

DERBY QUAD LIMITED
(A Company Limited by Guarantee)

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

DERBY QUAD LIMITED
(A Company Limited by Guarantee)

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DERBY QUAD LIMITED
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2022**

Trustees	M Gregory, Trustee (appointed 4 January 2022) R Jones, Trustee (appointed 4 January 2022) C Sexton, Trustee H N St Cyr, Trustee P Gomes, Trustee (appointed 17 March 2022) R Goldsmith, Trustee L Earle, Trustee A Buss, Trustee (resigned 31 October 2022) A Venkatesh, Trustee G Singleton, Trustee K McLay, Trustee K Donald, Trustee (resigned 20 March 2022) B Walsh, Trustee (resigned 31 March 2022) J West, Trustee (resigned 7 September 2022) M Williams, Trustee (resigned 7 December 2022) T Pooser, Trustee (appointed 7 September 2021) B Udeh, Trustee (resigned 10 May 2022) S Loates, Trustee (resigned 22 July 2022) J Luke, Trustee (appointed 1 November 2022)
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Company registered number	05465412
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Charity registered number	1115546
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Registered office	Quad Market Place Cathedral Quarter Derby DE1 3AS
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Chief executive officer	V Malhotra
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Independent auditors	PKF Smith Cooper Audit Limited Statutory Auditors Prospect House 1 Prospect Place Millennium Way Derby DE24 8HG
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Bankers	Barclays Bank UK PLC Leicester LE87 2BB
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DERBY QUAD LIMITED
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2022

The Trustees present their annual report together with the audited financial statements of the Company 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 Company 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.

Objectives and activities

a. Policies and objectives

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)'. The Trustees believe that the Charity's aims, together with the activities outlined in this report, are demonstrably to the public benefit.

The principal activity of the charity is the promotion of, education in, development of, and appreciation of the arts. This is in accordance with the objects contained in the Memorandum and Articles of Association, the Charity's governing document.

There has been no material change in the objects of the charity which are:

- Photography, television, video and film and other visual and audio visual Media and Arts,
- Drama, MIME, dramatic improvisation, literature, original writing and presentation of poetry and prose, dance, song and music generally, painting, sculpture, crafts and
- For the particular but not exclusive benefit of the inhabitants of the City of Derby and County of Derbyshire.

b. Strategies for achieving objectives

QUAD reviews its strategic approach to its objectives annually and believes in an inclusive approach to developing these solutions which improve all staff, directors, and key stakeholders.

- Ensure a focus on making art, film, and digital media accessible to all
- Pricing policies that enable younger audiences, financially excluded, and minority ethnic audiences, access to our programme
- Ongoing review of all costs to ensure best value for all expenditure
- Continuing use of Board subcommittees
- Maximising insights from external partners
- Enhancing QUAD's environmental credentials through a focus on utility usage with a long-term aim of Carbon Neutrality
- Continuing to develop the relationship with Derby City Council to help develop city wide priorities including wellbeing and the reinvigoration of the city centre
- Closer working with the education sector of the City of Derby to help enhance academic achievement and social inclusion
- Ensure alignment of objectives with those of key stakeholders
- Ensure diversity and inclusivity are at the forefront in making decisions about outputs and targets

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Objectives and activities (continued)

c. Activities undertaken to achieve objectives

Investment in staff: a salary benchmarking exercise was undertaken that resulted in a pay increase award for every member of staff, which is significant as some had not seen any increases for 7 years.

A wellbeing survey was developed, which staff completed, and this was followed by several wellbeing focus groups meeting to review outputs from the survey and come up with a QUAD staff engagement action plan.

A staff wellbeing area was created in the main office to provide staff with a pleasant open space where they could sit comfortably and take time away from their workstations to enhance their wellbeing.

The implementation of a revised staffing structure defined team roles and responsibilities and provided more accountability and clarity.

Following the Covid pandemic, hybrid working was developed and introduced to encourage staff to return to work and to provide an added level of flexibility that enhanced work-life balance.

d. Volunteers

The use of volunteers enhances the charity's ability to deliver high quality services to participants and audiences by expanding its work in a cost-effective manner and by bringing new skills, enthusiasm, and a fresh perspective to the organisation. Volunteers are accepted from:

- Persons with an interest in becoming involved in some aspect of the Charity's work
- Persons who are looking for work as part of community service activity, student internships, personal development, and professional development.

New volunteers must be able to demonstrate a commitment to the aims and objectives of the charity and will be always expected to discharge their duties in accordance with the charity's procedures and policies.

Achievements and performance

a. Review of activities

QUAD like all organisations continued to suffer significant challenges brought on by the Covid-19 pandemic. The venue reopened in May 2021 and experienced further challenges through the Omicron infection during the year. As an organisation that generates a significant proportion of its income from earned sources, QUAD is exponentially affected compared to other charities by a drop off in visitor numbers, that have not yet returned to pre pandemic levels.

The levels of public investment have remained steady, and these are crucial to QUAD's long-term success. QUAD recognises the challenges all public bodies face and will continue to work in partnership to find the best value and high impact solutions possible with stakeholders and partners in meeting these challenges and providing public benefit through programmes and activities.

QUAD continues to deliver an excellent programme of exhibitions, cinema, education, and digital media activities and is grateful to its highly committed and dedicated staff, advocates, partners, and Board members for their work and support.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Achievements and performance (continued)

b. Key performance indicators

QUAD reopened on 17 May 2021. The related figures for programme activities reflect the closure of the QUAD main building from 1 April – 19 May 2021 (when the main Gallery programme restarted), and the gradual return of customers to in person attendance.

- 541,921 people reached through the programme (2021: 10,986 – note – this was during lengthy government enforced lockdown restrictions).
- 10 Artists were commissioned, of which 8 were from the UK and 2 were International, 8 from BIPOC communities, and 3 from LGBT+ communities.
- 26 Artists undertook residencies with QUAD/ FORMAT, of which 18 were from the UK and 8 were International, 14 from BIPOC communities and 5 from LGBT+ communities.
- QUAD screened 318 films and held 31 film events (2021: 78).
- 4,790 people (2021: 1,192) took an active part in learning & participatory arts activities organised by QUAD.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Achievements and performance (continued)

c. Programme highlights

QUAD continued to present a minimum of three exhibitions per year in the main gallery, plus three exhibitions in the extra gallery spaces and several external and touring shows each year. As can be seen from the list of highlights below, it more than fulfilled KPI outcomes in delivering at least two main gallery exhibitions per year that were stated to include artists from black and ethnically diverse, LGBT+ and disabled backgrounds. An effective gender/diverse identity balance was maintained across all exhibitions.

The QUAD Programme Team continued to deliver ground-breaking digital and creative new media exhibitions and commissions, as well as FORMAT Off Year and digital outputs:

- 1582 attendees for live talks/ tours (48 talks or tours, of which 19 were delivered online).
- 400,000 (estimated) for public artwork mosaic wrap on the exterior of QUAD.
- 120,990 attendees at QUAD and off-site exhibitions (of which 111,900 are estimated). Off-site exhibitions include presentations at Derby Eagle Market, i.e. unmonitored spaces.
- FORMAT21 virtual Festival online continued on the New Art City platform (Until April 2023), that saw across the financial year 19,349 online visits.
- Two online international portfolio reviews for FORMAT22 took place on 24 and 25 March 2022; 174 people took part in 415 one-to-one meetings from across the world; 120 photographers; 54 reviewers (34 women, 11 people of colour).
- FORMAT21 Presents (18 May to various dates, including at QUAD 5 September 2021) exhibitions included in QUAD Gallery 1 – 'Brian Griffin (UK): Black Country Dada', a mini retrospective. QUAD Gallery 2: 'Famous Internet Sites' by artist Zou Jingyao, curated by Lou Dawei (both China).
- QUAD Extra Gallery Spaces: 'Here, There and Everywhere', work by Anthony Bila (South Africa), Uzoma Chidumaga Orji (Nigeria), Sipho Gongxeka (South Africa); 3 BIPOC/ 2 LGBT+ artists.
- Further 12 physical exhibitions continued throughout Derby City Centre for FORMAT21 Presents, with varying dates at Derby Museum and Art Gallery (ended 27 June 2021; Deda (ended 18 July 2021); Smallprint (ended 13 June); Derbion shopping mall, and the Eagle Market (both ended 13 June 2021). Attendance at these venues was an estimated 90,800.
- QUAD commissioned the digital artist Danielle Brathwaite-Shirley (UK) in partnership with the Mechatronic Library to create 8 new interactive digital artworks as part of her exhibition 'Haunting Alongside Our Shadows' (25 September 2021 – 9 January 2022). Danielle is a Black Trans artist.
- Future Focus Open Call/ Exhibitions (29 January – 27 February 2022). Showcase for graduates from UK BA Degree programmes unable to exhibit work. Over 150 artists applied; jury of artists/ curators/ writers: Abbas Zahedi; Gabrielle de la Puente and Zarina Muhammad (The White Pube); Lucy Sollitt; Maitreyi Maheshwari; Jamila Prowse and Saziso Phiri (4 BIPOC; 1 disabled jury members). 7 Artists selected for main QUAD Gallery exhibition (4 BIPOC artists); 18 artists selected for QUAD Resource Are Big Screen.
- De'Anne Crooks (UK): Seeking (29 Jan – 27 Feb 2022) Extra Gallery Spaces (BIPOC/ LGBT+ Artist).
- 'The Cultural Evolution: Identity, Performance and Fashion' (opened 19 March 2022), exhibition curated by Azu Nwagbogu (Nigeria) – Director of Lagos Photo Festival. Featuring works by Adji Dieye (Italy/Senegal), Bonolo Kavula (South Africa), Silvia Rosi (Togo/Italy), Stephen Tayo (Nigeria), Lunga Ntila (South Africa).
- Disruption presents: AMP Voices (opened 19 March 2022) – artists Emily Labhart, Jamaal O'Driscoll, Sipho Eric Ndlovu & Anthony Shintai (all UK; 3 from BIPOC communities). Exhibition from a 2-month residency of research with local people in Derby/Midlands, tackling themes of toxic masculinity across genders, accountability, success, and identity.
- QUAD continued to engage with high-profile and emerging artists as QUAD International Digital Fellows: Danielle Brathwaite-Shirley was Fellow 2020/21; Bruce Asbestos and Seema Mattu both International Fellows 2021/22. Bruce Asbestos will produce an exhibition of new work as part of QUAD's Season of Play in the summer of 2022; Seema Mattu will produce an exhibition of new work in the summer of 2023.
- South Korean artist Soa J Hwang was QUAD Digital Participation Artist in Residence in February 2022, working on a week-long series of interactive workshops with QUAD groups (KidsQUAD) and members of the public.
- New partnership established with The Drill – a Nigeria/UK focussed programme directed by Innocent Ekejiuba and Saziso Phiri. 6 live talk events to an audience of approx. 50 people.
- East Meets West: over a sixth-month period in 2021, 22 UK-based emerging photographers have taken part, organised by GRAIN Projects & FORMAT/QUAD.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Achievements and performance (continued)

- QUAD partnered on 18 February 2022 with Performance art group 'Performance N'Tha' to showcase new works in QUAD by 6 neurodivergent artists, led by neurodivergent/Autistic artist (and University of Derby graduate) Pierce Starre.
- QClub Hands and Voice creative sessions for D/deaf and CODA children/young people took place beginning in early 2022 and funded from a Garfield Weston grant uplift. 8 sessions up to March 2022 saw a core group of 41 people aged between 5 and 18 years of age.
- Through late 2021 and early January 2022 QUAD Education and Cinema Team reconnected with schools through the cinema visits, 1471 young people attended film screenings, from deprived area schools, reception yrs 5/6 many had not been to a cinema before.
- QUAD Schools in Residence Programme continuation funding - a Paul Hamlyn partnership application has been finalised, led by QUAD education team in partnership with Pear tree yr, Derby More and Horizons. Focussing on CPD, creative workshop projects, supply staff, awards, transport and coordinators, education and participation and a further focus on civic responsibility and change.

d. Fundraising activities and income generation

QUAD raises funds through donations, sponsorship, room hire and events. This also incorporates:

- Trust and foundations applications
- Business engagement
- Individual giving

This work is undertaken and overseen by the Senior Management Team at QUAD and direct delivery of activities is managed by QUAD staff. Currently, individual giving activity is focused through online donations via our ticketing website (additional donations can be made as one-off payments as well) and in person in the building.

We monitor progress of funding applications and campaigns through regular meetings that review the status and success/failure of current funding applications.

QUAD has an overarching data protection policy which ensures all activity is compliant with current legislation including GDPR regulations. All fundraising activity is compliant with this policy.

Funds previously raised from Garfield Weston Foundation and Children in Need continued to be applied to the identified project works until their completion.

A further tranche of cultural recovery funds was received during the year.

During the year, TECH:SQUAD, QUAD's team of artists and technicians, worked with several organisations including Coventry Transport Museum, Herbert Gallery, Lichfield Cathedral, and The National Trust, on contracts that generated over £100,000 income for the organisation. The type of work included outdoor cinema, exhibition installations, augmented reality, hires, and protection mapping. TECH:SQUAD also received funding to purchase projectors and lighting equipment.

The Café Bar reopened on 17th May 2021 under restrictions to capacity and operating table service only until restrictions were relaxed. This limited the number of covers and impacted income that continued an upward trajectory.

The hire of rooms, cinemas and other spaces in the building provided a source of regular income.

Donations and event income was limited.

e. Investment policy and performance

The Trustee' investment powers are governed by the Memorandum and Articles of Association, which permits the charity's funds to be invested in or on such investments, securities, or property, as may be thought fit.

DERBY QUAD LIMITED
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Financial review

a. Going concern

In preparing the financial statements the Trustees are required to assess the Company's and Group's ability to adopt the going concern basis of accounting. The year has been one of recovery following the various Covid-19 lock downs that impacted the previous periods and the start of the financial year.

The Trustees are satisfied with the way the Group responded to Covid-19 and are thankful to the dedicated staff team for the work done and the public funding provided during this time allowing the Group to be well prepared to return to a more normal environment during the financial year 21/22. Due to the careful management, and the support received from its stakeholders, the Group has maintained its target of an unrestricted reserves balance more than 3 months cost in line with the reserves policy throughout the year. The Charity has also recently received confirmation that it has been successful in securing funding from Arts Council England of £1.4m over the 3-year period to March 2026 which is testament to the hard work of the dedicated team and the quality of the work QUAD delivers across all its activities and programmes.

As at March 2022 and in the period subsequently the attendance and trading activities are not yet back to the levels achieved pre Covid which was the target but there have been steady improvements since the Group could fully re-open.

The economic environment has become challenging with significant levels of inflation putting pressure on the cost of living. The Trustees recognise that the economic environment will impact on the disposable income of the Group's customers and members and is likely to result in a reduction in future attendance and returns from trading activity. The inflationary pressure on the cost base of the organisation also requires careful management, particularly energy costs, when the organisation comes out of the current energy cap agreements over the next 12 months, and they are expected to increase significantly.

The Trustees have prepared trading forecasts for the period to March 2024, being 15 months from the date the financial statements have been approved and detailed cash flow forecasts for the 12 months to December 2023. These forecasts take account of the current economic conditions and factor in inflationary cost increases and assume funding levels consistent with those achieved historically, with sensitivity applied to the trading income in light of the cost-of-living pressures. The forecasts show that the Group has sufficient funds to discharge its liabilities when they fall due throughout the forecast period.

However, as is common in the charitable sector, the reserves and cash headroom are not of a level that could withstand significant downside sensitivity such as:

- Long term inflation pressure leading to a deep economic recession with substantially reduced levels of disposable income for the medium term impacting the trading activities and cost base of the Group more significantly than forecast.
- changes in the funding arrangements from stakeholders because of pressure on public finances.

Downside sensitivities to the base case forecasts, such as the ones set out above, could require additional funding to be provided by the stakeholders of the Group over and above that is currently agreed or assumed, based on historic levels, or further fundamental changes to the business model will be required. Should such a scenario arise, the Trustees anticipate that such funding would be available given the relationship with stakeholders and support provided to date. However, they recognise that this is not guaranteed, and therefore have concluded that there are matters that indicate the existence of material uncertainties which may cast significant doubt about the Company's and or Group's ability to continue as a going concern.

Notwithstanding this material uncertainty, having assessed the likely downside scenarios and the options available to the Group, the Trustees have formed the judgement that it is appropriate to prepare the financial statements on a going concern basis.

DERBY QUAD LIMITED
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

b. Reserves policy

The reserves policy of the charity is to maintain three months net operating costs in unrestricted reserves. Based on the reported results three months operating costs based on staffing, premises and other overhead costs amount to approximately £303,975. The current unrestricted undesignated reserves balance is £353,340 (2021: £411,847).

c. Principal risks and uncertainties

A risk assessment continues to be carried out and monitored during the year by the Board of Trustees who receive a risk matrix at every meeting, and it is anticipated that this process will continue in the future. Key risks are discussed at Board meetings.

The charity will continue to develop systems to monitor and control risks to mitigate any impact they may have on the charity. The Trustees will examine the major risks that the charity faces each financial year when preparing the strategic plan.

d. Principal funding

The directors are satisfied that the charitable company's assets attributable to each of its individual funds are available and adequate to fulfil its obligations in relation to those funds. All funding sourced is managed according to the requirements of the grant application and regulations of the funding body.

Structure, governance and management

a. Constitution

Derby Quad Limited is based at Quad Market Place, Cathedral Quarter, Derby, DE1 3AS. This is also the company's registered office. Derby Quad Limited is a company limited by guarantee (Company Registration No 05465412) and Registered Charity (No 1115546). The Charity was originally incorporated on 27 May 2005 as Derby Visual Arts and Media Centre Limited and changed its name to Derby Quad Limited on 22 November 2005. The Charity's governing document is the Memorandum and Articles of Association as amended by special resolutions dated 27 February 2006 and 13 April 2006. The company registered as a charity on 24 July 2006.

The principal activity of the group was that of running a charity with the aim to promote the education, development, and appreciation of the Arts.

b. Methods of appointment or election of Trustees

The management of the Group and the Company is the responsibility of the Trustees who are elected and co-opted under the terms of the Memorandum and Articles of Association.

c. Organisational structure and decision-making policies

The business of the charity is managed by a Board of Trustees consisting of a minimum of six members including not more than one member nominated by Derby City Council. Board Members are elected at the Annual General Meeting and the Board has powers to appoint Board Members at any time. Board Members so appointed hold office until the following AGM, when they become eligible for re-election as follows:

At the time of the third AGM, and at each subsequent AGM, one third of the Directors must retire and are eligible for re-election. However, a director may not serve for more than 9 years in succession nor be reappointed within 1 year thereafter. Trustees who served in the Board of Trustees during the financial period are listed on page 1.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Structure, governance and management (continued)

d. Policies adopted for the induction and training of Trustees

Whenever new Trustees are required, QUAD seeks persons who demonstrate a commitment to the aims and objectives of the charity and who have the specific skills and experience already identified. Following widespread publicising of the posts and receipt of written applications, an informal, first stage selection process is conducted. After a short list procedure, formal interviews will be held.

If the person is then invited to become a trustee and accepts the invitation, they will receive an introduction pack which will include a description of the organisation and its management structure, a description of the duties and responsibilities of Trustees, copies of all the charity's policies and relevant procedures. Trustees will also be offered access to relevant training opportunities both within and outside of the organisation.

e. Pay policy for key management personnel

The Trustees consider the Board of Directors, who are QUAD's trustees, and the senior management team comprise the key management personnel of the charity in charge of directing and controlling, running, and operating the QUAD on a day-to-day basis.

All Directors give of their time freely and no Director received remuneration in the year. Details of Directors' expenses and related party transactions are disclosed in the accounts.

The pay of the senior staff is reviewed annually through the appraisal system and any increases, although not regularly made, will be based on significant change to job roles. In view of the nature of the charity, the Directors benchmark against pay levels in other multi artform venues of a similar size with similar income levels.

f. Financial risk management

The Trustees have assessed the major risks to which the Group and the Company are exposed, in particular those related to the operations and finances of the Group and the Company, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Plans for future periods

During these challenging economic times the impact of art and culture on the wellbeing of the population cannot be underestimated. QUAD's strategic importance to Derby's cultural offer and the role it plays in the wider cultural life of the UK is highly regarded.

QUAD was delighted to receive confirmation that it has been successful in securing funding from Arts Council England of £1.2m over the next 3 years to March 2026. We will continue to build on our increased profile as a leader in the exploration of digital media in the Midlands. An underlying focus of this is to improve the lives of our audiences through art, film and digital media in a variety of ways with a particular emphasis on deepening the experience that users have with us. Inspired by the world around us, our seasons and vision for our programme will look at community, people and the environment. QUAD's 2023 – 2024 activities are informed by a world still emerging from the COVID19 pandemic. We will seek to interrogate a 'new normal', providing platforms for audiences, artists, creatives, technologists, and educators to share inclusive ways to experience culture. The core of our programme through to March 2026 will focus on education and wellbeing, world-class exhibitions and events programme, with environmental responsibility at the core.

Each year from 2023 to 2026 our programme will pivot around a 'Summer Season', with summer 2023 laying the foundations with a 'Season of Worldbuilding'. These themes will influence and inform each year-long programme, through our Main Gallery and Extra Gallery Spaces exhibitions; Artist Residency/ CPD training; Health & Wellbeing offer; Education engagement, and socially engaged practice elements, to provide an intertwining offer to a broad community of audiences, stakeholders, investors, QUAD staff team and local, national and international creatives.

Key objectives for the Charity over the next year include:

1. Increase diversity amongst our audiences and enhance our cultural offer;
2. Continue to increase visitors and audience numbers;
3. Increase and focus on depth of experience through the programme;
4. Continue to grow national and international reputation;
5. Utilise our strengths relating to wellbeing activities to fit in line with City principles and maintain an engaged, motivated and skilled team; and
6. Evolve the business model to respond to the challenges of the current economic environment.

These will be measured against agreed KPI's year on year and monitored by the Board of Trustees working closely with the CEO and the executive team. The business plan objectives will be agreed with all stakeholders to ensure they meet the needs of key funders. A full risk register is in place to monitor against risk relating to these areas and this will be reviewed and updated on an ongoing basis. A significant amount of this activity is based on existing best practice and partnerships that can be further developed through this period, including those with Derby City Council, the British Film Institute, Arts Council England and the University of Derby.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Company 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 Company 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 Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the 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 Group and the Company 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, PKF Smith Cooper Audit 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 on 22 December 2022 and signed on their behalf by:

M Gregory
(Chair of Trustees)

DERBY QUAD LIMITED
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DERBY QUAD LIMITED

Opinion

We have audited the financial statements of Derby Quad Limited (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 Company 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.

Material uncertainty related to going concern

We draw attention to note 1.2 in the financial statements, which indicates that there remains significant uncertainty around the long term effects of inflation pressures on the global economy and the knock on affect this will have on the Group. As stated in note 1.2, these events or conditions, along with the other matters as set forth in note 1.2, indicate that a material uncertainty exists that may cast significant doubt on the Group's or the parent charitable company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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.

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

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DERBY QUAD LIMITED (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.

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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DERBY QUAD LIMITED (CONTINUED)

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 identified that the principal risk of fraud or non-compliance with laws and regulations related to:

- management bias in respect of accounting estimates and judgements made;
- management override of control;
- posting of unusual journals or transactions;
- significant cash based transactions.

Our procedures included, but were not limited to:

- Enquiry of management and those charged with governance around actual and potential litigation and claims, including instances of non-compliance with laws and regulations and fraud;
- Reviewing minutes of meetings of those charged with governance where available;
- Reviewing legal expenditure in the year to identify instances of non-compliance with laws and regulations and fraud;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias. In particular a review of doubtful debts.

It is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

DERBY QUAD LIMITED
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DERBY QUAD LIMITED (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.

James Delve (Senior Statutory Auditor)

for and on behalf of

PKF Smith Cooper Audit Limited

Statutory Auditors

Prospect House

1 Prospect Place

Millennium Way

Derby

DE24 8HG

22 December 2022

DERBY QUAD LIMITED
(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2022

	Note	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:					
Donations and legacies	3	-	11,894	11,894	25,500
Charitable activities	4	374,729	1,540,272	1,915,001	2,058,530
Other trading activities	6	-	538,464	538,464	154,325
Other income	7	-	7,427	7,427	276
Total income		374,729	2,098,057	2,472,786	2,238,631
Expenditure on:					
Raising funds		-	516,622	516,622	321,062
Charitable activities	8	246,754	1,618,867	1,865,621	1,617,114
Total expenditure		246,754	2,135,489	2,382,243	1,938,176
Net income/(expenditure)		127,975	(37,432)	90,543	300,455
Transfers between funds	20	21,075	(21,075)	-	-
Net movement in funds		149,050	(58,507)	90,543	300,455
Reconciliation of funds:					
Total funds brought forward		17,088	411,847	428,935	128,480
Net movement in funds		149,050	(58,507)	90,543	300,455
Total funds carried forward		166,138	353,340	519,478	428,935

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 20 to 41 form part of these financial statements.

DERBY QUAD LIMITED
(A Company Limited by Guarantee)
REGISTERED NUMBER: 05465412

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	14	9,115	14,187
Tangible assets	15	220,695	108,636
		229,810	122,823
Current assets			
Stocks	17	10,271	7,554
Debtors: amounts falling due after more than one year	18	142,732	149,866
Debtors: amounts falling due within one year	18	227,933	241,981
Cash at bank and in hand		345,984	542,547
		726,920	941,948
Creditors: amounts falling due within one year	19	(437,252)	(635,836)
Net current assets		289,668	306,112
Total assets less current liabilities		519,478	428,935
Total net assets		519,478	428,935
Charity funds			
Restricted funds	20	166,138	17,088
Unrestricted funds	20	353,340	411,847
Total funds		519,478	428,935

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 22 December 2022 and signed on their behalf by:

M Gregory
(Chair of Trustees)

The notes on pages 20 to 41 form part of these financial statements.

DERBY QUAD LIMITED
(A Company Limited by Guarantee)
REGISTERED NUMBER: 05465412

COMPANY BALANCE SHEET
AS AT 31 MARCH 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	14	9,115	14,187
Tangible assets	15	212,552	103,009
Investments	16	1	1
		221,668	117,197
Current assets			
Debtors: amounts falling due after more than one year	18	142,732	149,866
Debtors: amounts falling due within one year	18	245,561	236,704
Cash at bank and in hand		241,365	512,775
		629,658	899,345
Creditors: amounts falling due within one year	19	(339,217)	(563,561)
Net current assets		290,441	335,784
Total assets less current liabilities		512,109	452,981
Total net assets		512,109	452,981
Charity funds			
Restricted funds	20	166,138	17,086
Unrestricted funds	20	345,971	435,895
Total funds		512,109	452,981

The Company's net movement in funds for the year was £59,128 (2021 - £328,110).

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 22 December 2022 and signed on their behalf by:

M Gregory
(Chair of Trustees)

The notes on pages 20 to 41 form part of these financial statements.

DERBY QUAD LIMITED
(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	(52,297)	395,244
Cash flows from investing activities		
Proceeds from the sale of tangible fixed assets	708	1,042
Purchase of tangible fixed assets	(144,974)	(9,792)
Net cash used in investing activities	(144,266)	(8,750)
Change in cash and cash equivalents in the year	(196,563)	386,494
Cash and cash equivalents at the beginning of the year	542,547	156,053
Cash and cash equivalents at the end of the year	345,984	542,547

The notes on pages 20 to 41 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by 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 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2019.

Derby Quad Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the Company and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Company 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.

1.2 Company status

The Company is a company limited by guarantee. The members of the Company are the Trustees named on page 1. In the event of the Company being wound up, the liability in respect of the guarantee is limited to £10 per member of the Company.

1.3 Going concern

In preparing the financial statements the Trustees are required to assess the Company's and Group's ability to adopt the going concern basis of accounting. As explained in the Trustee's report the year has been one of recovery following the various Covid-19 lock downs that impacted previous periods and the start of the financial year presented.

The Trustees are satisfied with the way the Group responded to Covid-19 and are thankful to the dedicated team for the work done and the public funding provided during this time allowing the Group to be well prepared to return to a more normal environment during the financial year 21/22. Due to the careful management and support received from its stakeholders the Group has maintained its target of an unrestricted reserves balance in excess of 3 months cost in line with the reserves policy throughout the year. The Charity has also recently received confirmation that it has been successful in securing funding from Arts Council England of £1.4m over the 3 year period to March 2026 which is testament to the hard work of the dedicated team and the quality of the work QUAD delivers across all of its activities and programmes.

As at March 2022 and in the period subsequently the attendance and trading activities are not yet back to the levels achieved pre Covid which was the target but there have been steady improvements since the Group could fully re-open.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1. Accounting policies (continued)

At the time the financial statements are being approved the economic environment is challenging with significant levels of inflation putting pressure on the cost of living. The Trustees recognise that the economic environment will impact on the disposable income of the Group's customers and members and is likely to result in a reduction in future attendance and returns from trading activity. The inflationary pressure on the cost base of the organisation also requires careful management, particularly energy costs which come out of the current energy cap agreements over the next 12 months and are expected to increase significantly.

The Trustees have prepared trading forecasts for the period to March 2024, being 15 months from the date the financial statements have been approved and detailed cash flow forecasts for the 12 months to December 2023. These forecasts take account of the current economic conditions and factor in inflationary cost increases and assume funding levels consistent with those achieved historically with sensitivity applied to the trading income in light of the cost of living pressures. The forecasts show that the Group has sufficient funds to discharge its liabilities when they fall due throughout the forecast period.

However, as is common in the charitable sector, the reserves and cash headroom are not of a level that could withstand significant downside sensitivity such as:

- Long term inflation pressure leading to a deep economic recession with substantially reduced levels of disposable income for the medium term impacting the trading activities and cost base of the Group more significantly than forecast;
- changes in the funding arrangements from stakeholders as a result of pressure on public finances.

Downside sensitivities to the base case forecasts, such as the ones set out above, could require additional funding to be provided by the stakeholders of the Group over and above that is currently agreed or assumed based on historic levels or further fundamental changes to the business model will be required. Should such a scenario arise, the Trustees anticipate that such funding would be available given the relationship with stakeholders and support provided to date, however, they recognise that this is not guaranteed and, therefore, have concluded that there are matters that indicate the existence of material uncertainties which may cast significant doubt about the Company's and or Group's ability to continue as a going concern.

Notwithstanding this material uncertainty, having assessed the likely downside scenarios and the options available to the Group the Trustees have formed the judgement that it is appropriate to prepare the financial statements on a going concern basis.

1.4 Income

All income is recognised once the Group has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Consolidated Statement of Financial Activities on a receivable basis. 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 income 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1. Accounting policies (continued)

1.5 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. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

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.

1.6 Taxation

The Company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.7 Intangible assets and amortisation

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

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

Amortisation is provided on the following basis:

Website	- 5 % years
---------	-------------

1.8 Tangible fixed assets and depreciation

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1. Accounting policies (continued)

1.8 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:

Long-term leasehold property	- Over the life of the lease
Motor vehicles	- 25% Straight Line
Fixtures and fittings	- 10% - 20% Straight Line
Office equipment	- 20% Straight Line

1.9 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated Statement of Financial Activities.

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

1.10 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.11 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.

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 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.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated Statement of Financial Activities as a finance cost.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1. Accounting policies (continued)

1.14 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.

1.15 Operating leases

Rentals paid under operating leases are charged to the Consolidated Statement of Financial Activities on a straight-line basis over the lease term.

1.16 Pensions

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

1.17 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 costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

2. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions used by the Group are not deemed to have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3. Income from donations and legacies

	Unrestricted funds 2022 £	Total funds 2022 £
Donations	11,894	11,894

DERBY QUAD LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

3. Income from donations and legacies (continued)

	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Donations	25,500	25,500

4. Income from charitable activities

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £
Derby City Council	-	100,000	100,000
Derby City Council (rent in kind)	-	260,000	260,000
Project grants	293,971	65,751	359,722
Arts Council England	-	466,176	466,176
Coronavirus job retention scheme	-	68,242	68,242
COVID response funding	-	208,000	208,000
Other charitable activities (Note 4)	80,758	372,103	452,861
	374,729	1,540,272	1,915,001

	<i>Restricted funds 2021 £</i>	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Derby City Council	-	100,000	100,000
Derby City Council (rent in kind)	-	260,000	260,000
Project grants	128,880	60,000	188,880
Arts Council England	-	466,176	466,176
Coronavirus job retention scheme	-	451,053	451,053
COVID response funding	-	432,572	432,572
Other charitable activities (Note 4)	106,384	53,465	159,849
	235,264	1,823,266	2,058,530

DERBY QUAD LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

5. Income from other charitable activities

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £
Cinema takings	-	219,788	219,788
Other fees and commissions	80,758	118,471	199,229
Advertising income	-	5,570	5,570
Membership	-	26,173	26,173
Workshop/training	-	2,101	2,101
	<hr/>	<hr/>	<hr/>
	80,758	372,103	452,861
	<hr/>	<hr/>	<hr/>

	<i>Restricted funds 2021 £</i>	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Cinema takings	-	20,078	20,078
Other fees and commissions	106,384	20,578	126,962
Advertising income	-	508	508
Sponsorship	-	700	700
Membership	-	10,218	10,218
Workshop/training	-	1,383	1,383
	<hr/>	<hr/>	<hr/>
	106,384	53,465	159,849
	<hr/>	<hr/>	<hr/>

DERBY QUAD LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

6. Trading activities

The wholly owned subsidiary, Derby Quad Enterprises Limited (company number 06643908), is incorporated in the UK and distributes all of its profits to the Charity under the gift aid scheme. The Company operates the cafe, bar and hire activities at the Quad. The Charity owns 100% of the ordinary share capital of the Company. A summary of trading results pre distribution to the Charity is shown below. The amount of gift aid from the subsidiary was £13,968 (2020: £Nil).

	Unrestricted funds 2022 £	<i>Total funds 2022 £</i>
Cafe bar income	309,646	309,646
Advertising	1,100	1,100
Room hire	88,319	88,319
Tech Squad and Game Time	56,783	56,783
Sponsorship	10,680	10,680
Workshop/training	55,889	55,889
Shop income	16,047	16,047
	<hr/> 538,464	<hr/> 538,464
Marketing costs	(110)	(110)
Premises costs	(6,709)	(6,709)
Other trading costs	(247,118)	(247,118)
Professional fees and board expenses	(48)	(48)
Wages, national insurance and pension	(260,590)	(260,590)
Depreciation	(2,047)	(2,047)
Interest payable	-	-
	<hr/> (516,622)	<hr/> (516,622)
	<hr/> 21,842	<hr/> 21,842

The trading subsidiary also received government grants totalling £23,541 (2020:£139,082) which is included in Note 3.

DERBY QUAD LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

	Unrestricted funds 2021 £	<i>Total funds 2021 £</i>
Charity trading income	-	-
Cafe bar income	44,688	44,688
Room hire	2,266	2,266
Tech Squad and Games Time	91,682	91,682
Sponsorship	13,542	13,542
Workshop/training	(600)	(600)
Shop income	2,747	2,747
	<hr/> 154,325	<hr/> 154,325
Charity trading expenses	-	-
Marketing costs	(276)	(276)
Premises costs	(943)	(943)
Other trading costs	(90,750)	(90,750)
Professional fees and board expenses	(48)	(48)
Wages, national insurance and pension	(226,917)	(226,917)
Depreciation	(1,985)	(1,985)
Interest payable	(143)	(143)
	<hr/> (321,062)	<hr/> (321,062)
	<hr/> (166,737)	<hr/> (166,737)
	<hr/> <hr/> 2022 £	<hr/> <hr/> <i>2021 £</i>
The assets and liabilities of the subsidiary are:		
Assets	185,951	84,828
Liabilities	(178,585)	(108,877)
Total net assets	<hr/> 7,366 <hr/>	<hr/> (24,049) <hr/>

DERBY QUAD LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

7. Other incoming resources

	Unrestricted funds 2022 £	Total funds 2022 £
Other income	7,427	7,427

	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Other income	276	276

8. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total 2022 £
Charitable activities	246,754	1,618,867	1,865,621

	<i>Restricted funds 2021 £</i>	<i>Unrestricted funds 2021 £</i>	<i>Total 2021 £</i>
Charitable activities	265,285	1,351,829	1,617,114

DERBY QUAD LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

9. Charitable activities expenditure

	2022 £	2021 £
Other direct costs	53,241	124,143
Arts programme & activity	451,772	262,594
Brochures and materials	-	720
Support costs (Note 9)	1,167,265	1,013,907
Governance costs (Note 9)	48,636	42,246
Wages and salaries	115,232	135,241
National insurance	25,130	30,844
Pension costs	4,345	4,364
Interest payable	-	3,055
	1,865,621	1,617,114

10. Analysis of governance and support costs

	General support 2022 £	Governance function 2022 £	Total funds 2022 £
Office costs	27,075	1,128	28,203
Premises costs and insurance	513,151	21,381	534,532
Professional fees and board expenses	15,036	627	15,663
Wages and salaries	549,778	22,907	572,685
National insurance	16,559	690	17,249
Pension	17,425	726	18,151
Depreciation and amortisation	28,241	1,177	29,418
	1,167,265	48,636	1,215,901

DERBY QUAD LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

	<i>General support 2021 £</i>	<i>Governance function 2021 £</i>	<i>Total funds 2021 £</i>
Office costs	(698)	(29)	(727)
Premises costs and insurance	420,576	17,524	438,100
Professional fees and board expenses	12,461	519	12,980
Wages and salaries	533,088	22,212	555,300
National insurance	7,524	314	7,838
Pension	17,977	749	18,726
Depreciation and amortisation	22,979	957	23,936
	<u>1,013,907</u>	<u>42,246</u>	<u>1,056,153</u>

11. Auditors' remuneration

	2022 £	2021 £
Fees payable to the Company's auditor for the audit of the Company's annual accounts	<u>7,500</u>	<u>7,500</u>

12. Staff costs

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Wages and salaries	932,660	907,005	687,917	690,541
Social security costs	53,304	45,217	42,379	38,682
Contribution to defined contribution pension schemes	27,418	27,008	22,496	23,090
	<u>1,013,382</u>	<u>979,230</u>	<u>752,792</u>	<u>752,313</u>

In addition to the amounts disclosed above the Company and Group also incurred £74,806 (2021: £80,267) of wages costs that are included in Arts programme and activity costs.

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

	Group 2022 No.	Group 2021 No.	Company 2022 No.	Company 2021 No.
Charitable activities	64	76	45	53
Management and administration	9	7	9	7
	<u>73</u>	<u>83</u>	<u>54</u>	<u>60</u>

DERBY QUAD LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

12. Staff costs (continued)

No employee received remuneration amounting to more than £60,000 in either year.

The key management personnel of Derby Quad Limited comprise of the CEO, Artistic Director, Marketing Manager, Accounts Manager, Technical Services Manager, Format Director, Programme Manager, HR Manager and two Visitor Services Managers. The total amount of employee benefits received by key management personnel is £229,197 (2021: £191,727).

13. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2021 - £NIL).

During the year ended 31 March 2022, no Trustee expenses have been incurred (2021 - £NIL).

14. Intangible assets

Group

	Website £
Cost	
At 1 April 2021	25,360
At 31 March 2022	25,360
Amortisation	
At 1 April 2021	11,173
Charge for the year	5,072
At 31 March 2022	16,245
Net book value	
At 31 March 2022	9,115
At 31 March 2021	14,187

DERBY QUAD LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
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14. Intangible assets (continued)

Company

	Website £
Cost	
At 1 April 2021	25,360
At 31 March 2022	<u>25,360</u>
Amortisation	
At 1 April 2021	11,173
Charge for the year	5,072
At 31 March 2022	<u>16,245</u>
Net book value	
At 31 March 2022	<u><u>9,115</u></u>
At 31 March 2021	<u><u>14,187</u></u>

15. Tangible fixed assets

Group

	Long term leasehold property £	Cinema and other equipment £	Fixtures and fittings £	Office equipment £	Total £
Cost					
At 1 April 2021	266,434	395,296	195,921	372,400	1,230,051
Additions	-	11,083	14,112	119,779	144,974
Disposals	-	(5,641)	-	-	(5,641)
At 31 March 2022	<u>266,434</u>	<u>400,738</u>	<u>210,033</u>	<u>492,179</u>	<u>1,369,384</u>
Depreciation					
At 1 April 2021	198,086	367,433	193,643	362,253	1,121,415
Charge for the year	3,107	12,312	1,144	16,352	32,915
On disposals	-	(5,641)	-	-	(5,641)
At 31 March 2022	<u>201,193</u>	<u>374,104</u>	<u>194,787</u>	<u>378,605</u>	<u>1,148,689</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

15. Tangible fixed assets (continued)

Group (continued)

	Long term leasehold property £	Cinema and other equipment £	Fixtures and fittings £	Office equipment £	Total £
Net book value					
At 31 March 2022	65,241	26,634	15,246	113,574	220,695
<i>At 31 March 2021</i>	<i>68,348</i>	<i>27,863</i>	<i>2,278</i>	<i>10,147</i>	<i>108,636</i>

DERBY QUAD LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

15. Tangible fixed assets (continued)

Company

	Long term leasehold property £	Cinema and other equipment £	Fixtures and fittings £	Office equipment £	Total £
Cost					
At 1 April 2021	266,434	370,173	180,265	372,400	1,189,272
Additions	-	7,688	12,945	119,779	140,412
At 31 March 2022	266,434	377,861	193,210	492,179	1,329,684
Depreciation					
At 1 April 2021	198,086	347,937	177,987	362,253	1,086,263
Charge for the year	3,107	10,321	1,089	16,352	30,869
At 31 March 2022	201,193	358,258	179,076	378,605	1,117,132
Net book value					
At 31 March 2022	65,241	19,603	14,134	113,574	212,552
At 31 March 2021	68,348	22,236	2,278	10,147	103,009

DERBY QUAD LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

16. Fixed asset investments

Company	Investments in subsidiary companies £
Cost	
At 1 April 2021	1
	<hr/>
At 31 March 2022	1
	<hr/> <hr/>
Net book value	
At 31 March 2022	1
	<hr/>
At 31 March 2021	1
	<hr/> <hr/>

Principal subsidiaries

The following was a subsidiary undertaking of the Company:

Name	Company number	Registered office or principal place of business	Class of shares	Holding
Derby Quad Enterprises Limited	06643908	Quad Market Place, Cathedral Quarter, Derby, DE1 3AS	Ordinary	100%

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit/(Loss) / Surplus/ (Deficit) for the year £	Net assets £
Derby Quad Enterprises Limited	562,005	(516,622)	45,383	7,366

17. Stocks

	Group 2022 £	Group 2021 £
Shop and cafe stock	10,271	7,554
	<hr/> <hr/>	<hr/> <hr/>

DERBY QUAD LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

18. Debtors

	Group 2022 £	<i>Group 2021 £</i>	Company 2022 £	<i>Company 2021 £</i>
Due after more than one year				
Other debtors	142,732	149,866	142,732	149,866
	=====	=====	=====	=====
	Group 2022 £	<i>Group 2021 £</i>	Company 2022 £	<i>Company 2021 £</i>
Due within one year				
Trade debtors	74,677	81,473	22,341	62,966
Amounts owed by group undertakings	-	-	80,550	36,602
Other debtors	23,299	70,151	23,295	55,551
Prepayments and accrued income	40,876	40,270	30,294	31,498
Grants receivable	89,081	50,087	89,081	50,087
	227,933	241,981	245,561	236,704
	=====	=====	=====	=====

19. Creditors: Amounts falling due within one year

	Group 2022 £	<i>Group 2021 £</i>	Company 2022 £	<i>Company 2021 £</i>
Trade creditors	115,461	147,826	95,506	140,511
Other taxation and social security	33,495	69,343	13,283	37,186
Other creditors	10,887	12,308	6,712	11,198
Accruals and deferred income	277,409	406,359	223,716	374,666
	437,252	635,836	339,217	563,561
	=====	=====	=====	=====

DERBY QUAD LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

20. 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					
Reserves	411,847	2,098,057	(2,135,489)	(21,075)	353,340
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Restricted funds					
Other projects and grants	-	251,945	(177,869)	10,768	84,844
FORMAT Festival	-	52,784	(63,091)	10,307	-
Capital grants	17,088	70,000	(5,794)	-	81,294
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	17,088	374,729	(246,754)	21,075	166,138
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total of funds	428,935	2,472,786	(2,382,243)	-	519,478
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

DERBY QUAD LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

20. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 April 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 March 2021 £</i>
Unrestricted funds					
Reserves	110,579	2,003,367	(1,672,891)	(29,208)	411,847
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Restricted funds					
Other projects and grants	-	148,828	(148,828)	-	-
FORMAT Festival	-	86,436	(115,644)	29,208	-
Capital grants	17,901	-	(813)	-	17,088
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	17,901	235,264	(265,285)	29,208	17,088
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total of funds	128,480	2,238,631	(1,938,176)	-	428,935
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The specific purpose for which the funds are to be applied are as follows:

Unrestricted funds represent those resources which may be used towards meeting any of the charitable objectives at the discretion of the Trustees.

Restricted funds comprise of grants for specific projects or capital purchases and will only be used for the purpose that the grants were intended.

The transfer out of other projects and grants is for the allowable project expenditure that is included in unrestricted expenditure such as wages and other overheads.

The transfer in to the FORMAT fund is the Charity's contribution to the festival from unrestricted reserves.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

21. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	81,294	139,401	220,695
Intangible fixed assets	-	9,115	9,115
Debtors due after more than one year	-	142,732	142,732
Current assets	84,844	513,312	598,156
Creditors due within one year	-	(451,220)	(451,220)
Total	166,138	353,340	519,478

Analysis of net assets between funds - prior year

	<i>Restricted funds 2021 £</i>	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Tangible fixed assets	17,088	91,548	108,636
Intangible fixed assets	-	14,187	14,187
Debtors due after more than one year	-	149,866	149,866
Current assets	-	792,082	792,082
Creditors due within one year	-	(635,836)	(635,836)
Total	17,088	411,847	428,935

22. Pension commitments

The Group operates 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 £27,418 (2021: £27,008). Contributions totalling £9,254 (2021: £6,553) were payable to the fund at the balance sheet date and are included in creditors.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

23. Operating lease commitments

At 31 March 2022 the Group and the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2022 £	<i>Group 2021 £</i>	Company 2022 £	<i>Company 2021 £</i>
Not later than 1 year	8,031	<i>8,031</i>	8,031	<i>8,031</i>
Later than 1 year and not later than 5 years	3,168	<i>11,652</i>	3,168	<i>11,652</i>
	11,199	<i>19,683</i>	11,199	<i>19,683</i>

24. Related party transactions

Information about related party transactions and outstanding balances is outlined below:

	Income £	Expenditure £	Debtors £	Creditors £
University of Derby Theatre Limited (a company with a director in common)				
- At 31 March 2022	9,339	-	9,339	-
- At 31 March 2021	5,000	-	-	-
Derby Museums (a company with a director in common)				
- At 31 March 2022	4,000	-	-	-
- At 31 March 2021	4,000	-	-	-
B M Walsh (director)				
- At 31 March 2022	400	-	-	-
- At 31 March 2021	-	-	400	-
Geldards LLP (a partnership with a director in common)				
- At 31 March 2022: None				
- At 31 March 2021	400	1,200	-	1,200
H Herve-Petts (Key management)				
- At 31 March 2022: None				
- At 31 March 2021	-	-	-	23
	23,139	1,200	9,739	1,223

25. Company limited by guarantee

Derby Quad Limited is a company limited by guarantee and accordingly does not have share capital.

Every member of the Company undertakes to contribute such an amount as may be required not exceeding £10 to the assets of the charitable company in the event of it being wound up while he or she is a member, or within one year after he or she ceases to be a member.

