

THE NEW ART EXCHANGE LIMITED
(A company limited by guarantee)

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

THE NEW ART EXCHANGE LIMITED
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2023**

Trustees	S Gill (resigned 24 November 2022) C M Khera (resigned 24 November 2022) L McDonald, Chair of Trustees (deceased 28 April 2023) Professor C O'Brien (OBE) A Akomfrah J J Anand M Dave M Hussain (resigned 24 November 2022) R E Pinchbeck S Gambrah, Chair of Trustees (appointed 14 September 2023) L A M Charles (appointed 14 September 2023)
Company registered number	04899786
Charity registered number	1121755
Registered office	39 - 41 Gregory Boulevard Hyson Green Nottingham NG7 6BE
Chief executive officer	S E Said
Independent auditors	PKF Smith Cooper Audit Limited Statutory Auditors 2 Lace Market Square Nottingham NG1 1PB
Bankers	National Westminster Bank plc 16 Long Row Nottingham NG1 2JX

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2023

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

Since the group and the 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.

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Objectives and activities

a. Policies and objectives

1. Vision, Mission and Values

Arts from diverse cultures for all

Mission

To stimulate new perspectives about the value of diversity in art and society

NAE will champion, embrace and engender cultural diversity in all that we do. We will play a leading and stimulating role in the region to ensure that diversity resonates more widely at a national and international level. Through our commitment to informing and promoting the relationship between art and society, NAE will strive to make increasingly visible the contribution of diverse voices to this agenda.

Values

- **Nurturing:** To become a place where talent and creativity is nurtured
- **Accessible:** To make art and culture accessible to all
- **Open and experimental:** To be open and receptive to new ideas and opportunities
- **Excellence:** To recognise the value of excellence in all that we do

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)'.

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

Achievements and performance

a. Review of activities

2. Chair's Introduction

A Year of Transformation and Ambition at NAE

Dear friends and supporters of New Art Exchange,

As the newly appointed Chair of the Board, I am honoured to present the annual report for NAE, reflecting on a year that has been transformative, ambitious, and dedicated to our mission of promoting diverse art and cultural experiences.

National Portfolio Organization (NPO) Status: A Milestone Achievement

The year marked a significant turning point for NAE as we renewed NPO status and received the largest uplift from Arts Council England in the country. This achievement solidifies our position as a gallery of national significance, and it reflects our ambition to become a national and international model of citizen-led galleries and a leader in promoting Global Ethnic Majority leadership within the cultural sector.

Strengthening Governance: A Vital Review

In our pursuit of excellence, we initiated a thorough governance review to strengthen our Board. This process ensures that our leadership is equipped to guide NAE in realising its vision and fulfilling its mission. Our governance structure is a cornerstone of our commitment to effective decision-making and transparent operations.

Funding Renewal and Vision Renewed

Our ongoing partnership with the Freelands Foundation continues to strengthen our vision. We remain dedicated to delivering a meaningful programme for our neighbourhood and the cultural sector. We are seeing a growth in our commitment to supporting and empowering underrepresented voices and its impact on our wider community.

In Loving Memory: Leslie and Eddy

It is with deep sadness that we bid farewell to Leslie McDonald and Eddy Maxwell, both of whom served as previous Chairs of NAE and contributed significantly to our organisation. We honour their memory and their dedication to our mission.

A Heartfelt Thank You

Lastly, I would like to extend our deepest gratitude to all our supporters, including the team at NAE, board members, funders, and the incredible artists and communities we have had the privilege of working with. Your ongoing support is instrumental in our continued success.

Looking ahead, we are filled with excitement and determination. NAE remains committed to its mission of promoting diverse arts and cultures, fostering inclusivity, and achieving excellence. Together, we will continue to be a beacon of change and transformation.

Samori Gambrah, Chair of Trustees

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

Achievements and performance (continued)

3. Exhibitions

TRINITY BY HETAIN PATEL
MAIN GALLERY
29 JAN – 14 MAY 2022

In partnership with John Hansard Gallery, NAE presented the largest solo exhibition to date by acclaimed artist Hetain Patel. It featured a trilogy of films created between 2015 and 2021, including his most ambitious to date, Trinity.

The films, Trinity (2021), Don't Look at the Finger (2017) and The Jump (2015) brought together the different facets of the rich filmic world the artist had been creating over the past five years. New sculptural works, which incorporated costumes, and action figures of the films' characters were specially created for the exhibition and were also on display.

NAE OPEN 2022
11 JUNE - 3 SEPTEMBER 2022
MAIN GALLERY

The financial year started with the return of the NAE Open presenting painting, drawing, video, live art, photography, textiles and sculpture. This dynamic exhibition was created through a competitive, open application process for Nottinghamshire based artists and Global Majority artists living anywhere in the UK.

Tasked to select innovative and high-quality artworks which address important societal concerns, a noted judging panel chose from over 300 incredible submissions. The result is an eclectic and compelling collection of over 40 artworks which spoke to the critical issues of the day. The NAE Open intends to be a platform that supports the development of artists and raises their profile. Beyond the public exhibition itself, seven prizes were awarded.

ART OF BELONGING
11 JUNE - 25 JUNE 2022
MEZZANINE GALLERY

This vibrant exhibition showcased the art created by students from NEST (Nottingham Education Sanctuary Team), a full-time educational provision for asylum seeker and refugees aged 15-19 years. These young people, many of them unaccompanied children, worked with artists, New Art Exchange and the city's cultural venues to consider what it is to 'belong' in a host city. What does it take to feel socially and culturally 'at home' and can the arts help in this process? As well as acquiring new art and design skills over 30 sessions, the participants enlivened every workshop with their distinctive cultural contributions from Sudan, Eritrea, Iran, Afghanistan and other countries. This was a University of Nottingham research project in partnership with Lund University, Sweden, and NAE. The Art of Belonging project was funded by JPI Urban Europe: Urban Migration/ ESRC/AHRC/FORMAS.

BILLY DOSANJH [TRAVELLER, YOUR FOOTPRINTS]
23 SEPTEMBER 2022 - 7 JANUARY 2023
MEZZ GALLERY

Billy Dosanjh is an artist, filmmaker and story-teller whose practice pays tribute to every displaced person. Born and raised in the Black Country area of the West Midlands, he has built a body of work that explores the lives of South Asian empire workers who arrived in this blue-collar region in the last throes of its industrial might. Drawn from his lived experience and the stories recounted by his family and community, Dosanjh's work documents and poetically interprets the incredible journeys of these marginalised individuals and the generations that followed them. In doing so, Dosanjh brings to the fore an important yet missing visual vernacular of a people and

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TRUSTEES' REPORT (CONTINUED)
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Achievements and performance (continued)

place.

COMMUNITIES IN MOTION
23 SEPTEMBER 2022 - 7 JANUARY 2023
STREET GALLERY

Situated outside the NAE in the Street Gallery, Communities In Motion was an exhibition curated by Lisa Robinson with local photographer Tom Morley. It presented a series of photographs of local Black centres that connect to the history of past, present and future of Black activism in Nottingham. The exhibition questioned: is there a need for a physical Black centre of activism in the city?

JOURNEY OF THE MIND
28 JANUARY – 22 APRIL 2023
MAIN and MEZZANINE GALLERIES

Conceived by arts organisation WSWF, and supported by Arts Council England, Journey of the Mind brought Sikh teachings and heritage to a contemporary context to spark conversations and encourage exchange. Going beyond racial and religious boundaries, this travelling exhibition aimed to evoke a sense of curiosity about the internal journey of the mind and its positive effects on people's lives. Featuring figurative drawings and digitally created paintings by Canadian artist Kanwar Singh and short films by British animator Christian Wood.

RESIDENCIES

In the summer of 2022, NAE launched a new and regular artist-in-residence programme. Reside, featuring loney Smallhorne and Mita Solanky (2 July - 3 September 2022) invited artists and creative groups to reside in NAE, where they could collaborate and connect with our wider community to generate inspiring ideas, develop new initiatives and nurture their practice. Smallhorne and Solanky took up residence in our Mezzanine Gallery space, using our building as a base to create work and engage with different groups. Smallhorne used the opportunity to continue research on her project titled, Jamaica and Her Daughters; A Collection of Poetry and Prose, whilst Solanky explored creative ways to grow, prepare, and eat food in a way that creates a deeper connection with the earth.

NAE's artist-in-residence programme continued with Re-frame (1 Jan – 31 March 2023), an exploration of dance outside of traditional dance spaces. The artist selected for Re-frame was Solomon Berrio-Allen, an artist of motion, choreographer, and movement facilitator working in the field of dance. Re-frame was a collaboration with FABRIC (Dance4 and DanceXchange) and was designed for artists working in the field of dance, movement and/or choreography to experiment with cross disciplinary practice in the context of a visual art gallery and to produce a new piece of work. Solomon used NAE's space as a residing studio, where he researched, tested and experimented with new ideas, with support from the creative teams at NAE and FABRIC. Re-Frame was financially supported by Garrick Charitable Trust and Jerwood Arts Development Programme Fund.

Engagement, Outreach and Talent Development

NAE's various engagement programmes continued during the period, comprising of a series of new and further developed programmes that targeted Global Ethnic Majority and other marginalised individuals to create life-enhancing opportunities, new audiences for the arts and importantly, new diverse talent within the arts.

Our **YOU** programmes offered a range of opportunities for individuals and groups to shape and lead positive change in their communities. By supporting community-led events, developing leadership and entrepreneurship skills, or learning and leading in festival production and management, these programmes were designed to foster creativity, collaboration, and social impact.

Participants in these programmes receive specialist training, tailored mentoring and coaching sessions,

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TRUSTEES' REPORT (CONTINUED)
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Achievements and performance (continued)

networking opportunities, and individualised feedback from industry experts. With a focus on diversity and inclusion, these programmes welcome applicants from all backgrounds and are especially interested in supporting applications from the Global Ethnic Majority. By offering practical skills and support, as well as opportunities to develop and pitch projects, these programmes enable participants to make a tangible difference in their communities and contribute to a more equitable and vibrant cultural landscape.

YOUnity is a programme that aims to support community-led events in Hyson Green. The programme offered a series of commissions to develop and deliver events by, with, and for the local neighbourhood. These events could be anything from workshops to performances and could take place anywhere within Hyson Green. The programme was open to individuals aged 18+ years, collectives, and registered companies who had a community project established within Hyson Green. In addition to the commission, YOUnity offered personalised mentoring sessions from New Art Exchange's team, targeted support in developing ideas, a profile on NAE's website and social media platforms, and networking opportunities. The program was particularly interested in supporting applications from the Global Ethnic Majority, and aimed to increase inclusivity and diversity within the local creative community. Overall, YOUnity supported a variety of projects and a wide range of local interests. The project spanned from boxing, football and skating events to music, carnival, black art and women gathering events. In total, YOUnity supported: 8 projects, 19 events, 324 participants, and 1020 audience members.

YOUlead was a program that aimed to support individuals in developing and delivering projects that would have a positive impact on their local community. The program provided specialist training, personal mentoring and coaching sessions, and targeted support to help participants further develop their leadership and entrepreneurship skills. This enabled participants to shape and grow their vision into a reality that would inspire positive change within their community. Participants were encouraged to think creatively and come up with ideas that could be about anything, from self-defence workshops to bread baking, as long as they had a clear purpose to inspire positive change within their local community. The program culminated in a pitch event where participants presented their ideas to a panel of experts, with the winning idea receiving a £2000 grant to support its development. YOUlead offered a range of benefits, including new connections, collaboration with the YOUlead team, a profile on NAE's website and social media platforms, networking opportunities, and individualised feedback from industry experts. This provided participants with valuable opportunities to build their professional networks and gain valuable insights into the industry. Overall, YOUlead was a fantastic initiative that empowered individuals to make a positive impact in their community and provided them with the support and resources they needed to turn their ideas into reality. In total, YOUlead supported: 7 Participants, 12 Training and workshop sessions, 1 Pitching session.

YOUUnique is a programme aimed at young people interested in pursuing a career in festival and event production. The programme provided participants with an opportunity to learn and lead the delivery of the YOUUnique Festival, a three-day takeover of the New Art Exchange. Participants worked alongside industry experts, professional artists, and the NAE team to learn all the key aspects of festival production and management. The programme offered a range of specialist training and tailored development opportunities, including applied practice in professional contexts and bespoke development opportunities relating to arts and activism. Participants had the chance to build a team and collaborate with the YOUUnique Collective, receiving individualised feedback and access to valuable networking opportunities. The programme supported: 6 young producers, 15 training and workshop sessions, 23 artists commissioned, and 330 audience members during the festival.

The **Under The Spotlight** (previously ABC) programme offers a unique opportunity for Black performance artists, musicians, poets, dancers and comedians to showcase their talents and grow their audiences in a supportive environment. Over a period of six months, selected artists had the chance to showcase their work twice at NAE as part of the Under the Spotlight events in the CafeBar. This was a great opportunity for artists to develop their stage presence and build their following, with the support of NAE. In addition to showcasing their work, selected artists had the chance to connect and collaborate with each other. They also had the opportunity to program and co-curate an evening of Under the Spotlight guest artists during the YOUUnique festival. With a supporting budget and the support of NAE, this was a great opportunity for artists to take their work to the next level and connect with other like-minded creatives. Under The Spotlight supported: 3 main artists, 8 guest artists, 7 events and 242 audience members.

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Achievements and performance (continued)

This year, all activities for **YARD Youth Theatre** programme were led on-site, offering two new productions entirely led by the young participants, and presented to a fully booked performance space, which increased the confidence of all involved. Our aim continues to be reaching out to culturally diverse and marginalised young people and families in our locality and throughout the city. The programme runs on a weekly basis during term time and is divided into two age groups: 7-11 years and 12-18 years. It seeks to provide a playful, safe environment where participants can explore their creativity and imagination through performance, theatre, and other art forms like movement, film-making, and visual art. We are thrilled to have retained many participants from last year. Additionally, new members have joined the programme after a sustained recruitment effort through social media and actively engaging with young people during school visits to NAE. Yard supported: 20 young people, 29 workshops, 2 performances and 93 audience members.

Saturday Art Club offered a gateway into NAE's creative activities and exhibitions, fostering a welcoming and secure space for local families to connect. Through a series of inclusive and engaging workshops, families are invited to expand their artistic skills, learn about various cultural perspectives from the Global Ethnic Majority, and discover new methods of expression. The programme offers a range of activities, including the opportunity to explore diverse mediums such as abstract painting, clay modelling, creating natural self-portraits, or producing unique lace patterns and prints on paper, celebrating Nottingham's renowned lace-making heritage. Saturday Art Club supported: 4 artists, 21 events and 794 participants.

The **Let's Talk Conference** was a groundbreaking event aimed at promoting conversations about the Global Ethnic Majority within the cultural sector. Presented by a total of 23 speakers, artists, and activists from all over the country, the conference hosted nine thought-provoking conversations that explored key topics such as the notion of space, connections, and the need for public discourse to be led by, with, and for the Global Ethnic Majority. Over the course of three days, attendees were treated to a variety of inspiring and thought-provoking discussions, which provided a space for artists and communities to explore the issues that are most important to them. Led by experts in the field, each conversation was designed to offer new perspectives and insights and to inspire attendees to think more deeply about the challenges faced by the Global Ethnic Majority in the cultural sector. Overall, the Let's Talk Conference was a huge success, attracting a diverse range of attendees from across the country. It provided an invaluable opportunity for artists and activists to come together, share their experiences, and explore new ways to create positive change within the cultural sector. With its focus on promoting conversations and creating connections, the conference proved to be a vital step towards a more inclusive and equitable future for the Global Ethnic Majority. Let's Talk Conference supported: 23 speakers, 9 events, 483 audience members at NAE and 353 online attendees.

5. Sustainability

New Art Exchange remains steadfast in our commitment to adopting sustainable practices and contributing to the broader vision of a carbon-neutral Nottingham. By aligning our operations with Arts Council England's Environmental Responsibility and supporting Nottingham City Council's carbon neutrality ambitions, we are not only meeting regulatory requirements but also taking a proactive stance towards creating a more sustainable and environmentally conscious future for the arts and our community.

As part of our comprehensive Environmental Sustainability Strategy, we are actively rethinking our energy usage plans to minimise our carbon footprint. By embracing innovative technologies and sustainable practices, we aim to contribute meaningfully to the reduction of our environmental impact. This strategy encompasses a holistic approach to resource management, waste reduction, and energy efficiency, ensuring that our operations align with the principles of a greener, more sustainable future.

While the closure of our building, as a result of the pandemic, has made it impossible to accurately report on year-on-year improvements, our data shows a notable reduction of 17% electricity usage and more than 10% reduction in gas usage since our last full year of opening in 2020. Our endeavours have ensured we have exceeded our 2022 targets of producing less than 50 tonnes of CO₂ from energy usage (40 tonnes CO₂ actual), less than 0.275 tonnes of CO₂ from water usage (0.261 tonnes CO₂ actual).

A further key focus for our sustainability efforts has revolved around the transformation of our cafébar into an environmentally responsible space. In a significant move towards sustainability, we are proud to announce the

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Achievements and performance (continued)

adoption of a 100% plant-based menu. This shift not only aligns with our commitment to reducing the environmental impact of food production but also underpins our commitment to promoting a more ethical and sustainable lifestyle.

Moreover, we recognise the importance of minimising waste and have taken steps to use recyclable products within our cafébar. This includes careful consideration of packaging materials, tableware, and other consumables to ensure that our environmental impact is reduced at every touchpoint of our operations.

We understand that achieving sustainability goals requires a collaborative effort. We actively seek partnerships with local businesses, suppliers, and community stakeholders who share our commitment to environmental responsibility. Through these collaborations, we aim to create a network of like-minded entities contributing to the broader goal of building a sustainable and resilient community.

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

Achievements and performance (continued)

6. Team Members

***Indicates joined in this period**

****Indicates left during this period**

Person	Job Title
Asha Vijesinghe*	Learning Coordinator
Asher Yan Gough*	Catering Assistant
Ashley Swain**	Catering Assistant
Andy Lindley	Technical Manager
Anita Kumari	General Manager
Cindy Sissokho**	Curator & Special Projects Producer
David Horton	Head Chef / Café Bar Manager
David Mather**	RCF Project Manager
Elaine Carthy	Duty Manager
Ellesia Hanna*	Catering Assistant
Emma Cox*	Cleaner
Emma Gower	Executive Support Manager
Fergus Carney**	Café / Bar Guest Services Assistant
Hana Fredricks**	Gallery Invigilator
Ian Kaye**	Cleaner
Jez Bernholz	Facilities Manager
Joshua Gangotra	Front of House Assistant
Kiesha Gibson*	Catering Assistant
Kishna Kandal* **	Catering Assistant
Kyle Futers	Guest Services Officer
Laurencia Sutherland	Finance Assistant
Lisa Bonsu	Cleaner
Lucy Davies*	Catering Assistant
Maria Narducci*	Marketing and Communications Lead
Manya Benenson**	Talent Development Producer
Melanie Kidd	Head of Programmes (Maternity Leave)
Merce Santos Mir**	Public Programme Producer
Millie Quick**	Gallery Invigilator
Muna Kandal**	Café / Bar Guest Services Assistant
Nellie O'Rourke-Stopka*	Catering Assistant
Oliver Fox**	RCF Project Coordinator
Parmjit Sagoo**	Community Projects Producer
Richard Chung	Front of House Assistant
Robert Stephens*	Head of Neighbourhoods
Roisin Bourke**	Catering Assistant
Ruth Lewis-Jones**	Learning Producer
Saad Eddine Said	CEO and Artistic Director
Tatenda Chitsamba*	Youth Projects Co-ordinator

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TRUSTEES' REPORT (CONTINUED)
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Achievements and performance (continued)

7. Board Members

****indicates left during this period**

Ashitey Akomfrah – Trustee
Professor Christopher O'Brien, OBE – Vice Chair
Leslie McDonald - Chair
Jiten Anand - Trustee
Mahtab Hussain ** - Trustee
Meeta Dave - Trustee
Mohan Khera ** - Trustee
Dr Rhiannon Pinchbeck - Trustee
Sardul Gill ** - Trustee

8. Financial review

a. Going concern

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

b. Principal risks and uncertainties

The Charity operates a Finance and General Purposes Committee as a sub-committee of the board of Trustees.

Meetings are held quarterly and as part of the tabled agenda a Risks Register is discussed alongside mitigation strategies.

Risk is measured on a colour scale from high risk to low risk by red, orange, yellow or green by likelihood of occurring and impact if it does occur. High risks are reported on a quarterly basis to the Board.

c. Reserves policy

NAE recognises the need for the organisation to generate sufficiently robust reserves to ensure we can operate on a financially sound position to test new business activities and models going forwards. The level should have regard to the aims, needs, objectives and risks that we face. It is the intention of the Charity to follow the guidance of the Charity Commission to Trustees and the appropriate legislation.

The unrestricted general reserve as at 31 March 2023 was £3,793,341 (2022: £3,832,054). The restricted reserve as at 31 March 2023 was £178 (2022: £Nil). It is the Trustees' long term objective to build up sufficient unrestricted reserves to cover 3 months of operating expenses in order to provide resilience and to allow the organisation to deal with contingencies.

The subsidiary undertaking of the charity, NAE Enterprises Limited, recorded a loss for the year of £26,278 (2022: £31,674 loss). The subsidiary should make a positive contribution to the financial performance of the group going forwards. However, the trustees and the management team are working to improve the financial performance of the subsidiary company.

The level of reserves and the reserves policy is the responsibility of the Finance and General Purposes Committee and the Board. Allocation of any reserves are agreed in line with operational priorities and incorporated into discussions feeding into the annual budget cycle.

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d. Principal funding

The Trustees 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 held in restricted accounts and managed according to the requirements of the grant application and regulations by the funding body.

9. Structure, governance and management

a. Constitution

The charity's governing document is the Articles of Association dated 15 September 2003 which was adopted on incorporation of the charitable company. The charity is a company limited by guarantee.

The principal object of the company and the group is to stimulate new perspectives on the value of diversity in art and society, operating from the principal address which is 39 - 41 Gregory Boulevard, Hyson Green, Nottingham, NG7 6BE.

We have a trading company which is a wholly owned subsidiary of The New Art Exchange Limited. Further information is given in note 18 of the financial statements.

b. Methods of appointment or election of Trustees

The directors of the company are also charity trustees for the purposes of charity law. Under the requirements of the Memorandum and Articles of Association one third of the members of the Board shall retire from office annually. A retiring member of the Board shall be eligible for re-election.

The Board seeks to ensure the vision and aims of the organisation are appropriately reflected through the diversity and skills of the trustee body. It is planned that the potential pool of trustees the charity has will be further enhanced during future years through selective advertising and networking.

c. Pay policy for key management personnel

The Board have a pay and remuneration working group, chaired by the Chair, to review senior members of the team's pay and remuneration, with reviews based on benchmarks from local and regional cultural organisations and advice from institutions including ACE, Tate etc.

d. Policies adopted for the induction and training of Trustees

In Autumn 2022, Trustees took part in a good governance training programme, with the aim of reviewing, developing and strengthening the governance processes and structures at New Art Exchange. The outcomes included a set of clear governance policies, the completion of a skills review, and the development of a plan to strengthen and refresh the Board of Trustees. All of this was done to the benefit of NAE by enabling us to better meet the needs of our diverse artists, audiences, and communities. Since then, NAE has continued with its induction process for new Trustees joining the Board, which includes the provision of a thorough suite of documents outlining NAE's mission, vision and business plan, and opportunities to attend staff training days and workshops via our Board Champions programme.

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9. Structure, governance and management (continued)

e. Organisational structure and decision-making policies

The Board of Trustees administers the charity. The Board meets quarterly. There are sub group meetings including that of a finance and general purposes that meets on a quarterly basis. A Chief Executive Officer (CEO) is appointed by the Trustees to manage the day to day operations of the charity. The CEO is supported by a senior management team consisting of Interim Director of Operations, Executive Support Manager, Support Services Manager and Head of Marketing and Comms.

Plans for future periods

NAE remains committed to its ambitions around becoming a national and international model for citizen-led galleries, whilst remaining dedicated to promoting excellence in culturally diverse contemporary arts through our exhibitions, events and engagement initiatives. Looking ahead to 2024 and beyond, we have an exciting programme scheduled. Our Transform season will see an innovative and dynamic conference delving deeper into how community organisations, cultural institutions, and funders are reshaping the dialogue around Global Ethnic Majority leadership, as well as a City-Wide Takeover event celebrating and amplifying the leadership, creativity, and stewardship of the Global Ethnic Majority in our city. Artist Adebayo Bolaji will join us in the Main Gallery from February and Raheel Khan will be residing with us from January for 7 weeks to nurture his practice, before our annual Open exhibition returns in the Summer, attracting both applicants and audiences locally and nationally. Our Neighbourhoods programme will continue to grow, with Beyond the Walls connecting local communities with internationally acclaimed mural practitioners to tell the stories of local heroes, and our YOU programmes providing training and development opportunities for young people. Our commitment to supporting our local communities will also extend to the expansion of our Community Café events, which provide a pay-what-you-can dining experience for all of our audiences twice a month.

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.

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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 and signed on their behalf by:



S Gambrah - Chair of Trustees
(Chair of Trustees)

Date: 13 December 2023

THE NEW ART EXCHANGE LIMITED
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE NEW ART EXCHANGE LIMITED

Qualified opinion

We have audited the financial statements of The New Art Exchange Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the Consolidated statement of financial activities, the Consolidated balance sheet, the 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, except for the possible effects of the matter described in the basis for qualified opinion section of our report, the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 March 2023 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for qualified opinion

The financial year ended 31 March 2022 contained £238,643 in carried forward restricted reserves. We were unable to obtain sufficient corroborative assurance in respect of the allocation of revenue and costs, as previously reported, in relation to two grant funded projects.

As a result, a prior year adjustment has been reflected in the financial statements (see note 24). Consequently, we have been unable to determine whether any further adjustments to these amounts are necessary.

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 qualified opinion.

Conclusions relating to going concern

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

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

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

THE NEW ART EXCHANGE LIMITED
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE NEW ART EXCHANGE 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.

As described in the basis for qualified opinion section of our report, we were unable to satisfy ourselves concerning the accuracy of opening restricted reserves as at 1 April 2022. We have concluded that where the other information refers to the opening reserves and prior year reported amounts, it may be materially misstated for the same reason.

Matters on which we are required to report by exception

Except for the matter described in the basis for qualified opinion section of our report, in light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

Arising solely from the limitation on the scope of our work referred to above:

- We have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- We were unable to determine whether adequate accounting records have been kept.

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you, if in our opinion:

- The parent charitable company financial statements are not in agreement with the accounting records and returns.

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.

THE NEW ART EXCHANGE LIMITED
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE NEW ART EXCHANGE LIMITED
(CONTINUED)

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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. Based on our understanding of the Group and industry, we identify the key laws and regulations affecting the Group. 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 have 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

We focussed on those areas that could give rise to a material misstatement in the Company's financial statements.

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 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.

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.

THE NEW ART EXCHANGE LIMITED

(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE NEW ART EXCHANGE LIMITED
(CONTINUED)**

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees 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.

PKF Smith Cooper Audit Limited

Statutory Auditors
2 Lace Market Square
Nottingham
NG1 1PB

Date:

PKF Smith Cooper Audit Limited are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

THE NEW ART EXCHANGE LIMITED
(A company limited by guarantee)

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

		Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	As restated Total funds 2022 £
	Note				
Income from:					
Donations and legacies	4	868,591	-	868,591	868,589
Charitable activities	5	20,000	215,001	235,001	480,805
Other trading activities	6	60,021	-	60,021	47,981
Investments	7	1,742	-	1,742	51
Other income	8	1,375	-	1,375	65,775
Total income		951,729	215,001	1,166,730	1,463,201
Expenditure on:					
Raising funds	9	142,366	-	142,366	133,548
Charitable activities	10	850,976	211,923	1,062,899	1,428,227
Total expenditure		993,342	211,923	1,205,265	1,561,775
Net (expenditure)/income		(41,613)	3,078	(38,535)	(98,574)
Transfers between funds	24	2,900	(2,900)	-	-
Net movement in funds		(38,713)	178	(38,535)	(98,574)
Reconciliation of funds:					
Total funds brought forward		3,832,054	-	3,832,054	3,930,628
Net movement in funds		(38,713)	178	(38,535)	(98,574)
Total funds carried forward		3,793,341	178	3,793,519	3,832,054

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

The notes on pages 24 to 43 form part of these financial statements.

THE NEW ART EXCHANGE LIMITED

(A company limited by guarantee)

REGISTERED NUMBER: 04899786

**CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2023**

	Note	2023 £	As restated 2022 £
Fixed assets			
Intangible assets	16	18,612	-
Tangible assets	17	3,318,352	3,417,050
		<u>3,336,964</u>	<u>3,417,050</u>
Current assets			
Stocks	19	3,495	2,942
Debtors	20	140,758	365,892
Cash at bank and in hand	28	393,598	217,152
		<u>537,851</u>	<u>585,986</u>
Creditors: amounts falling due within one year	21	(81,296)	(170,982)
Net current assets		<u>456,555</u>	<u>415,004</u>
Total assets less current liabilities		<u>3,793,519</u>	<u>3,832,054</u>
Total net assets		<u><u>3,793,519</u></u>	<u><u>3,832,054</u></u>
Charity funds			
Restricted funds	24	178	-
Unrestricted funds	24	3,793,341	3,832,054
Total funds		<u><u>3,793,519</u></u>	<u><u>3,832,054</u></u>

The Company was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

However, an audit is required in accordance with section 151 of the Charities Act 2011.

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 NEW ART EXCHANGE LIMITED

(A company limited by guarantee)

REGISTERED NUMBER: 04899786

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2023

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



S Gambrah

(Chair of Trustees)

Date: 13 December 2023

The notes on pages 24 to 43 form part of these financial statements.

THE NEW ART EXCHANGE LIMITED

(A company limited by guarantee)

REGISTERED NUMBER: 04899786

**COMPANY BALANCE SHEET
AS AT 31 MARCH 2023**

	Note	2023 £	As restated 2022 £
Fixed assets			
Intangible assets	16	18,612	-
Tangible assets	17	3,318,352	3,417,050
Investments	18	1	1
		<u>3,336,965</u>	<u>3,417,051</u>
Current assets			
Debtors	20	250,612	446,523
Cash at bank and in hand		378,805	212,892
		<u>629,417</u>	<u>659,415</u>
Creditors: amounts falling due within one year	21	(65,832)	(163,659)
Net current assets		<u>563,585</u>	<u>495,756</u>
Total assets less current liabilities		<u>3,900,550</u>	<u>3,912,807</u>
Total net assets		<u><u>3,900,550</u></u>	<u><u>3,912,807</u></u>
Charity funds			
Restricted funds	24	178	-
Unrestricted funds	24	3,900,372	3,912,807
Total funds		<u><u>3,900,550</u></u>	<u><u>3,912,807</u></u>

The Company was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

However, an audit is required in accordance with section 151 of the Charities Act 2011.

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 NEW ART EXCHANGE LIMITED

(A company limited by guarantee)

REGISTERED NUMBER: 04899786

COMPANY BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2023

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



S Gambrah

(Chair of Trustees)

Date: 13 December 2023

The notes on pages 24 to 43 form part of these financial statements.

THE NEW ART EXCHANGE LIMITED
(A company limited by guarantee)

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

	2023 £	2022 £
Cash flows from operating activities		
Net cash used in operating activities	196,304	(358,640)
Cash flows from investing activities		
Purchase of intangible assets	(20,160)	-
Purchase of tangible fixed assets	(1,440)	(24,106)
Investment income received	1,742	51
Net cash used in investing activities	(19,858)	(24,055)
Change in cash and cash equivalents in the year	176,446	(382,695)
Cash and cash equivalents at the beginning of the year	217,152	599,847
Cash and cash equivalents at the end of the year	393,598	217,152

The notes on pages 24 to 43 form part of these financial statements

THE NEW ART EXCHANGE LIMITED
(A company limited by guarantee)

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

1. General information

The New Art Exchange Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is 39 - 41 Gregory Boulevard, Hyson Green, Nottingham, NG7 6BE.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The New Art Exchange 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 financial statements are presented in Sterling which is the functional currency of the company and are rounded to the nearest £1.

2.2 Basis of consolidation

The financial statements consolidate the accounts of The New Art Exchange Limited and its subsidiary undertaking ('subsidiary').

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.

For the year ended 31 March 2023 the company generated a deficit of £12,257 (2022: Deficit of £54,909).

2.3 Going concern

The Trustees have reviewed latest management information, budgets and forecast cashflows to 31 March 2025. Due to the additional funds received and the strong level of cash reserves, the Trustees are confident that the company and Group will have adequate resources to continue in operational existence for the foreseeable future and at least one year from the date of approval of the financial statements. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

THE NEW ART EXCHANGE LIMITED
(A company limited by guarantee)

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

2. Accounting policies (continued)

2.4 Income

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

The company is awarded grants, for which we are not entitled to recognise the income until costs have been defrayed for the purpose the grant was intended. Therefore the recognition of any grants received in advance is usually deferred in the balance sheet.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

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.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount.

2.5 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.

2.6 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Consolidated statement of financial activities over the expected useful lives of the assets concerned. Other grants are credited to the Consolidated statement of financial activities as the related expenditure is incurred.

THE NEW ART EXCHANGE LIMITED
(A company limited by guarantee)

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

2. Accounting policies (continued)

2.7 Research and development

Development costs are capitalised within intangible assets where they can be identified with a specific product or project anticipated to produce future benefits, and are amortised on the straight line basis over the anticipated life of the benefits arising from the completed product or project.

Deferred research and development costs are reviewed annually, and where future benefits are deemed to have ceased or to be in doubt, the balance of any related research and development is written off to the Consolidated statement of financial activities.

2.8 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.9 Intangible assets and amortisation

Intangible assets costing £500 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 / Software Development - 15 % straight line

2.10 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.

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 - 2% straight line
Fixtures and fittings - 15% - 33% straight line

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated statement of financial activities.

THE NEW ART EXCHANGE LIMITED
(A company limited by guarantee)

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

2. Accounting policies (continued)

2.11 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.

2.12 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.

2.13 Debtors

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

2.14 Cash at bank and in hand

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

2.15 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.

2.16 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.

2.17 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.

THE NEW ART EXCHANGE LIMITED
(A company limited by guarantee)

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

2. Accounting policies (continued)

2.18 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.

Investment income, gains and losses are allocated to the appropriate fund.

3. Critical accounting estimates and judgements

The preparation of the financial statements requires the Trustees to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. The Trustees are of the opinion that there are no key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. Income from donations and legacies

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
ACE revenue core	868,591	868,591	868,589
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Total 2022	868,589	868,589	
	<hr/> <hr/>	<hr/> <hr/>	

THE NEW ART EXCHANGE LIMITED
(A company limited by guarantee)

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

5. Income from charitable activities

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	As restated Total funds 2022 £
Derwent Valley	-	-	-	12,000
Freelands	-	136,080	136,080	126,572
Real Creative Futures ERDF	-	46,769	46,769	88,249
The Art of Belonging	-	6,550	6,550	3,310
African Soldier	-	-	-	231,246
Art Fund	-	-	-	16,378
Nottingham Mela	-	7,856	7,856	10
Arts Patrons Trust - Our Yard	-	9,400	9,400	-
NTU - University Reimagined	20,000	-	20,000	-
HS1's Keyhole Wires	-	7,500	7,500	-
Other project income	-	846	846	3,040
	<u>20,000</u>	<u>215,001</u>	<u>235,001</u>	<u>480,805</u>
Total 2022 as restated	<u>-</u>	<u>480,805</u>	<u>480,805</u>	

6. Income from other trading activities

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Services contract Nottingham City Council	14,047	14,047	14,047
Facility income	23,507	23,507	13,055
Workshop and education income	2,970	2,970	900
Retailing	1,259	1,259	439
Box office income	-	-	28
HMRC Creative Industries Tax Credit	(49,765)	(49,765)	(29,595)
Sundry income	1,578	1,578	731
Consultancy fees	1,675	1,675	4,333
Café and catering	64,750	64,750	44,043
	<u>60,021</u>	<u>60,021</u>	<u>47,981</u>

THE NEW ART EXCHANGE LIMITED
(A company limited by guarantee)

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

7. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Interest receivable	1,742	1,742	51

8. Other incoming resources

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Sundry income	375	375	50
Government grants - review	1,000	1,000	4,000
NCC - misc grants	-	-	38,000
Government grants - furlough income	-	-	23,725
	1,375	1,375	65,775

9. Expenditure on raising funds

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Advertising and marketing	32,790	32,790	45,841
Café purchases	26,115	26,115	20,088
Support costs	17,204	17,204	9,166
Administration staff costs	66,257	66,257	58,453
	142,366	142,366	133,548

THE NEW ART EXCHANGE LIMITED
(A company limited by guarantee)

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

10. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Total 2022 £
Cost of charitable activities	850,976	211,923	1,062,899	1,428,227
Total 2022	951,242	476,985	1,428,227	

11. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £	Total funds 2022 £
Cost of charitable activities	392,938	669,961	1,062,899	1,428,227
Total 2022	576,413	851,814	1,428,227	

Analysis of direct costs

	Cost of charitable activities 2023 £	Total funds 2023 £	Total funds 2022 £
Depreciation and amortisation	101,686	101,686	109,202
Research and Development	1,360	1,360	1,391
Main Gallery	30,561	30,561	37,624
Project costs	259,331	259,331	428,196
	392,938	392,938	576,413

THE NEW ART EXCHANGE LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

11. Analysis of expenditure by activities (continued)

Analysis of support costs

	Cost of charitable activities 2023 £	Total funds 2023 £	Total funds 2022 £
Staff costs	465,294	465,294	629,013
IT expenses	114	114	11,102
Premises costs	65,665	65,665	69,784
Professional fees	40,507	40,507	55,970
Travelling expenses	821	821	1,781
Staff training costs	5,553	5,553	4,239
Sundry expenses	7,376	7,376	8,119
Postage and stationery	717	717	532
Exhibition technicians	20,690	20,690	15,568
Bank charges	914	914	1,595
Repairs and renewals	32,067	32,067	39,722
Governance costs	30,243	30,243	14,389
	<u>669,961</u>	<u>669,961</u>	<u>851,814</u>

12. Auditors' remuneration

	2023 £	2022 £
Auditors' remuneration for the group	11,450	7,800
Fees payable to the Company's auditor in respect of:		
All non-audit services not included above	<u>3,550</u>	<u>-</u>

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

13. Staff costs

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Wages and salaries	470,197	628,485	408,805	571,333
Employers NI	44,440	44,632	41,002	44,632
Pension costs	16,914	20,938	15,487	19,637
	531,551	694,055	465,294	635,602

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

	Group 2023 No.	Group 2022 No.	Company 2023 No.	Company 2022 No.
Employees	25	32	19	27

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

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

The total amount of employee benefits received by key management personnel is £176,772 (2022: £209,617).

14. Trustees' remuneration and expenses

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

During the year ended 31 March 2023, no Trustee expenses have been incurred (2022 - £NIL).

15. 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 objects.

THE NEW ART EXCHANGE LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

16. Intangible assets

Group and Company

	Website / Software Development £
Cost	
Additions	20,160
At 31 March 2023	<u>20,160</u>
Amortisation	
Charge for the year	1,548
At 31 March 2023	<u>1,548</u>
Net book value	
At 31 March 2023	<u><u>18,612</u></u>
At 31 March 2022	<u><u>-</u></u>

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

17. Tangible fixed assets

Group and Company

	Long-term leasehold property £	Fixtures and fittings £	Total £
Cost			
At 1 April 2022 (as restated)	4,549,049	154,655	4,703,704
Additions	-	1,440	1,440
At 31 March 2023	<u>4,549,049</u>	<u>156,095</u>	<u>4,705,144</u>
Depreciation			
At 1 April 2022 (as restated)	1,173,621	113,033	1,286,654
Charge for the year	88,421	11,717	100,138
At 31 March 2023	<u>1,262,042</u>	<u>124,750</u>	<u>1,386,792</u>
Net book value			
At 31 March 2023	<u>3,287,007</u>	<u>31,345</u>	<u>3,318,352</u>
At 31 March 2022 (as restated)	<u>3,375,428</u>	<u>41,622</u>	<u>3,417,050</u>

18. Fixed asset investments

	Investments in subsidiaries £
Company	
Cost or valuation	
At 1 April 2022	1
At 31 March 2023	<u>1</u>

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

18. Fixed asset investments (continued)

Principal subsidiaries

The following were subsidiary undertakings of the Company:

Names	Company number	Principal activity	Class of shares	Holding
NAE Enterprises	09462470	Café	Ordinary	100%
NAE Developments Limited	09462213	Dormant company	Ordinary	100%

The financial results of the subsidiary for the year were:

NAE Enterprises Limited

Income: £83,298
Expenditure: (£109,576)
Profit/ (Loss) for the year: (£26,278)
Net assets/ (liabilities): (£107,030)

NAE Developments Limited

Net assets: £1

19. Stocks

	Group 2023 £	Group 2022 £
Café stock	3,495	2,942

20. Debtors

	Group 2023 £	Group As restated 2022 £	Company 2023 £	Company As restated 2022 £
Due within one year				
Trade debtors	4,404	7,801	-	480
Amounts owed by group undertakings	-	-	115,427	88,666
Other debtors	6,156	8,201	5,704	8,201
Prepayments and accrued income	130,198	349,890	129,481	349,176
	140,758	365,892	250,612	446,523

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

21. Creditors: Amounts falling due within one year

	Group 2023 £	Group As restated 2022 £	Company 2023 £	Company As restated 2022 £
Trade creditors	37,359	109,316	32,492	106,925
Other taxation and social security	10,927	14,467	8,034	12,006
Other creditors	4,828	5,376	3,618	4,105
Accruals and deferred income	28,182	41,823	21,688	40,623
	81,296	170,982	65,832	163,659

22. Financial instruments

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Financial assets				
Financial assets measured at fair value through income and expenditure	534,356	744,697	629,417	659,415
	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Financial liabilities				
Financial liabilities measured at amortised cost through income and expenditure	(81,296)	(170,982)	(65,832)	(163,659)

Financial assets measured at fair value through income and expenditure comprise trade debtors, amounts owed by group undertakings, other debtors, prepayments and accrued income and cash at bank.

Financial liabilities measured at fair value through income and expenditure comprise trade creditors, other taxation and social security, other creditors and accruals and deferred income.

23. Prior year adjustments

The financial statements have been adjusted for misstatements in previously reported financial statements.

The financial statements have been restated to incorporate the impact of fixed assets being overstated by £31,221 for a historic journal with no underpinning asset. This change has resulted in a reduction to 2022 brought forward (b/f) unrestricted reserves of £31,221 and a reduction to 2022 b/f long-term leasehold property cost.

The financial statements have also been restated to incorporate the impact of historic restricted funds not being accurately reported in prior years in respect of certain grants. The adjustment has resulted in an increase to 2023 b/f unrestricted funds of £254,110; a reduction in 2023 b/f restricted funds of £236,643; an increase in 2022 b/f unrestricted funds of £175,088; a reduction in 2022 b/f restricted funds of £126,924; a reduction in 2022 restricted income of £22,880; an increase in 2022 restricted costs of £77,022; and a reduction in 2022 unrestricted costs of £77,022.

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

24. Statement of funds

Statement of funds - current year

	As restated Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2023 £
Unrestricted funds					
General Funds	3,912,807	868,431	(883,766)	2,900	3,900,372
Reserves - subsidiary	(80,753)	83,298	(109,576)	-	(107,031)
	<u>3,832,054</u>	<u>951,729</u>	<u>(993,342)</u>	<u>2,900</u>	<u>3,793,341</u>
Restricted funds					
Real Creative Futures ERDF	-	46,769	(46,769)	-	-
Freelands income	-	136,080	(136,080)	-	-
PCC Community	-	846	(846)	-	-
Arts Patrons Trust - Our Yard	-	9,400	(6,500)	(2,900)	-
The Art of Belonging	-	6,550	(6,550)	-	-
HS1's Keyhole Wires	-	7,500	(7,322)	-	178
Nottingham Mela	-	7,856	(7,856)	-	-
	<u>-</u>	<u>215,001</u>	<u>(211,923)</u>	<u>(2,900)</u>	<u>178</u>
Total of funds	<u><u>3,832,054</u></u>	<u><u>1,166,730</u></u>	<u><u>(1,205,265)</u></u>	<u><u>-</u></u>	<u><u>3,793,519</u></u>

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

24. Statement of funds (continued)

Real Creative Futures ERDF is part of the Big House programme, funded through ERDF, providing creative business support to the creative and digital industries in Nottinghamshire and Derbyshire. This project is now completed.

The Art of Belonging is a vibrant exhibition that showcases the art created by students from NEST (Nottingham Education Sanctuary Team), a full-time educational provision for asylum seekers and refugees aged 15-19 years.

Freelands is a three year 'Power to Change' programme drawing on the legacy of community activism in Nottingham and working with young people and adults to support community empowerment and talent development.

PCC Community is a Police Crime Commissioner supported programme to develop a response to hate crime resulting in film and series of events. This project is now completed.

Arts Patrons Trust - Our Yard is an exploration into the impact of sound system culture on the UK over the last 50 years. A 16-part series telling the chronological story, over the next 4 years through clothing collections, podcasts, film screenings and events.

HS1's Keyhole Wires follows HS1's 'Terrace Wires', one of the country's most ambitious public art programmes. The programme supports the hanging of unique contemporary artwork at a key junction in St Pancras Station. Suspended high, surrounded by the glass windows connecting the old St Pancras Station with the new.

Nottingham Mela is a South Asian festival of art and culture supported by the Mela Network.

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

24. Statement of funds (continued)

Statement of funds - prior year

	As restated Balance at 1 April 2021 £	As restated Income £	As restated Expenditure £	As restated Transfers in/out £	As restated Balance at 31 March 2022 £
Unrestricted funds					
General funds	3,931,028	982,406	(1,084,790)	3,410	3,832,054
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Restricted funds					
Real Creative Futures ERDF	-	88,249	(88,249)	-	-
African Soldier	-	231,246	(231,246)	-	-
NTS Project - Shine a Light	-	1,840	(330)	(1,510)	-
Historic England	(400)	1,200	(900)	100	-
Art Fund	-	16,377	(16,377)	-	-
Derwent Valley	-	12,000	(10,000)	(2,000)	-
Freelands income	-	126,573	(126,573)	-	-
The Art of Belonging	-	3,310	(3,310)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	(400)	480,795	(476,985)	(3,410)	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total of funds	<hr/> <hr/> 3,930,628	<hr/> <hr/> 1,463,201	<hr/> <hr/> (1,561,775)	<hr/> <hr/> -	<hr/> <hr/> 3,832,054

THE NEW ART EXCHANGE LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

25. Summary of funds

Summary of funds - current year

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2023 £
General funds	3,832,054	951,729	(993,342)	2,900	3,793,341
Restricted funds	-	215,001	(211,923)	(2,900)	178
	<u>3,832,054</u>	<u>1,166,730</u>	<u>(1,205,265)</u>	<u>-</u>	<u>3,793,519</u>

Summary of funds - prior year

	Balance at 1 April 2021 £	As restated Income £	As restated Expenditure £	As restated Transfers in/out £	Balance at 31 March 2022 £
General funds	3,931,028	982,406	(1,084,790)	3,410	3,832,054
Restricted funds	(400)	480,795	(476,985)	(3,410)	-
	<u>3,930,628</u>	<u>1,463,201</u>	<u>(1,561,775)</u>	<u>-</u>	<u>3,832,054</u>

26. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	3,318,352	-	3,318,352
Intangible fixed assets	18,612	-	18,612
Current assets	537,673	178	537,851
Creditors due within one year	(81,296)	-	(81,296)
Total	<u>3,793,341</u>	<u>178</u>	<u>3,793,519</u>

THE NEW ART EXCHANGE LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

26. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	3,417,050	-	3,417,050
Current assets	570,636	15,350	585,986
Creditors due within one year	(155,632)	(15,350)	(170,982)
Total	3,832,054	-	3,832,054

27. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2023 £	Group As restated 2022 £
Net expenditure for the year (as per Statement of Financial Activities)	(38,535)	(98,574)
Adjustments for:		
Depreciation charges	100,138	109,201
Amortisation charges	1,548	-
Investment income recognised in statement of financial activities	(1,742)	(51)
Increase in stocks	(553)	(2,942)
Decrease/(increase) in debtors	225,134	(95,318)
Decrease in creditors	(89,686)	(270,956)
Net cash provided by/(used in) operating activities	196,304	(358,640)

28. Analysis of cash and cash equivalents

	Group 2023 £	Group 2022 £
Cash in hand	393,598	217,152
Total cash and cash equivalents	393,598	217,152

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

29. Analysis of changes in net debt

	At 1 April 2022	Cash flows	At 31 March 2023
	£	£	£
Cash at bank and in hand	217,152	176,446	393,598
	<u>217,152</u>	<u>176,446</u>	<u>393,598</u>

30. Pension commitments

The Group and Company 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 £16,914 (2022 - £20,938). Contributions totalling £2,485 (2022 - £3,781) were payable to the fund at the balance sheet date.

31. Operating lease commitments

The Group and the Company had no commitments under non-cancellable operating leases at 31 March 2023.

32. Related party transactions

The Group has taken advantage of the exemption under S.33 1A of FRS 102 from disclosing transactions entered into between two or more members of the group as the subsidiary is fully owned.

The Company has not entered into any related party transaction during the year, nor are there any outstanding balances owing between related parties and the Company at 31 March 2023.

33. Controlling party

The New Art Exchange is a Company limited by guarantee and accordingly does not have share capital.

Every member of the charitable Company undertakes to contribute such amount as may be required not exceeding £1 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.

There is no ultimate controlling party of the charitable Company.