

EARTHBEAT LIMITED
STATEMENT OF ACCOUNTS
YEAR ENDED 31ST MARCH 2023

COMPANY NUMBER: 5046503

CHARITY NUMBER: 1102705

EARTHBEAT LIMITED

MANAGEMENT COMMITTEE REPORT FOR THE YEAR ENDED 31ST MARCH 2023

The management committee present their annual report and the unaudited accounts for the year ended 31ST March 2023.

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	Azets Audit Services Wynyard Park Avenue Wynyard Park Wynyard TS22 5TB	
Bankers	The Co Operative Bank	

EARTHBEAT LIMITED

MANAGEMENT COMMITTEE REPORT FOR THE YEAR ENDED 31ST MARCH 2023

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 2023

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 eight years now. The building continues to provide an excellent base for Earthbeat Theatre Company, our tenants and our regular hirers.

We have put into play a plan to replace our existing, aged boilers and this will hopefully take place in July/August. We have also arranged for the carpets in our main corridor to be replaced.

SHOWS (and other events)

We have produced three shows in the last twelve months – Mamma Mia 2, Pirates and The Lion king. Audience numbers were down but not significantly. We have put this down to the after effects of covid with some people still feeling uncomfortable about using crowded venues.

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). Our income from attenders has returned to normal levels and attendance is strong. We have very few vacancies. We have asked that our fees be raised from June 2023. This increase will help with our additional costs due to the cost of living crisis.

Our income from hirers and tenants has returned to normal levels and we have a full and thriving timetable of community activities.

FUNDRAISING

We received a grant of £2757 from the Co-op which we used to fit out our new sensory room for those with challenging behaviours or complex needs.

TENANTS

We have asked one of our tenants to vacate his room after he consistently failed to pay his rent. It is this room that we used to create a sensory room, which has proved very popular. All other tenants remain in situ and appear to be thriving.

PANDEMIC

The pandemic is now over but we have kept a number of measures in place ie we continue to use regular hand sanitisation regimes and work with increased ventilation. We have had a small number of covid cases over the last twelve months but of a less severe nature.

EARTHBEAT LIMITED

MANAGEMENT COMMITTEE REPORT FOR THE YEAR ENDED 31ST MARCH 2023

Financial review

The Statement of Financial Activities shows the result of the charity for the year. Unrestricted reserves of £407,041 remain at 31st March 2023

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 2023 £232,206 of reserves relate to fixed assets leaving free reserves at 31st March 2023 of £174,835.

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 2023 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

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales.

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.

Graham Fitzgerald BA FCA DChA

Azets Audit Services
Wynyard Park House
Wynyard Avenue
Wynyard
TS22 5TB

EARTHBEAT LIMITED

STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)

YEAR ENDED 31ST MARCH 2023

	Note	Unrestricted Funds £	Restricted Funds £	2023 Total Funds £	2022 Total Funds £
INCOME					
<i>Income from donations and legacies</i>					
Donations/Grants Receivable	2	806	2,757	3,563	21,444
<i>Income from charitable activities</i>					
Drama fees		366,930	-	366,930	320,980
Ticket sales		4,759	-	4,759	-
Room Hire		55,060	-	55,060	47,192
<i>Investment income</i>		5	-	5	5
Total income		<u>427,560</u>	<u>2,757</u>	<u>430,317</u>	<u>389,621</u>
EXPENDITURE					
<i>Expenditure on charitable activities</i>					
Costs of main activity	3	379,880	13,757	393,637	397,800
Other costs	3	13,394	-	13,394	13,672
Total expenditure		<u>393,274</u>	<u>13,757</u>	<u>407,031</u>	<u>411,472</u>
Net Income / Expenditure		34,286	(11,000)	23,286	(21,851)
Transfer between funds		-	-	-	-
Net movement in funds for the year		<u>34,286</u>	<u>(11,000)</u>	<u>23,286</u>	<u>(21,851)</u>
Fund balances brought forward		<u>372,755</u>	<u>11,000</u>	<u>383,755</u>	<u>405,606</u>
FUND BALANCES CARRIED FORWARD		<u><u>407,041</u></u>	<u><u>-</u></u>	<u><u>407,041</u></u>	<u><u>383,755</u></u>

EARTHBEAT LIMITED

BALANCE SHEET

AS AT 31ST MARCH 2023

		2023	2022
	Note	£	£
FIXED ASSETS	4	232,206	239,734
CURRENT ASSETS			
Debtors	5	21,469	18,411
Cash at Bank and in Hand		161,041	135,559
		<u>182,510</u>	<u>153,970</u>
CURRENT LIABILITIES			
Creditors & Accruals	6	<u>(7,675)</u>	<u>(9,949)</u>
		174,835	144,021
NET ASSETS		<u>407,041</u>	<u>383,755</u>
FUNDS	10		
Unrestricted Funds		407,041	372,755
Restricted Funds		<u>-</u>	<u>11,000</u>
		<u>407,041</u>	<u>383,755</u>

For the year ending 31st March 2023 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.

Going Concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

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 and Resources Expended

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.

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 benefit will be required by 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. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the assets use.

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	2023	Total 2022	Total
	£		£	£	£
Social Enterprise Fund	-	-	-	-	10,000
Redcar and Cleveland	-	-	-	-	9,194
Co-Op	-	2,757	2,757	2,757	-
Other Grants and Donations	806	-	806	806	2,250
	<u>806</u>	<u>2,757</u>	<u>3,563</u>	<u>21,444</u>	

Of total income of £430,317 in 2023 (2022: £389,621), £2,757 (2022: £19,194) was credited to restricted funds and £427,560 (2022:£370,427) was credited to unrestricted funds.

3. TOTAL EXPENDITURE	Charitable Activities	Other Costs	2023 Total	2022 Total
	£	£	£	£
Costs directly allocated to activities				
Professional fees	53,986	-	53,986	63,658
Equipment and repairs	9,966	-	9,966	9,904
Costumes & props	503	-	503	951
Printing & publicity	62	-	62	4
Admin & telephone	943	-	943	2,236
Insurance	2,323	-	2,323	2,425
Food & refreshments	2,209	-	2,209	189
Transport	53,578	-	53,578	47,944
Performers' expenses	2,580	-	2,580	-
Heat, Light and Water	11,691	-	11,691	12,776
Sundry Expenses	1,029	-	1,029	239
Lease of Premises	4,206	-	4,206	4,100
Legal	180	-	180	180
Cleaning of premises	788	-	788	-
Depreciation	7,528	-	7,528	7,621
Bank Charges	-	-	-	-
Donations	480	-	480	50
Accountancy	-	696	696	750
Training	325	-	325	-
Support costs allocated to activities on the basis of usage				
Wages and Salaries	215,554	11,345	226,899	226,819
Pensions	25,706	1,353	27,059	31,626
	<u>393,637</u>	<u>13,394</u>	<u>407,031</u>	<u>411,472</u>

Of £407,031 expenditure in 2023 (2022: £411,472) £13,757 was charged to restricted funds (2022: £8,194) and £393,274 was charged to unrestricted funds (2022: £403,278).

EARTHBEAT LIMITED

NOTES TO THE ACCOUNTS

4. FIXED ASSETS

	Leasehold Improvements £	Equipment £	Total £
Tangible Assets			
COST			
At 1 st April 2022			
and			
At 31 st March 2023	255,010	44,379	299,389
	<u> </u>	<u> </u>	<u> </u>
DEPRECIATION			
At 1 st April 2022	35,735	23,920	59,655
Charge for the year	5,482	2,046	7,528
	<u> </u>	<u> </u>	<u> </u>
At 31 st March 2023	41,217	25,966	67,183
	<u> </u>	<u> </u>	<u> </u>
NET BOOK VALUE			
At 31 st March 2023	213,793	18,413	232,206
	<u> </u>	<u> </u>	<u> </u>
At 31 st March 2022	219,275	20,459	239,734
	<u> </u>	<u> </u>	<u> </u>

5. DEBTORS

	2023 £	£
Other debtors and prepayments	21,469	18,411
	<u> </u>	<u> </u>

6. CREDITORS AND ACCRUALS

	2023 £	£
Social Security and Other Taxes	4,548	4,054
Other Creditors	2,383	5,175
Accruals	744	720
	<u> </u>	<u> </u>
	7,675	9,949
	<u> </u>	<u> </u>

7. EMPLOYEE EMOLUMENTS

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

	2023 £	2022 £
Wages and Salaries	211,831	211,478
Social Security costs	15,068	15,341
Pension	27,059	31,626
	<u> </u>	<u> </u>
	253,958	258,445
	<u> </u>	<u> </u>

The average number of employees during the year was 8 - (2022: 8)

8. TRUSTEE EXPENSES

No remuneration, benefit or expenses were paid to Trustees in the year.

9. TAXATION

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 objectives

EARTHBEAT LIMITED

NOTES TO THE ACCOUNTS

10. ANALYSIS OF NET ASSETS BETWEEN FUNDS

2023	Unrestricted Funds £	Restricted Funds £	Total £
Fixed Assets	232,206	-	232,206
Net Current Assets	174,835	-	174,835
	<u>407,041</u>	<u>-</u>	<u>407,041</u>
2022	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>

11. MOVEMENT IN FUNDS

2023	At 1 st April 2022 £	Income £	Expenditure £	Net Transfers £	At 31 st March 2023 £
Restricted Funds					
Social Enterprise Fund	5,731	-	(5,731)	-	-
Redcar and Cleveland BC	5,269	-	(5,269)	-	-
Co Op	-	2,757	(2,757)	-	-
Total	<u>11,000</u>	<u>2,757</u>	<u>(13,757)</u>	<u>-</u>	<u>-</u>
Unrestricted Funds					
General Funds	372,755	427,560	(393,274)	-	407,041
	<u>383,755</u>	<u>430,317</u>	<u>(407,031)</u>	<u>-</u>	<u>407,041</u>
2022	At 1 st April 2021 £	Income £	Expenditure £	Net Transfers £	At 31 st March 2022 £
Restricted Funds					
Social Enterprise Fund	-	10,000	(4,269)	-	5,731
Redcar and Cleveland BC	-	9,194	(3,925)	-	5,269
Total	<u>-</u>	<u>19,194</u>	<u>(8,194)</u>	<u>-</u>	<u>11,000</u>
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.

Co Op – To cover costs for work on new sensory room.