

EARTHBEAT LIMITED
STATEMENT OF ACCOUNTS
YEAR ENDED 31ST MARCH 2022

COMPANY NUMBER: 5046503

CHARITY NUMBER: 1102705

EARTHBEAT LIMITED

MANAGEMENT COMMITTEE REPORT FOR THE YEAR ENDED 31ST MARCH 2022

The management committee present their annual report and the unaudited accounts for the year ended 31ST March 2022

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charities governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) effective 1st January 2019.

Reference and administrative information

Charity name	Earthbeat Limited	
Charity registration number	1102705	
Company registration number	5046503	
Registered Office and Operational Address	The Earthbeat Centre Marske Road Saltburn-by-the-Sea Cleveland TS12 1QA	
Management Committee	Trevor Longden Geoffrey Peacock Sheila Wilson	Chair Treasurer
Company secretary and manager	Mr Anthony Galuidi	
Independent Examiner	Mr J Gresham FCCA Azets New Garth House Upper Garth Gardens Guisborough TS14 6HA	
Bankers	The Co Operative Bank	

EARTHBEAT LIMITED

MANAGEMENT COMMITTEE REPORT FOR THE YEAR ENDED 31ST MARCH 2022

Structure, governance and management

Governing Document

The charity is a company, limited by guarantee, incorporated on 17th February 2004 and registered as a charity on 18th March 2004. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of its being wound up, members are required to contribute an amount not exceeding £10.

Recruitment, appointment and training of Trustees

The trustees are recruited from a pool of individuals who support the organisation. Potential trustees are briefed by the manager and given copies of relevant policies and procedures.

Risk management

The trustees constantly review the risks to which the charity is exposed and to this end they put in place systems and strategies to minimise those risks.

Organisational Structure

The trustees are responsible for the strategic objectives of the charity. The day to day running of the organisation is delegated to the manager.

Related Parties

There are no related parties other than Trustees and their immediate family.

Objectives and Activities

The objects of the charity as set out in its Memorandum of Association are:

To advance the education of people with learning disabilities in East Cleveland through the medium of drama.

To this end the charity runs a theatre company called 'Earthbeat' which it runs to provide a public benefit.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities.

EARTHBEAT LIMITED

MANAGEMENT COMMITTEE REPORT FOR THE YEAR ENDED 31ST MARCH 2022

Achievements and performance

Chairman's report

CURRENT STATUS

Earthbeat is an independent theatre company. All staff are employed by Earthbeat Ltd and all funds and assets are controlled by the trustees and governing body of Earthbeat. Earthbeat is a charitable company and a company limited by guarantee. Earthbeat operates for five days each week, for 48 weeks each year.

We have been in situ, in the Earthbeat centre, for over seven years now. The building continues to provide an excellent base for Earthbeat Theatre Company, our tenants and our regular hirers.

SHOWS (and other events)

We have produced no shows, events or workshops in the last 12 months due to covid restrictions. However with restrictions now at an end we will start to rehearse our shows again. This is likely from 4th April.

INCOME SOURCES

Our main source of income is still provided by drama fees from our performers (funded by the council as part of their social care package). For most of the last year we have received full payments because we have been open but working in a different manner.

Our income from hirers/evening classes is reduced because not all classes have returned. Unlike the previous year we have received full income from our tenants who have either remained open or have received government funding.

FUNDRAISING

We received a grant of £10000 from the Social Enterprise Support Fund and two grants totalling £9000 from the council. Both grants were to support additional staffing needs and costs associated with Covid.

TENANTS

All of our tenants are still in situ and have survived the pandemic. They are all showing good signs of recovery.

PANDEMIC

The pandemic is coming to an end but, due to the vulnerable nature of our performers we will retain much of the Covid guidance, i.e hygiene, ventilation, reduced contact, masks when in confined spaces (taxis) or when in close contact.

EARTHBEAT LIMITED

MANAGEMENT COMMITTEE REPORT FOR THE YEAR ENDED 31ST MARCH 2022

Financial review

The Statement of Financial Activities shows the result of the charity for the year. Unrestricted reserves of £372,755 remain at 31st March 2022

Reserves Policy

The Trustees have established that the organisation should aim to build up free reserves of approximately 6 months' running costs, which would be around £205000. As at 31st March 2021 £239,734 of reserves relate to fixed assets leaving free reserves at 31st March 2022 of £133,021.

Statement of trustees' (directors') responsibilities

The trustees (who are also directors of Earthbeat Limited 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, which give a true and fair view of the state of affairs of the charitable company and 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 trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS102)
- make judgements 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 financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Committee

T Longden
Trustee

EARTHBEAT LIMITED

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF EARTHBEAT LIMITED

I report on the accounts of the company for the year ended 31st March 2022 which are set out on pages 6 to 12.

Responsibilities and basis of report

As the charity trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your company's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Mr J Gresham FCCA
Azets
New Garth House
Upper Garth Gardens
GUISBOROUGH
TS14 6HA

EARTHBEAT LIMITED

STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)

YEAR ENDED 31ST MARCH 2022

	Note	Unrestricted Funds £	Restricted Funds £	2022 Total Funds £	2021 Total Funds £
INCOME					
<i>Income from donations and legacies</i>					
Donations/Grants Receivable	2	2,250	19,194	21,444	58,072
<i>Income from charitable activities</i>					
Drama fees		320,980	-	320,980	239,874
Ticket sales		-	-	-	144
Room Hire		47,192	-	47,192	22,130
<i>Investment income</i>		5	-	5	-
Total income		<u>370,427</u>	<u>19,194</u>	<u>389,621</u>	<u>320,220</u>
EXPENDITURE					
<i>Expenditure on charitable activities</i>					
Costs of main activity	3	390,016	7,784	397,800	321,604
Other costs	3	13,262	410	13,672	10,544
Total expenditure		<u>403,278</u>	<u>8,194</u>	<u>411,472</u>	<u>332,148</u>
Net Expenditure		(32,851)	11,000	(21,851)	(11,928)
Transfer between funds		-	-	-	-
Net movement in funds for the year		<u>(32,851)</u>	<u>11,000</u>	<u>(21,851)</u>	<u>(11,928)</u>
Fund balances brought forward		405,606	-	405,606	417,534
FUND BALANCES CARRIED FORWARD		<u><u>372,755</u></u>	<u><u>11,000</u></u>	<u><u>383,755</u></u>	<u><u>405,606</u></u>

EARTHBEAT LIMITED
BALANCE SHEET
AS AT 31ST MARCH 2022

		2022	2021
	Note	£	£
FIXED ASSETS	4	239,734	247,355
CURRENT ASSETS			
Debtors	5	18,411	8,402
Cash at Bank and in Hand		135,559	159,012
		<u>153,970</u>	<u>167,414</u>
CURRENT LIABILITIES			
Creditors & Accruals	6	<u>(9,949)</u>	<u>(9,163)</u>
		144,021	158,251
NET ASSETS		<u>383,755</u>	<u>405,606</u>
FUNDS	9		
Unrestricted Funds		372,755	405,606
Restricted Funds		11,000	-
		<u>383,755</u>	<u>405,606</u>

For the year ending 31st March 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Trustees responsibilities:

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

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

Approved by the Committee:

G Peacock :Trustee

Date

EARTHBEAT LIMITED

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

Charity information

Earthbeat Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is The Earthbeat Centre, Marske Road, Saltburn by the Sea , TS12 1QA.

Accounting convention

These accounts have been prepared in accordance with the Companies Act 2006 and Accounting and Reporting by Charities” applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) effective 1st January 2019. The charity is a public benefit entity as defined by FRS 102.

The accounts are prepared in sterling which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

Charitable Funds

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

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of restricted funds are set out in the notes to the accounts.

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 the 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 the 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 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.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of VAT and other sales related taxes.

EARTHBEAT LIMITED

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES (Continued)

Tangible Fixed Assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or 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 bases:

Leasehold Property Improvements	2% per annum
Equipment	10% per annum

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 the net income for the year.

Recoverable amount is the higher of fair value, less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than the carrying amount, the carrying amount of the asset is reduced to the recoverable amount immediately in income/expenditure for the year, unless the relevant asset is carried in at a revalued amount, in which case the impairment loss is treated as revaluation decrease.

Recognised impairment losses are reversed if and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined if no carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as revaluation increase.

Basic Financial Assets

Basic financial assets which include debtors, cash and bank balances, are initially measured at transaction price including transaction costs and subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of future receipts discounted at a market rate of interest. Financial assets classified as receivable within 1 year are not amortised.

Basic Financial Liabilities

Basic Financial Liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within 1 year are not amortised. Debt instruments are subsequently measured at amortised cost, using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

EARTHBEAT LIMITED

NOTES TO THE ACCOUNTS

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying value 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 those estimates.

The estimates and associated 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 effects only that period, or in the period of revision and future periods where the provision effects both current and future periods.

2. DONATIONS/GRANTS RECEIVABLE	Unrestricted Funds	Restricted Funds	Total 2022	Total 2021
	£	£	£	£
Social Enterprise Fund	-	10,000	10,000	30,400
Redcar and Cleveland BC	-	9,194	9,194	27,546
Other Grants and Donations	2,250	-	2,250	126
	<u>2,250</u>	<u>19,194</u>	<u>21,444</u>	<u>58,072</u>

Of total income of £389,621 in 2022 (2021: £320,220), £19,194 (2021: £NIL) was credited to restricted funds and £370,427 (2021: £320,220) was credited to unrestricted funds.

3. TOTAL EXPENDITURE	Charitable Activities	Other Costs	2022 Total	2021 Total
	£	£	£	£
Costs directly allocated to activities				
Professional fees	63,658	-	63,658	56,090
Equipment and repairs	9,904	-	9,904	9,443
Costumes & props	951	-	951	686
Printing & publicity	4	-	4	75
Admin & telephone	2,236	-	2,236	1,619
Insurance	2,425	-	2,425	3,619
Food & refreshments	189	-	189	10
Transport	47,944	-	47,944	33,185
Performers' expenses	-	-	-	70
Heat, Light and Water	12,776	-	12,776	10,676
Sundry Expenses	239	-	239	492
Lease of Premises	4,100	-	4,100	4,100
Legal	180	-	180	180
Cleaning of premises	-	-	-	3,663
Depreciation	7,621	-	7,621	7,874
Bank Charges	-	-	-	-
Donations	50	-	50	1,000
Accountancy	-	750	750	606
Support costs allocated to activities on the basis of usage				
Wages and Salaries	215,478	11,341	226,819	177,017
Pensions	30,045	1,581	31,626	21,743
	<u>397,800</u>	<u>13,672</u>	<u>411,472</u>	<u>332,148</u>

Of £411,472 expenditure in 2022 (2021: £332,148) £8,194 was charged to restricted funds (2021: £NIL) and £403,278 was charged to unrestricted funds (2021: £332,148)

EARTHBEAT LIMITED
NOTES TO THE ACCOUNTS

4. FIXED ASSETS

	Leasehold Improvements £	Equipment £	Total £
Tangible Assets COST			
At 1 st April 2021 and At 31 st March 2022	255,010	44,379	299,389
	<u> </u>	<u> </u>	<u> </u>
DEPRECIATION			
At 1 st April 2021	30,387	21,647	52,034
Charge for the year	5,348	2,273	7,621
	<u> </u>	<u> </u>	<u> </u>
At 31 st March 2022	35,735	23,920	59,655
	<u> </u>	<u> </u>	<u> </u>
NET BOOK VALUE			
At 31 st March 2022	219,275	20,459	239,734
	<u> </u>	<u> </u>	<u> </u>
At 31 st March 2021	224,623	22,732	247,355
	<u> </u>	<u> </u>	<u> </u>

5. DEBTORS

	2022 £	2021 £
Other debtors and prepayments	18,411	8,402
	<u> </u>	<u> </u>

6. CREDITORS AND ACCRUALS

	2022 £	2021 £
Social Security and Other Taxes	4,054	3,703
Other Creditors	5,175	4,884
Accruals	720	576
	<u> </u>	<u> </u>
	9,949	9,163
	<u> </u>	<u> </u>

7. EMPLOYEE EMOLUMENTS

There were no employees whose remuneration defined for taxation purposes amounted to greater than £60,000.

	2022 £	2021 £
Wages and Salaries	211,478	166,161
Social Security costs	15,341	10,856
Pension	31,626	21,743
	<u> </u>	<u> </u>
	258,445	198,760
	<u> </u>	<u> </u>

The average number of employees during the year was 8 (2021: 7)

8. TRUSTEE EXPENSES

No expenses were paid to Trustees in the year.

EARTHBEAT LIMITED
NOTES TO THE ACCOUNTS

9. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Total £
Fixed Assets	239,734	-	239,734
Net Current Assets	133,021	11,000	144,021
	<u>372,755</u>	<u>11,000</u>	<u>383,755</u>

10. MOVEMENT IN FUNDS

2022

	At 1st April 2021 £	Income £	Expenditure £	Net Transfers £	At 31st March 2022 £
Restricted Funds					
Social Enterprise Fund	-	10,000	(4,269)	-	5,731
Redcar and Cleveland BC	-	9,194	(3,925)	-	5,269
Total	-	19,194	(8,194)	-	11,000
Unrestricted Funds					
General Funds	405,606	370,427	(403,278)	-	372,755
	<u>405,606</u>	<u>389,621</u>	<u>(411,472)</u>	<u>-</u>	<u>383,755</u>

Purpose of Restricted Funds

Social Enterprise Fund – To cover employment and Covid costs.

Redcar and Cleveland Borough Council – To cover employment and Covid costs.

2021

	At 1st April 2020 £	Income £	Expenditure £	Net Transfers £	At 31st March 2021 £
Restricted Funds					
Restricted Funds	-	-	-	-	-
Total	-	-	-	-	-
Unrestricted Funds					
General Funds	417,534	320,220	(332,148)	-	405,606
	<u>417,534</u>	<u>320,220</u>	<u>(332,148)</u>	<u>-</u>	<u>405,606</u>