-19 viral pandemic is one of the most significant economic events for the UK with unprecedented levels of uncertainty of outcomes. It is therefore difficult to evaluate all of the potential implications on the charitable company's activity, customers, suppliers and wider economy. The Trustees' view on the impact of COVID-19 is disclosed throughout the trustees report and the accounting policies note.

Other information

The other information comprises the information included in the trustees report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has 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 parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We obtained an understanding of the legal and regulatory framework applicable to both the company itself and the industry in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the directors and other management. The most significant were identified as the Companies Act 2006, UK GAAP (FRS102) and relevant tax legislation. We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statements. Our audit procedures included:

- confirming with the directors and management whether they have any knowledge or suspicion of fraud;
- obtaining an understanding of the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- assessing the risk of management override including identifying and testing a sample of journal entries;
- challenging the assumptions and judgements made by management in its significant accounting estimates;
- confirmation received from the bank to verify the balance as on the last day of the accounting year; and
- review of minutes of meetings of those charged with governance.

Our audit did not identify any key audit matters relating to the detection of irregularities including fraud. However, despite the audit being planned and conducted in accordance with ISAs (UK) there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularity likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our audit report.

Stockton Arts Centre

Independent Auditors' Report to the members of Stockton Arts Centre (Continued)
For the year ended 31 March 2021

Use of our report

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



Gillian Benjamin ACA

For and on behalf of Haines Watts North East Audit LLP

11th October 2021

Statutory Auditors

17 Queens Lane
Newcastle upon Tyne
NE1 1RN

Stockton Arts Centre

Consolidated Statement of Financial Activities (Including Income and Expenditure Account)
For the year ended 31 March 2021

	Notes	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2021 £	Total 2020 £
Income from:						
Donations	4	751,486	-	-	751,486	494,743
Charitable activities	5	459,086	-	768,396	1,227,482	1,434,790
Other trading activities	6	8,807	-	-	8,807	324,084
Investments	7	210	-	-	210	213
Total income		<u>1,219,589</u>	<u>-</u>	<u>768,396</u>	<u>1,987,985</u>	<u>2,253,830</u>
Expenditure on:						
Raising funds	8	103,284	-	-	103,284	290,593
Charitable activities	9	811,428	49,151	532,262	1,392,841	2,105,519
Total expenditure		<u>914,712</u>	<u>49,151</u>	<u>532,262</u>	<u>1,496,125</u>	<u>2,396,112</u>
Net income/expenditure		<u>304,877</u>	<u>(49,151)</u>	<u>236,134</u>	<u>491,860</u>	<u>(142,282)</u>
Transfers	18	(200,000)	208,764	(8,764)	-	-
Net movement in funds		<u>104,877</u>	<u>159,613</u>	<u>227,370</u>	<u>491,860</u>	<u>(142,282)</u>
Reconciliation of funds						
Fund balances brought forward		142,330	237,305	667,965	1,047,600	1,189,882
Fund balances carried forward		<u>247,207</u>	<u>396,918</u>	<u>895,335</u>	<u>1,539,460</u>	<u>1,047,600</u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

Stockton Arts Centre

Consolidated Balance Sheet
As at 31 March 2021

	Notes	£	2021 £	£	2020 £
Fixed assets					
Tangible assets	14		588,055		639,508
Current assets					
Stocks		3,921		13,727	
Debtors	16	146,468		172,992	
Cash at bank and in hand		1,090,388		535,613	
			<u>1,240,777</u>	<u>722,332</u>	
Creditors: amounts falling due within one year	17	(289,372)		(314,240)	
Net current assets			951,405		408,092
			<u>1,539,460</u>		<u>1,047,600</u>
The funds of the charity:					
Restricted funds			895,335		667,965
Unrestricted funds:					
General fund			247,207		142,330
Designated funds			396,918		237,305
	18		<u>1,539,460</u>		<u>1,047,600</u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the Board of Trustees on 14 September 2021 and are signed on their behalf by:



L. Snowball
Chair

Company Registration Number: 04591795

The notes on pages 18 to 34 form part of these financial statements


Stockton Arts Centre

**Charity Balance Sheet
As at 31 March 2021**

	Notes	£	2021 £	£	2020 £
Fixed assets					
Tangible assets	14		588,055		639,508
Investments	15		1		1
			<u>588,056</u>		<u>639,509</u>
Current assets					
Debtors	16	224,365		246,701	
Cash at bank and in hand		1,044,063		465,993	
		<u>1,268,428</u>		<u>712,694</u>	
Creditors: amounts falling due within one year	17	<u>(287,874)</u>		<u>(306,648)</u>	
Net current assets			980,554		406,046
			<u>1,569,610</u>		<u>1,045,555</u>
The funds of the charity:					
Restricted funds	18		895,335		667,965
Unrestricted funds:					
General fund			277,357		140,285
Designated funds			396,918		237,305
			<u>1,569,610</u>		<u>1,045,555</u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the Board of Trustees on 16/9/21 2021 and are signed on their behalf by:


L Snowball
Chair

Company Registration Number: 04591795

The notes on pages 18 to 34 form part of these financial statements

Stockton Arts Centre

Consolidated Statement of Cash Flows
For the year ended 31 March 2021

	Notes	2021 £	2020 £
Cash flows from operating activities			
<i>Net cash (used in)/provided by operating activities</i>	24	578,099	(33,783)
Cash flows from investing activities			
Interest received		210	200
Purchase of tangible fixed assets		(23,534)	(54,590)
<i>Net cash provided by investing activities</i>		<u>(23,324)</u>	<u>(54,390)</u>
Change in cash and cash equivalents		554,775	(88,173)
Cash and cash equivalents at the beginning of the year		535,613	623,786
Cash and cash equivalents at the end of the year		<u>1,090,388</u>	<u>535,613</u>
Breakdown of cash and cash equivalents			
Cash at bank and in hand		<u>1,090,388</u>	<u>535,613</u>

**Notes to the financial statements
for the year ended 31 March 2021**

1. Accounting Policies

Charity information

Stockton Arts Centre is a private company limited by guarantee incorporated in England and Wales. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the charitable company.

1.1. Accounting convention

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, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

Stockton Arts Centre meets the definition of a public benefit under FRS 102. The financial statements are prepared under the historical cost convention or transaction value unless otherwise stated in the relevant accounting policy note(s). The financial statements are prepared in Sterling which is the functional currency of the charity and rounded to the nearest £.

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

1.2. Going concern

The financial statements have been prepared on a going concern basis. The Trustees have reviewed and considered relevant information, including the annual budget and future cash flows in making their assessment. In particular, in response to the COVID-19 pandemic, the Trustees have tested their cash flow analysis to take into account the impact on their business of possible scenarios brought on by the impact of COVID-19, alongside the measures that they can take to mitigate the impact. Based on these assessments, given the measures that could be undertaken to mitigate the current adverse conditions, and the current resources available, the Trustees have concluded that they can continue to adopt the going concern basis in preparing the annual report and accounts.

1.3 Basis of consolidation

The group financial statements consolidate the financial statements of the charitable company and its subsidiary undertaking. Stockton Arts Centre (Trading) Limited, drawn up to 31 March each year on a line-by-line basis. No income and expenditure account is presented for Stockton Arts Centre as permitted by section 408 of the Companies Act 2006.

Notes to the financial statements (Continued)
for the year ended 31 March 2021

1.4 Fund structure

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purpose and uses of the designated funds are set out in the notes to the accounts.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

1.5 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid of deeds covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Income from grants, including government grants is recognised when the performance conditions of the grant are met and when the charity becomes entitled to the income.

When donors specify that donations and grants given to the charity must be used in future accounting periods, the income is deferred until those periods.

When donors specify that donations and grants are for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, this income is included in restricted funds income when receivable.

Other trading activities income is recognised when receivable by the charity.

Investment income is recognised when receivable by the charity.

1.6 Resources expended

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is possible that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered.

Expenditure which is directly attributable to specific activities has been included in these cost categories.

Expenditure on raising funds represents those costs associated with generating the trading income.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries

Notes to the financial statements *(Continued)*
for the year ended 31 March 2021

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost of valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following basis:

Land and buildings	Nil
Equipment	2 – 10 years straight line
Computer Equipment	3 – 5 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/ (expenditure) for the year.

The trustees consider that the freehold building is maintained in such a state of repair that its residual value is at least equal to its net book value. As a result the corresponding depreciation would not be material and is therefore not charged in the Statement of Financial Activities.

1.8 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/ (expenditure) for the year. Transaction costs are expensed as incurred.

A subsidiary is an entity controlled by the charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.9 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.10 Stock

Stock is stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is comprised of direct materials.

1.11 Debtors

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

1.12 Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.13 Creditors and provisions

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

Notes to the financial statements (Continued)
for the year ended 31 March 2021

1.14 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors are initially recognised at transaction. Financial liabilities classified as payable within one year are not amortised.

1.15 Pensions

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.16 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease.

1.17 Corporation tax

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. The group companies relieve their tax liability by making Gift Aid payments to the parent charity within nine months of the year end.

2. Results of parent company

As permitted by section 408 of the Companies Act 2006, the results of the parent company are not presented as part of these financial statements. As required by the Charity SORP, the results of the parent company are as follows:

	2021	2020
	£	£
Total incoming resources	1,917,859	1,974,874
Net movement in funds	523,055	(137,206)
	<u> </u>	<u> </u>

Notes to the financial statements (Continued)
for the year ended 31 March 2021

3. Comparatives for the Statement of Financial Activities

	Notes	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2020 £
Income from:					
Donations	4	494,743	-	-	494,743
Charitable activities	5	600,782	-	834,008	1,434,790
Other trading activities	6	324,084	-	-	324,084
Investments	7	213	-	-	213
Total income		<u>1,419,822</u>	<u>-</u>	<u>834,008</u>	<u>2,253,830</u>
Expenditure on:					
Raising funds	8	290,593	-	-	290,593
Charitable activities	9	1,269,034	52,383	784,102	2,105,519
Total expenditure		<u>1,559,627</u>	<u>52,383</u>	<u>784,102</u>	<u>2,396,112</u>
Net income/expenditure		(139,805)	(52,383)	49,906	(142,282)
Transfers		2,067	(3,926)	1,859	-
Net movement in funds		<u>(137,738)</u>	<u>(56,309)</u>	<u>51,765</u>	<u>(142,282)</u>
Reconciliation of funds					
Fund balances brought forward		280,068	293,614	616,200	1,189,882
Fund balances carried forward		<u>142,330</u>	<u>237,305</u>	<u>667,965</u>	<u>1,047,600</u>

4. Donations

	2021 £	2020 £
Donations and gifts	18,787	23,129
Core grants	452,870	455,062
Government grants (HMRC Job Retention Scheme)	279,829	16,552
	<u>751,486</u>	<u>494,743</u>
Core grants analysis		
Arts Council England	311,723	306,091
Stockton Borough Council	141,147	148,971
	<u>452,870</u>	<u>455,062</u>

Notes to the financial statements (Continued)
for the year ended 31 March 2021

5. Income from charitable activities

	Artistic projects	Strategic projects	2021	2020
	£	£	£	£
Earned income	9,185	2,500	11,685	552,632
Project grants	758,366	-	758,366	118,412
Strategic grants	-	150,000	150,000	314,000
Other artistic projects	307,431	-	307,431	449,746
	<u>1,074,982</u>	<u>152,500</u>	<u>1,227,482</u>	<u>1,434,790</u>

	2021	2020
	£	£
Project grants analysis		
Arts Council England – Emergency Response Fund	79,943	-
Arts Council England – Culture Recovery Fund	239,500	-
Stockton Borough Council – COVID Support Grants	34,750	51,782
Tees Valley Combined Authority	72,557	51,650
River Tees Rediscovered	-	13,980
Esmee Fairbairn Foundation	22,500	-
Weston Garfield Culture Fund	240,000	-
Film Hub North	9,683	-
Stockton Borough Council	48,250	-
Hope & Pilkington	5,000	-
Weston Jerwood Creative Bursary	6,183	-
Other	-	1,000
	<u>758,366</u>	<u>118,412</u>

	2021	2020
	£	£
Strategic grants analysis		
Future Arts Centre Here & Now/NL25 project	150,000	216,000
Ambition for Excellence	-	98,000
	<u>150,000</u>	<u>314,000</u>

6. Other trading activities

	2021	2020
	£	£
Catering income	3,674	296,118
Other trading income	5,133	27,966
	<u>8,807</u>	<u>324,084</u>

Notes to the financial statements (Continued)
for the year ended 31 March 2021

7. Investments

	2021	2020
	£	£
Interest receivable	210	213
	<u>210</u>	<u>213</u>

8. Raising funds

	2021	2020
	£	£
Fundraising costs	1,963	6,561
Catering staff costs	89,342	155,784
Other catering costs	11,979	128,248
	<u>103,284</u>	<u>290,593</u>

9. Expenditure on charitable activities

	Directly attributable costs	Support costs	2021	2020
	£	£	£	£
Artistic projects	1,089,252	52,784	1,142,036	1,846,893
Strategic projects	248,606	2,199	250,805	258,626
	<u>1,337,858</u>	<u>54,983</u>	<u>1,392,841</u>	<u>2,105,519</u>

	2021	2020
	£	£
Artistic programme costs	578,559	1,091,824
Wages and salaries	558,539	587,951
Building costs	80,632	136,429
Marketing	10,830	53,104
Irrecoverable VAT costs	14,254	44,675
Insurance	24,176	24,090
Office costs	6,424	11,214
IT costs	21,152	40,883
Legal and professional	11,260	10,293
Travel and training expenses	4,796	15,612
Other costs	7,232	19,443
Depreciation	74,987	70,001
	<u>1,392,841</u>	<u>2,105,519</u>

Notes to the financial statements (Continued)
for the year ended 31 March 2021

10. Support costs

	2021	2020
	£	£
Wages and salaries	50,483	53,347
Governance costs (note 11)	4,500	4,500
	<u>54,983</u>	<u>57,847</u>

Where costs are incurred specifically for a charitable activity they have been allocated directly to the appropriate charitable activity. Where costs are not attributable to a single activity they have been apportioned between the two charitable activities. These costs have been split on the following basis: 96% to artistic and 4% to strategic projects. This apportionment has been determined according to the knowledge of the business in terms of ongoing support required for each of the activities. One member of staff time allocated to support costs has been supported through HMRC Job Retention Scheme scheme.

11. Governance costs

	2021	2020
	£	£
Auditors' remuneration	4,500	4,500
	<u>4,500</u>	<u>4,500</u>

12. Net income/(expenditure) for the year

	2021	2020
	£	£
This is stated after charging:		
Depreciation	74,987	70,001
Fees payment to the auditors'		
Audit fees for the charitable company's accounts	4,500	4,500
Accounts fees for the subsidiary	1,500	1,500
Taxation compliance for the subsidiary	300	300
	<u>81,287</u>	<u>77,301</u>

13. Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

The total staff costs and employees benefits is as follows:

	2021	2020
	£	£
Wages and salaries	682,417	672,070
Social security costs	41,617	43,189
Pension costs	9,819	10,113
	<u>733,853</u>	<u>725,372</u>

Notes to the financial statements *(Continued)*
for the year ended 31 March 2021

13. Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel *(Continued)*

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Administration, marketing and commercial staff	19	19
Operational staff	36	36
Catering staff	13	13
	68	68
	68	68

The number of employees who received total employee benefits (excluding employer pension costs) of more than £60,000 is as follows:

	2021 No.	2020 No.
£60,001 - £70,000	1	1
	1	1
	1	1

The key management personnel of the charity comprise the trustees, the Chief Executive Officer and Operations Director. The total employee benefits of the key management personnel of the charity were £124,711 (2020 - £123,946).

Staff costs were supported through HMRC Job Retention Scheme grant received in the year.

Trustees' remuneration and expenses

The trustees were not paid, nor waived, any remuneration during the year (2020 - £nil). No trustees were reimbursed travel expenses during the year (2020 - £nil). No charity trustee received payment for professional services supplied by the charity (2020 - £nil).

Notes to the financial statements *(Continued)*
for the year ended 31 March 2021

14. Tangible fixed assets
Group and Company

	Land and Buildings £	Equipment £	Computer Equipment £	Total £
Cost				
At 1 April 2020	350,000	705,745	81,655	1,137,400
Additions	-	11,833	11,701	23,534
At 31 March 2021	350,000	717,578	93,356	1,160,934
Depreciation and impairment				
At 1 April 2020	-	423,857	74,035	497,892
Depreciation charged in the year	-	59,450	15,537	74,987
At 31 March 2021	-	483,307	89,572	572,879
Carrying amount				
At 31 March 2021	350,000	234,271	3,784	588,055
At 31 March 2020	350,000	281,888	7,620	639,508

The freehold and buildings is included in the financial statements at the amount paid to the liquidators of ARC Trust Limited. The professional valuation obtained by the liquidators reflected the market value of the facility, at March 2005, as adjusted for the covenants as detailed in note 21.

15. Fixed asset investment

	2021 £	Group 2020 £	2021 £	Charity 2020 £
Shares in subsidiary undertaking	-	-	1	1

Notes to the financial statements (Continued)
for the year ended 31 March 2021

15. Fixed asset investment (Continued)

Investments held by the charity represent a £1 investment in the subsidiary company which represents 1 £1 ordinary share being 100% of the issued share capital of Stockton Arts Centre (Trading) Limited (company number 09490242). The subsidiary is used for non-primary purpose trading activities. The principal activity of this company is the provision of a food and drink service at ARC. A summary of the trading results are shown below:-

	2021	2020
	£	£
Turnover	3,674	296,118
Costs of sales	(11,979)	(116,637)
Administrative expenses	(92,938)	(182,808)
Other income	72,093	5,372
Profits	<u>(29,150)</u>	<u>2,045</u>
Assets	51,918	90,214
Liabilities	(81,067)	(88,168)
Net assets	<u>(29,149)</u>	<u>2,046</u>

16. Debtors

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Trade debtors	41,009	36,536	39,337	36,536
Prepayments and accrued income	98,499	135,606	98,499	128,739
Other debtors	6,960	850	6,960	850
Amounts owed by group undertakings	-	-	79,569	80,576
	<u>146,468</u>	<u>172,992</u>	<u>224,365</u>	<u>246,701</u>

17. Creditors: amounts falling due within one year

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Trade creditors	98,668	120,288	98,257	119,470
Taxes and social security costs	9,831	12,061	9,831	12,061
Accruals and deferred income	162,392	165,942	161,306	159,168
Other creditors	18,481	15,949	18,480	15,949
	<u>289,372</u>	<u>314,240</u>	<u>287,874</u>	<u>306,648</u>

Notes to the financial statements *(Continued)*
for the year ended 31 March 2021

17. Creditors: amounts falling due within one year *(Continued)*

Deferred income

Deferred income relates to income received for events held post year end.

	£
At 1 April 2020	81,378
Amounts released to income	(81,378)
Additions during the year	94,820
	<hr/>
At 31 March 2021	94,820
	<hr/> <hr/>

18. Statement of funds

For the year ended 31 March 2021

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2021 £
Unrestricted funds					
General fund	142,330	1,219,589	(914,712)	(200,000)	247,207
Designated funds					
COVID Recovery Fund	-	-	-	200,000	200,000
Capital fund (2013)	41,761	-	(25,057)	-	16,704
Capital fund (2017)	157,611	-	(20,505)	-	137,106
Capital fund (2020)	37,933	-	(3,449)	-	34,484
Capital fund (2021)	-	-	(140)	8,764	8,624
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	237,305	-	(49,151)	208,764	396,918
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total unrestricted funds	379,635	1,219,589	(963,863)	8,764	644,125

Notes to the financial statements (Continued)
for the year ended 31 March 2021

18. Statement of funds (Continued)

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2021 £
Restricted funds					
Arts Council England	350,000	-	-	-	350,000
Future Arts Centre Here & Now/NL25 project	83,200	150,000	(168,400)	-	64,800
Artistic projects	119,062	307,431	(240,765)	(8,764)	176,964
Jerwood Charitable Foundation	-	6,143	(2,275)	-	3,868
Arts Council England -					
Strategic Touring – REACH Project	18,193	9,901	(28,094)	-	-
Staying Out project	15,000	31,750	(29,750)	-	17,000
Young People's projects	13,066	23,171	(10,180)	-	26,057
Arts Council England – Ambition for Excellence	68,203	-	(52,112)	-	16,091
Weston Garfield Foundation	-	240,000	-	-	240,000
Other funds	1,241	-	(686)	-	555
Total restricted funds	667,965	768,396	(532,262)	(8,764)	895,335
	1,047,600	1,987,985	(1,496,125)	-	1,539,460

For the year ended 31 March 2020

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2020 £
Unrestricted funds					
General fund	280,068	1,419,822	(1,559,627)	2,067	142,330
Designated funds					
Capital fund (2013)	66,818	-	(25,057)	-	41,761
Capital fund (2017)	178,116	-	(20,505)	-	157,611
Capital fund (2020)	-	-	-	37,933	37,933
Repairs fund	40,000	-	-	(40,000)	-
Audience development	8,680	-	(6,821)	(1,859)	-
	293,614	-	(52,383)	(3,926)	237,305
Total unrestricted funds	573,682	1,419,822	(1,612,010)	(1,859)	379,635

Notes to the financial statements (Continued)
for the year ended 31 March 2021

18. Statement of funds (Continued)

Restricted funds

Arts Council England	350,000	-	-	-	350,000
Arts Council England – Ambition for Excellence	74,872	97,999	(104,668)	-	68,203
Arts Council England – Catalyst Evolve	35,995	-	(35,995)	-	-
Artistic projects	56,242	473,230	(418,469)	1,859	112,862
Jerwood Charitable Foundation	6,200	-	-	-	6,200
Arts Council England - Strategic Touring – REACH Project	51,537	6,500	(39,844)	-	18,193
Staying Out project	5,220	36,247	(26,467)	-	15,000
Young People’s projects	34,207	25,032	(46,173)	-	13,066
Future Arts Centre Here & Now/NL25 project	-	195,000	(111,800)	-	83,200
Other funds	1,927	-	(686)	-	1,241
Total restricted funds	616,200	834,008	(784,102)	1,859	667,965
	1,189,882	2,253,830	(2,396,112)	-	1,047,600

Description of funds

Designated funds

COVID Recovery Fund – reserves have been designated to support against future deficits and costs impacted by the COVID pandemic.

Capital fund – relates to other fixed assets which are shown as designated funds. Depreciation is charged against this fund so that it equals the net book value of these assets.

Repairs fund – this fund was established with support from Stockton Borough Council to provide a designated fund for essential repairs and renewals, to increase ARC’s resilience. There was a capital spend of £37,933 during 2019-20 with the remaining balance being transferred back into unrestricted funds.

Audience development – this fund was established in 2018 to support audience development activities to enable us to increase our reach in line with our mission, aims and objectives.

Restricted funds

Arts Council England – this equals the value of the property, further details of the valuation are in note 14 and 21.

Arts Council England Ambition for Excellence – this grant was awarded to support Future Arts Centres, a national network co-chaired by ARC, to develop their practice internationally.

Arts Council England Catalyst Evolve – this grant supports the development of ARC’s fundraising capacity.

Artistic projects - relates to monies received from artists to be spent delivering specific tours or performances and the balance carried forward represents tours which are not yet complete.

Arts Council England – Strategic Touring - REACH project– building on the success of the initial three year programme delivered 2013-2016, this second phase of REACH, managed by ARC, continues to support contemporary theatre to tour to six venues across the North East.

Notes to the financial statements (Continued)
for the year ended 31 March 2021

18. Statement of funds (Continued)

Staying Out project – funded by Stockton Borough Council Public Health, Staying Out is an ongoing programme of weekly creative arts sessions aimed at people aged 65+ who are socially isolated.

Young People's projects - this includes funding for More Stuff Like This Please, our partnership project with Stockton Borough Council for care-experienced children and young people, and a project in association with Stockton International Riverside Festival.

Future Arts Centres Here & Now - in partnership with the Albany, ARC leads Future Arts Centres, which is currently in receipt of Arts Council England funding for Here and Now, a national project celebrating the National Lottery's 25th anniversary.

Weston Garfield Foundation – this generous grant was awarded to support the recovery of ARC's artistic activities during 2021 from the Foundation's Weston Culture Fund scheme, created to support the sector to restart its work, refresh activities and re-engage audiences following Covid-19 closures.

Weston Jerwood Creative Bursary – ARC is currently funded by Jerwood to host a Weston Jerwood Creative Fellow, one of our Artists of Change, as part of a scheme to support salaried positions in arts and cultural organisations for people from low socio-economic backgrounds.

19. Analysis of net assets between funds

For the year ended 31 March 2021

	Unrestricted Funds £	Designated funds £	Restricted funds £	Total £
Fund balances at 31 March 2021 are represented by:				
Tangible assets	41,137	196,918	350,000	588,055
Net current assets	206,270	200,000	545,335	951,405
	247,407	396,918	895,335	1,539,460
	247,407	396,918	895,335	1,539,460

For the year ended 31 March 2020

	Unrestricted Funds £	Designated funds £	Restricted funds £	Total £
Fund balances at 31 March 2020 are represented by:				
Tangible assets	50,962	237,305	351,241	639,508
Net current assets	91,368	-	316,724	408,092
	142,330	237,305	667,965	1,047,600
	142,330	237,305	667,965	1,047,600

Notes to the financial statements (Continued)
for the year ended 31 March 2021

20. Defined contribution retirement benefit scheme

The group operates a defined contribution pension plan for its employees. The amount recognised as an expense in the period was £9,819 (2020 - £10,113).

The defined contribution liability is allocated to unrestricted funds.

21. Financial commitments, guarantees and contingent liabilities

In the event of Stockton Arts Centre property at Dovecot Street, Stockton on Tees being sold and the net proceeds of sale not being used for the furtherance of the company's charitable purposes, then an amount of £200,000 (which is to be index linked from February 1997) would have to be paid to the Young Men's Christian Association and £81,000 (which is to be index linked from January 2004) to the Stockton Borough Council.

There is also a chattel mortgage on the property and certain equipment between Stockton Arts Centre and The Arts Council of England which states that a novated debt, equivalent to the purchase price of the land and freehold property would have to be repaid to The Arts Council of England on the occurrence of certain events, such as the organisation ceasing to be a charity.

22. Related party transactions

There have been no related party transactions during the year (2020 – none).

Notes to the financial statements (Continued)
for the year ended 31 March 2021

23. Commitments under operating leases

Group and Charity

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021	2020
	£	£
Within one year	1,800	1,800
Between two and five years	-	1,800
	<u>1,800</u>	<u>3,600</u>
	<u><u>1,800</u></u>	<u><u>3,600</u></u>

24. Cash generated from operations

	2021	2020
	£	£
Surplus for the year	491,860	(142,282)
Adjustments for:		
Investment income recognised in statement of financial activities	(210)	(200)
Depreciation and impairment of tangible fixed assets	74,987	70,001
Movements in working capital:		
(Increase)/ decrease in stocks	9,806	2,183
Decrease/ (increase) in debtors	26,524	44,153
Increase/ (decrease) in creditors	(24,868)	(7,638)
Cash generated from operations	<u>579,099</u>	<u>(33,783)</u>
	<u><u>579,099</u></u>	<u><u>(33,783)</u></u>

25. Analysis of changes in net funds

The charity has no debt during the year.