

NEW CUT ARTS

England & Wales · Charity number 1123971

Details

Status	Registered
Legal form	Charitable company
Company number	06461027
Registered	2008-05-07
Register	View on the Charity Commission register

Contact

Address	The New Cut Arts Centre 8 New Cut Halesworth Suffolk IP19 8BU
Phone	01986873124
Email	info@newcut.org
Website	www.newcut.org

Activities

Objects: 3.1 TO ESTABLISH AN ARTS CENTRE;3.2 TO RECLAIM, REPAIR, RESTORE, PRESERVE, CONSERVE, REFURNISH AND RECONSTRUCT AS AND WHERE AND WHEN NECESSARY AN HISTORIC AND UNUSED BUILDING KNOW AS MALTINGS, NEW CUT, HALESWORTH;3.3 TO ADVANCE EDUCATION OF YOUNG PEOPLE UNDER 25;3.4 TO PROVIDE TRAINING, COURSES, WORKSHOPS IN ALL ASPECTS OF PERFORMING AND FINE ARTS AND MEDIA STUDIES LEADING TO EDUCATIONAL QUALIFICATIONS;3.5 TO PROVIDE COMMUNITY ARTS PROGRAMMES TO MEET THE NEEDS OF THE WHOLE COMMUNITY;3.6 TO DEVELOP AND ENCOURAGE YOUTH PROGRAMMES TO MEET THE NEEDS OF THE WHOLE COMMUNITY;3.7 TO DEVELOP AND ENCOURAGE YOUTH PROGRAMMES IN ALL AREAS OF ARTS, DANCE AND MEDIA;3.8 TO ATTRACT WIDER AUDIENCES NATIONALLY AND INTERNATIONALLY3.9 TO ATTRACT WIDER PERFORMANCES FROM TRAVELLING GROUPS AND INTERNATIONAL EXCHANGE PROGRAMMES.

Activities: The object of the charity is to advance education in the arts in Suffolk and Norfolk

Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services
- **What:** Education/training, Arts/culture/heritage/science
- **Who:** Children/young People, Elderly/old People, People With Disabilities, The General Public/mankind

Geography

- **Area of benefit:** SUFFOLK
- Norfolk
- Suffolk

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£280,615	£330,550	-	-
2024-03-31	£207,493	£254,260	-	-
2023-03-31	£180,659	£245,887	-	-
2022-03-31	£148,372	£111,514	-	-
2021-03-31	£271,000	£171,439	-	-

Trustees

Name	Role	Appointed
ANTHONY CASEMENT		
Alison Mary Dudeney		2024-11-21
Beth Keys Holloway		2024-01-01
DEAN PARKIN		
Eleanor Rodwell		2024-11-21
Gabrielle Maughan		2024-11-22
MS SUSIE BAILEY		
Naomi Francesca Jaffa		2020-09-29

NEW CUT ARTS

England & Wales - Charity number 1123971

Accounts

Company registration number: 06461027
Charity registration number: 1123971

**NEW CUT ARTS
TRUSTEES' REPORT AND
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**



New Cut Arts Contents

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Detailed Statement of Financial Activities (including Income and Expenditure Account)	20—22

The trustees present their report and the financial statements for the year ended 31 March 2025.

Objectives and Activities

Aims and Objectives

The object of the charity is to advance education in the arts in Suffolk and Norfolk particularly, but not exclusively, by:

- Establishing an Arts Centre;
- Providing training courses and workshops in all aspects of the performing and fine arts and media studies leading to educational qualifications;
- Providing community arts programmes to meet the needs of the whole community;
- Developing and encouraging youth programmes to meet the needs of the whole community;
- Developing and encouraging youth programmes in all areas of arts, dance and media.

Strategies for achieving objectives

New Cut Arts is a charity and non-profit organisation. Its aim is to stand as a beacon of creativity and empowerment, harnessing the transformative power of art to connect individuals and communities across local, regional, and global landscapes. Its unwavering commitment to self-determination places individuals at the helm of decision-making, fostering a sense of ownership and agency in their artistic and creative journeys. New Cut Arts ignites a spark of inspiration, nurturing young artists and fostering creativity within the local community. This empowerment enables individuals to pursue their artistic passions, engage in creativity, and enrich the cultural landscape. Through its comprehensive range of youth programmes in arts, dance and media, The Cut engages young people, fostering a thriving artistic community. Committed to expanding its community's artistic horizons, The Cut also actively seeks to attract wider audiences, bridging the gap between local, regional, national, and international artistic expressions. Welcoming travelling groups and fostering international exchange programmes, New Cut Arts cultivates creativity, cross-cultural understanding and collaboration, weaving a tapestry of global connections that transcend boundaries and unite individuals through the transformative power of art.

Public Benefit

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)'.

Achievements and Performance

Main Achievements

Although the financial environment continues to be challenging, The Cut continues to thrive as a vital independent multidisciplinary community arts hub- home to many organisations, groups and artists. Increased footfall is reflected in growth across all income streams. Our ongoing refurbishment programme continues through successful fundraising including the replacement of the Dance Studio skylight and installation of air conditioning, securing and improving this valuable community asset. Arts activities for all ages continue to engage and new additions to the performing arts programme have raised the bar.

**New Cut Arts
Trustees' Report (continued)
For The Year Ended 31 March 2025**

Financial Review

Financial Position

The income and expenditure of the charity is set out in the accounts on pages 7 to 22.

Reserves Policy

Unrestricted funds serve as a cornerstone of New Cut Art's financial management, providing flexibility, decisionmaking autonomy, and adaptability to support its mission and objectives. By effectively managing unrestricted funds, we can safeguard financial stability, foster strategic agility, and achieve continued success in fulfilling our mission.

This Operating Reserve Policy is designed to enable New Cut Arts to build and maintain an adequate level of unrestricted cash reserves to support the organisation's day-to-day operations in the event of unforeseen shortfalls. Operating reserves are not intended to replace a permanent loss of funds or eliminate an ongoing budget deficit. These funds represent financial resources that can be utilised for any purpose aligned with our mission and objectives. They are not restricted to specific projects or programs and can be employed to cover operating expenses, make strategic investments, or pursue innovative initiatives.

Definition and Goals

New Cut Arts adheres to a strict segregation policy, managing unrestricted funds separately from designated and restricted funds, which are for specific projects or purposes as specified by the Trustees, donor or funding sources. This clear distinction ensures financial transparency, ethical stewardship, and adherence to the intent of all funders and contract providers. Unrestricted funds are utilised for general operations, while restricted funds are earmarked for specific projects or purposes in accordance with the defined guidelines.

We identify our unrestricted funds, New Cur Art's reserves, as 'Core Costs' and 'Contingency':

- 1 . Core Costs: With the goal of safeguarding the organisation's long-term sustainability and ability to deliver uninterrupted services, the operating reserve ('Core Costs') is set at a minimum of six months of recurring operating costs, calculated based on the maximum six-months expenditure. This six-month policy ensures The Cut can maintain its operations, providing continuous support and the centre's activities for an extended timeframe
2. Contingency: To enhance our financial preparedness, we aim to gradually increase our contingency funds ('Contingency ') to a minimum of 3 months over the next five years. These contingency funds will serve as a safeguard against unforeseen liabilities and expenditures.

These reserves (both 'Core Costs' and 'Contingency ') will be reported to the Board of Trustees and included in the regular financial reports to ensure that we are working towards achieving our objectives.

Reserve levels

Unrestricted funds at 31 March 2025 were £654,492 (2024: £695,729) and restricted funds were £81,501 (2024: £90,199), meaning total funds were £735,993 (2024: 785,928).

Review of reserve policy

This policy will undergo annual review by the Board of Trustees, or sooner if deemed necessary due to internal or external events or changes. Recommendations for policy amendments will be presented to the Board of Trustees by the Centre Manger. Upon approval, each revision will be documented in writing and redistributed as required. The policys purpose remains steadfast: to safeguard the financial health and integrity of the organisation in pursuit of its mission as outlined in the policys Purpose section.

**New Cut Arts
Trustees' Report (continued)
For The Year Ended 31 March 2025**

Going Concern

The Trustees have considered the Charity's position at the time of signing the financial statements, and in particular, they have considered the Charity's cash reserves and loan repayments due in the short to medium term.

Based on this, the Trustees have concluded that they have a reasonable expectation that the Charity will have adequate resources to continue in operational existence for the foreseeable future, and at least twelve months from the date of signing these financial statements. They therefore continue to adopt the going concern basis of accounting in preparing these financial statements.

Structure, Governance and Management

Governing Document

New Cut Arts is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 11 April 2008.

Trustee Selection Methods

New Cut Arts has adopted the following policy covering the recruitment of new trustees:

Trustees must have an interest in the aims and objectives of New Cut Arts and be committed to the safe governance of the charity.

Trustees must not have any conviction for fraud or financial mal-practice.

Trustees must not stand to gain financially from their position as trustee except in special circumstances approved by the trustees and authorised by the Charity Commission.

Trustees must be able to attend at least 80% of all scheduled meetings.

Trustees must be selected on the basis of knowledge and experience which is appropriate to the charity's aims and organisation - in particular we seek to include people with financial, legal, marketing, HR and health & safety competencies.

The Board of Trustees should be representative of the local community in terms of age, gender and ethnicity - we actively support the notion of diversity.

Risk management

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

Reference and Administrative Details

Trustees

Ms N F Jaffa
Mr D A Parkin
Mr A Casement
S J Bailey
Ms A M Dudeney (appointed 22/11/2024)

**New Cut Arts
Trustees' Report (continued)
For The Year Ended 31 March 2025**

Ms B K Holloway
Mrs J M Jordan
Ms G Maughan (appointed 01/11/2024)
Ms E Rodwell (appointed 21/11/2024)
Ms K Dou-Daniel (resigned 19/09/2024)
Dr U Hashim (resigned 19/09/2024)

Company Secretary

Mrs J M Jordan

Charity Number

1123971

Company Number

06461027

Principal Address

The Cut, New Cut
Halesworth
Suffolk
IP19 8BY

Registered Office

Old Maltings
8 New Cut
Halesworth
Suffolk
IP19 8BY

Independent Examiner

P N van Dijk FMAAT
Van Dijk Accountants
Georgian House
34 Thoroughfare
Halesworth
Suffolk
IP19 8AP

**New Cut Arts
Trustees' Report (continued)
For The Year Ended 31 March 2025**

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 . 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 Company and of its incoming resources and application of resources, including its 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 Company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of 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 Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Small Company Rules

This report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

The trustees' report was approved by the board of trustees and signed on its behalf by:

Tony Casement

Mr A Casement

Trustee
18/12/2025

New Cut Arts
Independent Examiner's Report to the Trustees of New Cut Arts
For The Year Ended 31 March 2025

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 March 2025.

Responsibilities and Basis of Report

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

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

Independent Examiner's Statement

Since the Company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of The Association of Accounting Technicians, which is one of the listed bodies.

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

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

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

P N van Dijk FMAAT
22/12/2025
Georgian House
34 Thoroughfare
Halesworth
Suffolk
IP19 8AP

New Cut Arts
Statement of Financial Activities (including Income and Expenditure Account)
For The Year Ended 31 March 2025

				2025	2024
		Unrestricted funds	Restricted funds	Total funds	Total funds
	Notes	£	£	£	£
INCOME AND ENDOWMENTS FROM:					
Donations and legacies	3	11,966	28,919	40,885	25,463
Charitable activities:	4				
Charitable activities		121,735	-	121,735	76,623
Other trading activities	5	117,218	-	117,218	114,247
Investments	6	777	-	777	860
		<u>251,696</u>	<u>28,919</u>	<u>280,615</u>	<u>217,193</u>
EXPENDITURE ON:					
Raising funds	8	(54,469)	(9,802)	(64,271)	(104,446)
Charitable activities:	8				
Charitable activities		(247,493)	(18,786)	(266,279)	(169,954)
		<u>(301,962)</u>	<u>(28,588)</u>	<u>(330,550)</u>	<u>(274,400)</u>
NET EXPENDITURE		<u>(50,266)</u>	<u>331</u>	<u>(49,935)</u>	<u>(57,207)</u>
Transfers between funds	20	9,029	(9,029)	-	-
NET MOVEMENT IN FUNDS		<u>(41,237)</u>	<u>(8,698)</u>	<u>(49,935)</u>	<u>(57,207)</u>
RECONCILIATION OF FUNDS:					
Total funds brought forward		695,729	90,199	785,928	843,135
TOTAL FUNDS CARRIED FORWARD	20	<u>654,492</u>	<u>81,501</u>	<u>735,993</u>	<u>785,928</u>

The notes on pages 11 to 19 form part of these financial statements.

New Cut Arts
Comparative Statement of Financial Activities (including Income and Expenditure
Account)
For The Year Ended 31 March 2025

		Unrestricted funds	Restricted funds	2024 Total funds
	Notes	£	£	£
INCOME AND ENDOWMENTS FROM:				
Donations and legacies	3	15,763	9,700	25,463
Charitable activities:	4			
Charitable activities		76,623	-	76,623
Other trading activities	5	114,247	-	114,247
Investments	6	860	-	860
		<u>207,493</u>	<u>9,700</u>	<u>217,193</u>
EXPENDITURE ON:				
Raising funds	8	(84,306)	(20,140)	(104,446)
Charitable activities:	8			
Charitable activities		(169,954)	-	(169,954)
		<u>(254,260)</u>	<u>(20,140)</u>	<u>(274,400)</u>
NET EXPENDITURE		(46,767)	(10,440)	(57,207)
Transfers between funds	20	9,029	(9,029)	-
NET MOVEMENT IN FUNDS		(37,738)	(19,469)	(57,207)
RECONCILIATION OF FUNDS:				
Total funds brought forward		733,467	109,668	843,135
TOTAL FUNDS CARRIED FORWARD	20	<u><u>695,729</u></u>	<u><u>90,199</u></u>	<u><u>785,928</u></u>

The notes on pages 11 to 19 form part of these financial statements.

**New Cut Arts
Balance Sheet
As At 31 March 2025**

				2025	2024
		Unrestricted funds	Restricted funds	Total funds	Total funds
	Notes	£	£	£	£
FIXED ASSETS					
Tangible Assets	13	693,851	71,369	765,220	794,989
		693,851	71,369	765,220	794,989
CURRENT ASSETS					
Stocks	14	3,000	-	3,000	3,000
Debtors	15	6,575	-	6,575	7,199
Cash at bank and in hand		33,457	10,132	43,589	57,036
		43,032	10,132	53,164	67,235
Creditors: Amounts Falling Due Within One Year	16	(37,117)	-	(37,117)	(21,737)
NET CURRENT ASSETS (LIABILITIES)		5,915	10,132	16,047	45,498
TOTAL ASSETS LESS CURRENT LIABILITIES		699,766	81,501	781,267	840,487
Creditors: Amounts Falling Due After More Than One Year	17	(45,274)	-	(45,274)	(54,559)
NET ASSETS		654,492	81,501	735,993	785,928
FUNDS OF THE CHARITY					
Restricted Funds				81,501	90,199
Unrestricted Funds				654,492	695,729
TOTAL FUNDS	20			735,993	785,928

**New Cut Arts
Balance Sheet (continued)
As At 31 March 2025**

For the year ending 31 March 2025 the charitable company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the charitable company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

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

On behalf of the board

Tony Casement

Mr A Casement

Trustee

18/12/2025

The notes on pages 11 to 19 form part of these financial statements.

New Cut Arts
Notes to the Financial Statements
For The Year Ended 31 March 2025

1. General Information

New Cut Arts is a company limited by guarantee, incorporated in England & Wales, registered number 06461027 and registered charity number 1123971. The registered office is Old Maltings, 8 New Cut, Halesworth, Suffolk, IP19 8BY.

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)", Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006.

The charitable company is a Public Benefit Entity as defined by FRS 102.

2.2. Incoming Resources

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.

Grants are included in the 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.

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

2.3. Resources Expended

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 Company 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 Company's objectives, as well as any associated support costs including all accountancy and legal fees incurred.

New Cut Arts
Notes to the Financial Statements (continued)
For The Year Ended 31 March 2025

2.4. Tangible Fixed Assets and Depreciation

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided at rates calculated to write off the cost of the fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold	2% on cost
Improvements	2% on cost
Plant & Machinery	15% on reducing balance
Fixtures & Fittings	15% on reducing balance
Computer Equipment	33% on cost

2.5. Investments

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

2.6. Stocks and Work in Progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

2.7. Cash and Cash Equivalents

Cash and cash equivalents are basic financial assets and include cash in hand and deposits held at call with banks, other short-term highly liquid investments that mature in no more than three months from the date of acquisition and are readily convertible to a known amount of cash with insignificant risk of change in value, and bank overdrafts.

3. Income from Donations and Legacies

			2025
	Unrestricted funds	Restricted funds	Total funds
	£	£	£
Donations and gifts	5,453	-	5,453
Grants	-	28,919	28,919
Other	6,513	-	6,513
	<u>11,966</u>	<u>28,919</u>	<u>40,885</u>
			2024
	Unrestricted funds	Restricted funds	Total funds
	£	£	£
Donations and gifts	4,661	-	4,661
Grants	4,500	9,700	14,200
Other	6,602	-	6,602
	<u>15,763</u>	<u>9,700</u>	<u>25,463</u>

New Cut Arts
Notes to the Financial Statements (continued)
For The Year Ended 31 March 2025

4. Income from Charitable Activities

	2025	2024
	Unrestricted funds	Unrestricted funds
	£	£
Charitable activities	121,735	76,623

5. Income from Other Trading Activities

	2025	2024
	Unrestricted funds	Unrestricted funds
	£	£
Publications, newsletters and journals	-	(72)
Fundraising events	8,663	5,695
Cafe and bar income	76,115	60,434
Room hire	32,440	48,190
	<u>117,218</u>	<u>114,247</u>

6. Investment Income

	2025	2024
	Unrestricted funds	Unrestricted funds
	£	£
Bank interest receivable	777	860

7. Net Income/(Expenditure)

The net expenditure is stated after charging/(crediting):

	2025	2024
	£	£
Depreciation of tangible fixed assets - owned	<u>33,294</u>	<u>36,293</u>

New Cut Arts
Notes to the Financial Statements (continued)
For The Year Ended 31 March 2025

8. Analysis of Expenditure

	2025		
	Activities undertaken directly	Support costs (see note 9)	Total
	£	£	£
Raising funds	-	64,271	64,271
Charitable activities	43,183	223,096	266,279
	<u>43,183</u>	<u>287,367</u>	<u>330,550</u>
	2024		
	Activities undertaken directly	Support costs (see note 9)	Total
	£	£	£
Raising funds	-	104,446	104,446
Charitable activities	44,938	125,016	169,954
	<u>44,938</u>	<u>229,462</u>	<u>274,400</u>

9. Support Costs

	2025		
	Raising funds	Charitable activities	Total
	£	£	£
Employee costs	-	95,312	95,312
Premises expenses	9,882	24,271	34,153
General administration	44,587	75,996	120,583
Depreciation	9,802	23,492	33,294
Interest payable	-	4,025	4,025
	<u>64,271</u>	<u>223,096</u>	<u>287,367</u>

New Cut Arts
Notes to the Financial Statements (continued)
For The Year Ended 31 March 2025

			2024
	Raising funds	Charitable activities	Total
	£	£	£
Employee costs	-	38,339	38,339
Premises expenses	-	18,638	18,638
General administration	104,446	31,746	136,192
Depreciation	-	36,293	36,293
	<u>104,446</u>	<u>125,016</u>	<u>229,462</u>

10. Independent Examiner's Remuneration

	2025	2024
	£	£
Independent examination of the financial statements	6,000	4,815
Other assurance services	-	-
Tax advisory services	-	-
Other financial services	-	1,130
	<u>6,000</u>	<u>5,945</u>

11. Staff Costs

Staff costs were as follows:

	2025	2024
	£	£
Wages and salaries	93,360	37,240
Other pension costs	1,712	590
	<u>95,072</u>	<u>37,830</u>

No employees received employee benefits (excluding employer pension costs) for the reporting period of more than £60,000.

12. Average Number of Employees

Average number of employees during the year was: 5 (2024: 5)

New Cut Arts
Notes to the Financial Statements (continued)
For The Year Ended 31 March 2025

13. Tangible Assets

	Land & Property		Plant & Machinery	Fixtures & Fittings
	Freehold	Improvements		
	£	£	£	£
Cost				
As at 1 April 2024	182,724	769,946	85,892	242,115
Additions	-	9,029	171	2,719
Disposals	-	(9,029)	-	-
As at 31 March 2025	182,724	769,946	86,063	244,834
Depreciation				
As at 1 April 2024	33,149	218,403	60,280	173,856
Provided during the period	3,654	15,399	3,855	10,335
As at 31 March 2025	36,803	233,802	64,135	184,191
Net Book Value				
As at 31 March 2025	145,921	536,144	21,928	60,643
As at 1 April 2024	149,575	551,543	25,612	68,259

	Computer Equipment	Total
	£	£
Cost		
As at 1 April 2024	7,295	1,287,972
Additions	635	12,554
Disposals	-	(9,029)
As at 31 March 2025	7,930	1,291,497
Depreciation		
As at 1 April 2024	7,295	492,983
Provided during the period	51	33,294
As at 31 March 2025	7,346	526,277
Net Book Value		
As at 31 March 2025	584	765,220
As at 1 April 2024	-	794,989

14. Stocks

	2025	2024
	£	£
Stock	3,000	3,000

New Cut Arts
Notes to the Financial Statements (continued)
For The Year Ended 31 March 2025

15. Debtors

	2025	2024
	£	£
Due within one year		
Trade debtors	3,381	4,699
Other debtors	3,194	2,500
	<u>6,575</u>	<u>7,199</u>

16. Creditors: Amounts Falling Due Within One Year

	2025	2024
	£	£
Bank loans and overdrafts	9,199	5,196
Other loans	1,000	1,000
Other creditors	1,171	3,037
Taxation and social security	7,738	4,847
Accruals and deferred income	18,009	7,657
	<u>37,117</u>	<u>21,737</u>

17. Creditors: Amounts Falling Due After More Than One Year

	2025	2024
	£	£
Bank loans	<u>45,274</u>	<u>54,559</u>

18. Loans

An analysis of the maturity of loans is given below:

	2025	2024
	£	£
Amounts falling due within one year or on demand:		
Bank loans	9,199	5,196
Other loans	1,000	1,000
	<u>10,199</u>	<u>6,196</u>
	2025	2024
	£	£
Amounts falling due between one and five years:		
Bank loans	<u>45,274</u>	<u>54,559</u>

New Cut Arts
Notes to the Financial Statements (continued)
For The Year Ended 31 March 2025

19. Pension Commitments

The charitable company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charitable company in an independently administered fund.

During the year the charge to the statement of financial activities in respect of defined contribution schemes was £1,712 (2024: £590).

At the balance sheet date contributions of £191 (2024: £465) were due to the fund and are included in creditors.

20. Movement in Funds

	As at 1 April 2024	Income	Expenditure	Transfers	As at 31 March 2025
	£	£	£	£	£
Unrestricted funds					
General:					
General unrestricted fund	695,729	251,696	(301,962)	9,029	654,492
Restricted funds					
Restricted	90,199	28,919	(28,588)	(9,029)	81,501
Total funds	785,928	280,615	(330,550)	-	735,993

	As at 1 April 2023	Income	Expenditure	Transfers	As at 31 March 2024
	£	£	£	£	£
Unrestricted funds					
General:					
General unrestricted fund	733,467	207,493	(254,260)	9,029	695,729
Restricted funds					
Restricted	109,668	9,700	(20,140)	(9,029)	90,199
Total funds	843,135	217,193	(274,400)	-	785,928

21. Transactions with Trustees

During the year the expenses reimbursed to the trustees or paid directly to third parties were as follows:

2025	2024
£	£

New Cut Arts
Notes to the Financial Statements (continued)
For The Year Ended 31 March 2025

22. Related Party Disclosures

There have been no related party transaction in the reporting period that require disclosure.

23. Company limited by guarantee

The company is limited by guarantee and has no share capital.

Every member of the company undertakes to contribute to the assets of the company, in the event of a winding up, such an amount as may be required not exceeding £1.

New Cut Arts
Detailed Statement of Financial Activities (including Income and Expenditure Account)
For The Year Ended 31 March 2025

	2025	2024
	Total funds	Total funds
	£	£
INCOME AND ENDOWMENTS FROM:		
Donations and legacies		
Donations	5,453	4,661
Grants	28,919	14,200
Club 500	6,513	6,602
	40,885	25,463
Charitable Activities:		
Charitable activities		
Educational courses	10,490	4,775
Room hire and rent	32,705	13,981
Auditorium	78,462	56,873
Commission on art sales	78	994
	121,735	76,623
Other trading activities		
Programme advertising	-	(72)
Fundraising events	8,663	5,695
Cafe and bar income	76,115	60,434
Room hire	32,440	48,190
	117,218	114,247
Investments		
Bank interest receivable	777	860
	777	860
	280,615	217,193
EXPENDITURE ON:		
Raising funds		
Opening stock	(3,000)	(3,000)
Closing stock	3,000	3,000
Rent and rates	(1,987)	-
Light and heat	(7,895)	-
Repairs, renewals and maintenance	(2,285)	-
Insurance	(2,897)	-
Printing, postage and stationery	(1,061)	-
Advertising costs	(1,503)	-
Telephone	(829)	-
Catering wages	-	(37,644)

...CONTINUED

New Cut Arts
Detailed Statement of Financial Activities (including Income and Expenditure Account)
(continued)
For The Year Ended 31 March 2025

Cafe and bar purchases and consumables	(34,992)	(27,481)
Allocation of support costs	-	(37,321)
500 club expenses	(1,020)	(2,000)
Depreciation of plant and machinery	(612)	-
Depreciation of fixtures and fittings	(1,870)	-
Depreciation of improvements to property	(7,320)	-
	<u>(64,271)</u>	<u>(104,446)</u>

Charitable Activities:

Charitable activities

Cinema Films	(2,813)	(693)
Visiting theatre and music	(40,370)	(24,968)
Box office wages	-	(17,712)
Art show expenses	-	(1,565)
Wages and salaries	(93,360)	(37,240)
Employers pensions - defined contributions scheme	(1,712)	(590)
Staff training	(240)	(509)
Rent and rates	(1,986)	(3,826)
Light and heat	(7,895)	(14,812)
Cleaning	(14,390)	-
Hire and leasing of plant, equipment and vehicles	(1,573)	(1,656)
Repairs, renewals and maintenance	(5,152)	(6,988)
Insurance	(3,344)	(5,309)
Printing, postage and stationery	(1,060)	(4,502)
Advertising costs	(1,503)	(1,895)
Telephone	(829)	(1,647)
Independent examiner's fees	(6,000)	(7,377)
Professional fees	(27,978)	(23,829)
Subscriptions	(729)	-
Bank charges	(6,812)	(8,142)
Sundry expenses	(3,667)	(7,722)
Allocation of support costs	-	37,321
Summer project expenses	(17,349)	-
Depreciation of plant and machinery	(3,243)	(4,520)
Depreciation of fixtures and fittings	(8,466)	(12,045)
Depreciation of computer equipment	(51)	(676)
Depreciation of freehold land and property	(3,653)	(3,654)
Depreciation of improvements to property	(8,079)	(15,398)
Bank loan interest	(4,025)	-
	<u>(266,279)</u>	<u>(169,954)</u>
	<u>(330,550)</u>	<u>(274,400)</u>

...CONTINUED

New Cut Arts
Detailed Statement of Financial Activities (including Income and Expenditure Account)
(continued)
For The Year Ended 31 March 2025

NET EXPENDITURE	(49,935)	(57,207)
	<u><u> </u></u>	<u><u> </u></u>



Issuer van Dijk Accountants

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Parties involved with this document

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NEW CUT ARTS

England & Wales - Charity number 1123971

Accounts

NEW CUT ARTS
(A company limited by guarantee)

UNAUDITED
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

NEW CUT ARTS
(A company limited by guarantee)

CONTENTS

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Notes to the financial statements	12 - 27

NEW CUT ARTS
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2024

Trustees	S Bailey U Hashim (resigned 19 September 2024) K Don-Daniel (resigned 19 September 2024) B Holloway J Leverett (resigned 15 July 2023) A Casement J Jordan N Jaffa D Parkin E Rodwell (appointed 21 November 2024) G Maughan (appointed 1 November 2024) A Dudeney (appointed 22 November 2024)
Company registered number	06461027
Charity registered number	1123971
Registered office	Old Maltings 8 New Cut Halesworth Suffolk IP19 8BY
Principal operating office	The Cut, New Cut Halesworth Suffolk IP19 8BY
Accountants	Larking Gowen LLP Chartered Accountants Faiers House Gilray Road Diss IP22 4WR

NEW CUT ARTS
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2024

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

Since the Company qualifies as small under section 382 of the Companies Act 2006, the 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

The object of the charity is to advance education in the arts in Suffolk and Norfolk particularly, but not exclusively, by:

- Establishing an Arts Centre;
- Providing training courses and workshops in all aspects of the performing and fine arts and media studies leading to educational qualifications;
- Providing community arts programmes to meet the needs of the whole community;
- Developing and encouraging youth programmes to meet the needs of the whole community;
- Developing and encouraging youth programmes in all areas of arts, dance and media.

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)'.

b. Strategies for achieving objectives

New Cut Arts is a charity and non-profit organisation. Its aim is to stand as a beacon of creativity and empowerment, harnessing the transformative power of art to connect individuals and communities across local, regional, and global landscapes. Its unwavering commitment to self-determination places individuals at the helm of decision-making, fostering a sense of ownership and agency in their artistic and creative journeys. New Cut Arts ignites a spark of inspiration, nurturing young artists and fostering creativity within the local community. This empowerment enables individuals to pursue their artistic passions, engage in creativity, and enrich the cultural landscape. Through its comprehensive range of youth programmes in arts, dance and media, The Cut engages young people, fostering a thriving artistic community. Committed to expanding its community's artistic horizons, The Cut also actively seeks to attract wider audiences, bridging the gap between local, regional, national, and international artistic expressions. Welcoming travelling groups and fostering international exchange programmes, New Cut Arts cultivates creativity, cross-cultural understanding and collaboration, weaving a tapestry of global connections that transcend boundaries and unite individuals through the transformative power of art.

NEW CUT ARTS
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

Achievements and performance

a. Main achievements of the Company

The Cut continues to offer its community and beyond a full programme of events and a stimulating environment for a wide range of groups in a challenging economic environment. Our 11 studio and business units remain in demand and are fully occupied providing essential income for the organisation. In spite of a very competitive funding climate The Cut fulfils its objectives to provide a programme of opportunities for young people notably through the James Holloway Youth Arts Fund and in July 2024 successfully launched its first international artists residency for 42 artists and 14 artist mentors, using the entire building to create a memorable and intensive 9 days of creativity.

Financial review

a. Going concern

The Trustees have considered the Charity's position at the time of signing the financial statements, and in particular, they have considered the Charity's cash reserves and loan repayments due in the short to medium term.

Based on this, the Trustees have concluded that they have a reasonable expectation that the Charity will have adequate resources to continue in operational existence for the foreseeable future, and at least twelve months from the date of signing these financial statements. They therefore continue to adopt the going concern basis of accounting in preparing these financial statements.

b. Reserves policy

Purpose

Unrestricted funds serve as a cornerstone of New Cut Art's financial management, providing flexibility, decision-making autonomy, and adaptability to support its mission and objectives. By effectively managing unrestricted funds, we can safeguard financial stability, foster strategic agility, and achieve continued success in fulfilling our mission.

This Operating Reserve Policy is designed to enable New Cut Arts to build and maintain an adequate level of unrestricted cash reserves to support the organisation's day-to-day operations in the event of unforeseen shortfalls. Operating reserves are not intended to replace a permanent loss of funds or eliminate an ongoing budget deficit. These funds represent financial resources that can be utilised for any purpose aligned with our mission and objectives. They are not restricted to specific projects or programs and can be employed to cover operating expenses, make strategic investments, or pursue innovative initiatives.

NEW CUT ARTS
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

Definition and Goals

New Cut Arts adheres to a strict segregation policy, managing unrestricted funds separately from designated and restricted funds, which are for specific projects or purposes as specified by the Trustees, donor or funding sources. This clear distinction ensures financial transparency, ethical stewardship, and adherence to the intent of all funders and contract providers. Unrestricted funds are utilised for general operations, while restricted funds are earmarked for specific projects or purposes in accordance with the defined guidelines.

We identify our unrestricted funds, New Cut Art's reserves, as 'Core Costs' and 'Contingency':

1. Core Costs: With the goal of safeguarding the organisation's long-term sustainability and ability to deliver uninterrupted services, the operating reserve ('Core Costs') is set at a minimum of six months of recurring operating costs, calculated based on the maximum six-months expenditure. This six-month policy ensures The Cut can maintain its operations, providing continuous support and the centre's activities for an extended timeframe
2. Contingency: To enhance our financial preparedness, we aim to gradually increase our contingency funds ('Contingency') to a minimum of 3 months over the next five years. These contingency funds will serve as a safeguard against unforeseen liabilities and expenditures.

These reserves (both 'Core Costs' and 'Contingency') will be reported to the Board of Trustees and included in the regular financial reports to ensure that we are working towards achieving our objectives.

Reserve levels

Free reserves are defined as unrestricted funds not represented by fixed assets and excluding designated funds. The charity's free reserves at 31 March 2024 were in deficit of £20,524 (2023: surplus of £4,259). After excluding long term debt, our operating reserves at 31 March 2024 stood at £34,035 (2023: £65,097). This is equivalent to between 1 and 2 months of current unrestricted operating costs. Our aim is to increase this to a minimum of six months.

Unrestricted funds at 31 March 2024 were £695,729 (2023: £733,467) and restricted funds were £90,199 (2023: £109,668), meaning total funds were £785,928 (2023: £843,135).

Review of reserve policy

This policy will undergo annual review by the Board of Trustees, or sooner if deemed necessary due to internal or external events or changes. Recommendations for policy amendments will be presented to the Board of Trustees by the Centre Manager. Upon approval, each revision will be documented in writing and redistributed as required. The policy's purpose remains steadfast: to safeguard the financial health and integrity of the organisation in pursuit of its mission as outlined in the policy's Purpose section.

NEW CUT ARTS
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

Structure, governance and management

a. Constitution

New Cut Arts is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 11 April 2008.

b. Methods of appointment or election of Trustees

New Cut Arts has adopted the following policy covering the recruitment of new trustees:

Trustees must have an interest in the aims and objectives of New Cut Arts and be committed to the safe governance of the charity.

Trustees must not have any conviction for fraud or financial mal-practice.

Trustees must not stand to gain financially from their position as trustee except in special circumstances approved by the trustees and authorised by the Charity Commission.

Trustees must be able to attend at least 80% of all scheduled meetings.

Trustees must be selected on the basis of knowledge and experience which is appropriate to the charity's aims and organisation - in particular we seek to include people with financial, legal, marketing, HR and health & safety competencies.

The Board of Trustees should be representative of the local community in terms of age, gender and ethnicity - we actively support the notion of diversity.

c. Financial risk management

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

NEW CUT ARTS
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

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 . 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 Company and of its incoming resources and application of resources, including its 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 Company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of 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 Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

T.C.

A Casement

(Trustee)

Date:

28 Jan 2025

NEW CUT ARTS
(A company limited by guarantee)

INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 MARCH 2024

Independent examiner's report to the Trustees of New Cut Arts ('the Company')

I report to the charity Trustees on my examination of the accounts of the Company for the year ended 31 March 2024.

Responsibilities and basis of report

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

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

Independent examiner's statement

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

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

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

NEW CUT ARTS
(A company limited by guarantee)

INDEPENDENT EXAMINER'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

This report is made solely to the Company's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the Company's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Company and the Company's Trustees as a body, for my work or for this report.

Signed:

Dated:

Christopher Yeates FCA DChA

Larking Gowen LLP

Chartered Accountants

Diss

NEW CUT ARTS
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2024**

	Note	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Income from:					
Donations and grants	3	15,763	9,700	25,463	18,661
Charitable activities	4	76,623	-	76,623	68,624
Other trading activities	5	114,247	-	114,247	93,799
Investments		860	-	860	116
Total income		207,493	9,700	217,193	181,200
Expenditure on:					
Raising funds	6	84,306	20,140	104,446	88,467
Charitable activities	7	169,954	-	169,954	169,450
Total expenditure		254,260	20,140	274,400	257,917
Net expenditure		(46,767)	(10,440)	(57,207)	(76,717)
Transfers between funds	16	9,029	(9,029)	-	-
Net movement in funds		(37,738)	(19,469)	(57,207)	(76,717)
Reconciliation of funds:					
Total funds brought forward		733,467	109,668	843,135	919,852
Net movement in funds		(37,738)	(19,469)	(57,207)	(76,717)
Total funds carried forward		695,729	90,199	785,928	843,135

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

The notes on pages 12 to 27 form part of these financial statements.

NEW CUT ARTS
(A company limited by guarantee)
REGISTERED NUMBER: 06461027

BALANCE SHEET
AS AT 31 MARCH 2024

	Note	2024 £	2023 £
Fixed assets			
Tangible assets	11	794,989	829,861
		<u>794,989</u>	<u>829,861</u>
Current assets			
Stocks	12	3,000	3,000
Debtors	13	7,199	1,483
Cash at bank and in hand		57,036	93,521
		<u>67,235</u>	<u>98,004</u>
Creditors: amounts falling due within one year	14	(21,737)	(23,892)
Net current assets		<u>45,498</u>	<u>74,112</u>
Total assets less current liabilities		<u>840,487</u>	<u>903,973</u>
Creditors: amounts falling due after more than one year	15	(54,559)	(60,838)
Total net assets		<u><u>785,928</u></u>	<u><u>843,135</u></u>
Charity funds			
Restricted funds	16	90,199	109,668
Unrestricted funds	16	695,729	733,467
Total funds		<u><u>785,928</u></u>	<u><u>843,135</u></u>

NEW CUT ARTS
(A company limited by guarantee)
REGISTERED NUMBER: 06461027

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2024

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

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

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

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

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

T.C.

A Casement

(Trustee)

28 Jan 2025

Date:

The notes on pages 12 to 27 form part of these financial statements.

NEW CUT ARTS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

1. General information

The charity is a company limited by guarantee, incorporated in England and Wales. The members of the company are the Trustees named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The registered office is Old Maltings, 8 New Cut, Halesworth, Suffolk IP19 8BY.

The financial statements are presented in sterling which is the functional currency of the company and rounded to the nearest £.

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.

New Cut Arts 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.

2.2 Going concern

The financial statements are prepared on a going concern basis. In preparing the financial statements the trustees have assessed the level of reserves, together with cash availability and expected demands and remain confident that the going concern basis is appropriate in the circumstances.

2.3 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.

Grants are included in the 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.

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

NEW CUT ARTS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

2. Accounting policies (continued)

2.4 Expenditure

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

2.5 Government grants

Government grants are included in the 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..

2.6 Interest receivable

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

2.7 Tangible fixed assets and depreciation

Tangible fixed 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.

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.

NEW CUT ARTS
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

2. Accounting policies (continued)

2.7 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, .

Depreciation is provided on the following bases:

Freehold property	- 2% on cost
Improvements to property	- 2% on cost
Furniture	- 15% on reducing balance
Computer equipment	- 33% on cost

2.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

2.9 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.

2.10 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.

2.11 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 Statement of financial activities as a finance cost.

2.12 Financial instruments

The Company 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.

NEW CUT ARTS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

2. Accounting policies (continued)

2.13 Pensions

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

2.14 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 Company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Company 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.

NEW CUT ARTS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

3. Income from donations and grants

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	<i>Total funds 2023 £</i>
Donations	4,661	-	4,661	7,840
Grants	4,500	9,700	14,200	3,000
Government grants	-	-	-	541
500 Club	6,602	-	6,602	7,280
Total 2024	<u>15,763</u>	<u>9,700</u>	<u>25,463</u>	<u>18,661</u>
<i>Total 2023</i>	<u>18,120</u>	<u>541</u>	<u>18,661</u>	

4. Income from charitable activities

	Unrestricted funds 2024 £	Total funds 2024 £	<i>Total funds 2023 £</i>
Auditorium	56,873	56,873	53,843
Commission on art sales	994	994	86
Room hire and rent	13,981	13,981	14,695
Educational courses	4,775	4,775	-
Total 2024	<u>76,623</u>	<u>76,623</u>	<u>68,624</u>
<i>Total 2023</i>	<u>68,624</u>	<u>68,624</u>	

NEW CUT ARTS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

5. Other trading activities

	Unrestricted funds 2024 £	Total funds 2024 £	<i>Total funds 2023 £</i>
Fundraising events	5,695	5,695	4,745
Cafe and bar income	60,434	60,434	43,247
Programme advertising	(72)	(72)	1,313
Room hire	48,190	48,190	44,494
Total 2024	<u>114,247</u>	<u>114,247</u>	<u>93,799</u>
<i>Total 2023</i>	<u>93,799</u>	<u>93,799</u>	

6. Expenditure on raising funds

	Total funds 2024 £	<i>Total funds 2023 £</i>
Cafe and bar purchases and consumables	27,481	20,446
Catering wages	37,644	25,481
500 Club expenses	2,000	1,200
Allocation of support costs	37,321	41,340
Total 2024	<u>104,446</u>	<u>88,467</u>
<i>Total 2023</i>	<u>88,467</u>	

NEW CUT ARTS
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

7. Analysis of expenditure by activities

	Activities undertaken directly 2024 £	Support costs 2024 £	Total funds 2024 £	<i>Total funds 2023 £</i>
Auditorium	43,373	125,016	168,389	168,180
Commission on art sales	1,565	-	1,565	1,270
Total 2024	44,938	125,016	169,954	169,450
<i>Total 2023</i>	<i>48,122</i>	<i>121,328</i>	<i>169,450</i>	

Analysis of direct costs

	Auditorium 2024 £	Art shows 2024 £	Total funds 2024 £	<i>Total funds 2023 £</i>
Staff costs	17,712	-	17,712	16,893
Cinema films	693	-	693	750
Visiting theatre and music	24,968	-	24,968	28,909
Art shows	-	1,565	1,565	1,270
Technical labour	-	-	-	300
Total 2024	43,373	1,565	44,938	48,122
<i>Total 2023</i>	<i>46,852</i>	<i>1,270</i>	<i>48,122</i>	

NEW CUT ARTS
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

7. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2024 £	<i>Total funds 2023 £</i>
Staff costs	37,830	39,994
Depreciation	36,294	38,966
Rent and rates	3,826	4,749
Light and heat	14,812	14,613
Telephone	1,647	1,475
Print, post, stationary and computer costs	4,502	4,564
Website and marketing	1,895	4,627
Repairs and renewals	6,988	13,638
Premises expenses and equipment hire	2,534	3,360
Training costs	509	10
Insurance	5,309	5,381
Interest and bank charges	8,142	7,494
Sundries	6,843	4,473
Professional fees	23,829	11,437
Accountancy	7,377	7,887
Allocation of support costs to fundraising costs	(37,321)	(41,340)
	125,016	121,328

8. Independent examiner's remuneration

The independent examiner's remuneration amounts to an independent examiner fee of £4,815 (2023 - £4,675), and other services including VAT assistance of £1,490 (2023 - £1,130).

NEW CUT ARTS
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

9. Staff costs

	2024	2023
	£	£
Wages and salaries	91,267	81,347
Social security costs	484	-
Contribution to defined contribution pension schemes	1,435	1,021
	93,186	82,368

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

	2024	2023
	No.	No.
New Cut Arts Centre	6	6

The average headcount expressed as full-time equivalents was:

	2024	2023
	No.	No.
New Cut Arts Centre	4	4

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

Total employee benefits of key management personnel were £37,428 (2023: £37,604).

10. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2023 - £NIL).

During the year ended 31 March 2024, no Trustee expenses have been incurred (2023 - £NIL).

NEW CUT ARTS
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

11. Tangible fixed assets

	Land and buildings £	Plant and machinery £	Total £
Cost or valuation			
At 1 April 2023	952,670	333,881	1,286,551
Additions	-	1,422	1,422
At 31 March 2024	<u>952,670</u>	<u>335,303</u>	<u>1,287,973</u>
Depreciation			
At 1 April 2023	232,500	224,190	456,690
Charge for the year	19,052	17,242	36,294
At 31 March 2024	<u>251,552</u>	<u>241,432</u>	<u>492,984</u>
Net book value			
At 31 March 2024	<u>701,118</u>	<u>93,871</u>	<u>794,989</u>
At 31 March 2023	<u>720,170</u>	<u>109,691</u>	<u>829,861</u>

Included in land and buildings is freehold land and property with a carrying value of £701,118 (2023 - £720,171) which is pledged as security for liabilities.

12. Stocks

	2024 £	2023 £
Goods for sale and consumables	<u>3,000</u>	<u>3,000</u>

NEW CUT ARTS
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

13. Debtors

	2024 £	2023 £
Due within one year		
Trade debtors	4,699	1,483
Prepayments and accrued income	2,500	-
	<u>7,199</u>	<u>1,483</u>

14. Creditors: Amounts falling due within one year

	2024 £	2023 £
Bank loans	5,196	4,836
Other loans	1,000	-
Trade creditors	-	5,396
Other taxation and social security	4,847	5,446
Pension fund creditor	465	210
Other creditors	2,572	2,704
Accruals and deferred income	7,657	5,300
	<u>21,737</u>	<u>23,892</u>

15. Creditors: Amounts falling due after more than one year

	2024 £	2023 £
Bank loans	54,559	59,838
Other loans	-	1,000
	<u>54,559</u>	<u>60,838</u>

Interest is charged on the bank loan at 2.5% above the bank base rate subject to a minimum of 3.5%. Instalments are paid monthly to cover the interest and capital. The loan is due to be repaid by October 2032 and is secured on the property to which it relates.

NEW CUT ARTS
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

16. Statement of funds

Statement of funds - current year

	Balance at 1 April 2023 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2024 £
Unrestricted funds					
Designated funds					
James Holloway Youth Fund	4,735	1,315	(303)	-	5,747
Summer Project	4,280	8,275	(6,839)	-	5,716
	<u>9,015</u>	<u>9,590</u>	<u>(7,142)</u>	<u>-</u>	<u>11,463</u>
General funds					
General Fund	724,452	197,903	(247,118)	9,029	684,266
	<u>724,452</u>	<u>197,903</u>	<u>(247,118)</u>	<u>9,029</u>	<u>684,266</u>
Total Unrestricted funds	<u>733,467</u>	<u>207,493</u>	<u>(254,260)</u>	<u>9,029</u>	<u>695,729</u>
Restricted funds					
Cutting Edge	55,347	-	(2,351)	-	52,996
Refurbishment	40,524	-	(6,019)	(9,029)	25,476
Lighting	11,034	-	(1,655)	-	9,379
Flooring	2,763	-	(415)	-	2,348
James Holloway Youth Fund	-	9,700	(9,700)	-	-
	<u>109,668</u>	<u>9,700</u>	<u>(20,140)</u>	<u>(9,029)</u>	<u>90,199</u>
Total of funds	<u>843,135</u>	<u>217,193</u>	<u>(274,400)</u>	<u>-</u>	<u>785,928</u>

NEW CUT ARTS
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

16. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 April 2022 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 March 2023 £</i>
Unrestricted funds					
Designated funds					
James Holloway Youth Fund	-	5,215	(480)	-	4,735
Summer Project	-	5,000	(720)	-	4,280
	<u>-</u>	<u>10,215</u>	<u>(1,200)</u>	<u>-</u>	<u>9,015</u>
General funds					
General Fund	<u>789,125</u>	<u>170,444</u>	<u>(244,687)</u>	<u>9,570</u>	<u>724,452</u>
Total Unrestricted funds	<u>789,125</u>	<u>180,659</u>	<u>(245,887)</u>	<u>9,570</u>	<u>733,467</u>
Restricted funds					
Cutting Edge	56,979	-	(1,632)	-	55,347
Refurbishment	55,572	-	(6,019)	(9,029)	40,524
Lighting	12,981	-	(1,947)	-	11,034
Flooring	3,251	-	(488)	-	2,763
Website	1,944	-	(1,944)	-	-
East Suffolk Covid Continuity Fund	-	541	-	(541)	-
	<u>130,727</u>	<u>541</u>	<u>(12,030)</u>	<u>(9,570)</u>	<u>109,668</u>
Total of funds	<u>919,852</u>	<u>181,200</u>	<u>(257,917)</u>	<u>-</u>	<u>843,135</u>

NEW CUT ARTS
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

16. Statement of funds (continued)

The funds held in the **Cutting Edge Fund** are for the refurbishment of storage space to create performance and workshop space. As funds held are expended on fixed assets, a corresponding amount is transferred from this fund to the general fund except where these are subject to restrictions on their use. A transfer has been made in the current year corresponding to the depreciation on the assets on which the funding was spent.

The funds held in the **Refurbishment Fund** were for the purchase and refurbishment of the Old Maltings as the New Cut Arts Centre. The East of England Development Agency (EEDA) grants are repayable on a pro-rata basis over 20 years should the charity dispose of its freehold property and therefore the funds relating to EEDA grants are reduced by 5% on an annual basis.

The funds held in the **Lighting Fund** are for the renewal and improvement of lighting. As funds held are expended on fixed assets, a corresponding amount is transferred from this fund to the general fund except where these are subject to restriction on their use. A transfer has been made in the current year corresponding to the depreciation on the assets on which the funding was spent.

The funds held in the **Flooring Fund** are for the purchase of new rubber flooring for the stairs and corridors. As funds held are expended on flooring, a corresponding amount is transferred to the general fund to reflect the depreciation on the assets on which the funding was spent.

The funds held within the **Website Fund** and for the purpose of developing a new website and booking system.

The funds held in the **East Suffolk Covid Recovery Fund** were for the purchase of a sound console.

Where restricted funds are spent on the purchase of fixed assets where the asset is held for a general and not a restricted purpose, a transfer is made from restricted to unrestricted funds for the corresponding amount.

Designated funds represent funds set aside for specific projects. The **James Holloway Youth Fund** has been established to support talented young people who would not otherwise have access to arts activities. The funds in the **Summer Project Fund** will be used to support up to 40 emerging artists to participate in a unique multidisciplinary arts project in the summer of 2024.

NEW CUT ARTS
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

17. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Tangible fixed assets	704,790	90,199	794,989
Current assets	67,235	-	67,235
Creditors due within one year	(21,737)	-	(21,737)
Creditors due in more than one year	(54,559)	-	(54,559)
Total	695,729	90,199	785,928

Analysis of net assets between funds - prior period

	<i>Unrestricted funds 2023 £</i>	<i>Restricted funds 2023 £</i>	<i>Total funds 2023 £</i>
Tangible fixed assets	720,193	109,668	829,861
Current assets	98,004	-	98,004
Creditors due within one year	(23,892)	-	(23,892)
Creditors due in more than one year	(60,838)	-	(60,838)
Total	733,467	109,668	843,135

18. Pension commitments

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £1,021 (2022: £634). Contributions totalling £210 (2022: £303) were payable to the fund at the balance sheet date and are included in creditors.

NEW CUT ARTS
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

19. Operating lease commitments

At 31 March 2024 the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2024	2023
	£	£
Later than 1 year and not later than 5 years	508	508

20. Related party transactions

Payments totalling £470 (2023: £371) were made in the year to Dean Parkin, a trustee, including £248 for hosting the Big Cut Quiz and £222 (2023: £Nil) representing reimbursement for the sale of books.

The charity employs the spouse of one of the trustees. During the year, that employee received emoluments from the charity totalling £34,091 (2023: £34,091), including employer's pension contributions.

The payments are permitted by the charity's Governing Document.

Document

Name	Accounts to sign.pdf
Creator	Chris Yeates (chris.yeates@larking-gowen.co.uk)
Date	28 January 2025 13:06:46 UTC
Identifier	0f79fec7-d7c8-4d03-afcc-fcfc359a9815

Signers

anthony.casement@yahoo.com

E-mail	anthony.casement@yahoo.com
Signed	28 January 2025 14:17:23 UTC
IP address	109.145.138.39

NEW CUT ARTS

England & Wales - Charity number 1123971

Accounts

NEW CUT ARTS
(A company limited by guarantee)

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

NEW CUT ARTS
(A company limited by guarantee)

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NEW CUT ARTS
(A company limited by guarantee)

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

Trustees	S Bailey U Hashim K Don-Daniel R Dwelly (resigned 31 July 2022) B Holloway J Leverett (resigned 15 July 2023) A Casement J Jordan N Jaffa D Parkin
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Company registered number	06461027
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Charity registered number	1123971
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Registered office	Old Maltings 8 New Cut Halesworth Suffolk IP19 8BY
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Principal operating office	The Cut, New Cut Halesworth Suffolk IP19 8BY
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Accountants	Larking Gowen LLP Chartered Accountants Faiers House Gilray Road Diss IP22 4WR
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NEW CUT ARTS
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2023

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

Since the Company qualifies as small under section 382 of the Companies Act 2006, the 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

The object of the charity is to advance education in the arts in Suffolk and Norfolk particularly, but not exclusively, by:

- Establishing an Arts Centre;
- Providing training courses and workshops in all aspects of the performing and fine arts and media studies leading to educational qualifications;
- Providing community arts programmes to meet the needs of the whole community;
- Developing and encouraging youth programmes to meet the needs of the whole community;
- Developing and encouraging youth programmes in all areas of arts, dance and media.

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)'.

Achievements and performance

a. Main achievements of the Company

The Cut's audience numbers continue to improve and while they are still not back to pre-pandemic levels, the centre continues with its wide-ranging support of community groups and events, as well as the development of projects for a wider audience and opportunities for young people, while the appointment of a café manager has improved footfall and atmosphere for visitors and unit-holders alike. Room hire has improved over the year and our units, a core income, are in demand and in full occupancy. With our consistent offer to our community and the prospect of exciting projects for the development of the visual art and performance parts of our programme, a thriving 2024 is in prospect for The Cut.

NEW CUT ARTS
(A company limited by guarantee)

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

Financial review

a. Going concern

The Trustees have considered the Charity's position at the time of signing the financial statements, and in particular, they have considered the Charity's cash reserves and loan repayments due in the short to medium term.

Based on this, the Trustees have concluded that they have a reasonable expectation that the Charity will have adequate resources to continue in operational existence for the foreseeable future, and at least twelve months from the date of signing these financial statements. They therefore continue to adopt the going concern basis of accounting in preparing these financial statements.

b. Reserves policy

Purpose

New Cut Arts is a charity and non-profit organisation. Its aim is to stand as a beacon of creativity and empowerment, harnessing the transformative power of art to connect individuals and communities across local, regional, and global landscapes. Its unwavering commitment to self-determination places individuals at the helm of decision-making, fostering a sense of ownership and agency in their artistic and creative journeys. New Cut Arts ignites a spark of inspiration, nurturing young artists and fostering creativity within the local community. This empowerment enables individuals to pursue their artistic passions, engage in creativity, and enrich the cultural landscape. Through its comprehensive range of youth programmes in arts, dance and media, The Cut engages young people, fostering a thriving artistic community. Committed to expanding its community's artistic horizons, The Cut also actively seeks to attract wider audiences, bridging the gap between local, regional, national, and international artistic expressions. Welcoming travelling groups and fostering international exchange programmes, New Cut Arts cultivates creativity, cross-cultural understanding and collaboration, weaving a tapestry of global connections that transcend boundaries and unite individuals through the transformative power of art.

Unrestricted funds serve as a cornerstone of New Cut Art's financial management, providing flexibility, decision-making autonomy, and adaptability to support its mission and objectives. By effectively managing unrestricted funds, we can safeguard financial stability, foster strategic agility, and achieve continued success in fulfilling our mission.

This Operating Reserve Policy is designed to enable New Cut Arts to build and maintain an adequate level of unrestricted cash reserves to support the organisation's day-to-day operations in the event of unforeseen shortfalls. Operating reserves are not intended to replace a permanent loss of funds or eliminate an ongoing budget deficit. These funds represent financial resources that can be utilised for any purpose aligned with our mission and objectives. They are not restricted to specific projects or programs and can be employed to cover operating expenses, make strategic investments, or pursue innovative initiatives.

NEW CUT ARTS
(A company limited by guarantee)

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

Definition and Goals

New Cut Arts adheres to a strict segregation policy, managing unrestricted funds separately from designated and restricted funds, which are for specific projects or purposes as specified by the Trustees, donor or funding sources. This clear distinction ensures financial transparency, ethical stewardship, and adherence to the intent of all funders and contract providers. Unrestricted funds are utilised for general operations, while restricted funds are earmarked for specific projects or purposes in accordance with the defined guidelines.

We identify our unrestricted funds, New Cut Art's reserves, as 'Core Costs' and 'Contingency':

1. Core Costs: With the goal of safeguarding the organisation's long-term sustainability and ability to deliver uninterrupted services, the operating reserve ('Core Costs') is set at a minimum of six months of recurring operating costs, calculated based on the maximum six-months expenditure. This six-month policy ensures The Cut can maintain its operations, providing continuous support and the centre's activities for an extended timeframe
2. Contingency: To enhance our financial preparedness, we aim to gradually increase our contingency funds ('Contingency') to a minimum of 3 months over the next five years. These contingency funds will serve as a safeguard against unforeseen liabilities and expenditures.

These reserves (both 'Core Costs' and 'Contingency') will be reported to the Board of Trustees and included in the regular financial reports to ensure that we are working towards achieving our objectives.

Reserve levels

Free reserves are defined as unrestricted funds not represented by fixed assets and excluding designated funds. The charity's free reserves at 31 March 2023 were £4,259 (2022: £49,081). After excluding long term debt, our operating reserves at 31 March 2023 stood at £74,587 (2022: £116,441). This is equivalent to between 3 and 4 months of current unrestricted operating costs. Our aim is to increase this to a minimum of six months.

Unrestricted funds at 31 March 2023 were £733,467 (2022: £789,125) and restricted funds were £109,668 (2022: £130,727), meaning total funds were £843,135 (2022: £919,852).

Review of reserve policy

This policy will undergo annual review by the Board of Trustees, or sooner if deemed necessary due to internal or external events or changes. Recommendations for policy amendments will be presented to the Board of Trustees by the Centre Manager. Upon approval, each revision will be documented in writing and redistributed as required. The policy's purpose remains steadfast: to safeguard the financial health and integrity of the organisation in pursuit of its mission as outlined in the policy's Purpose section.

NEW CUT ARTS
(A company limited by guarantee)

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

Structure, governance and management

a. Constitution

New Cut Arts is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 11 April 2008.

b. Methods of appointment or election of Trustees

New Cut Arts has adopted the following policy covering the recruitment of new trustees:

Trustees must have an interest in the aims and objectives of New Cut Arts and be committed to the safe governance of the charity.

Trustees must not have any conviction for fraud or financial mal-practice.

Trustees must not stand to gain financially from their position as trustee except in special circumstances approved by the trustees and authorised by the Charity Commission.

Trustees must be able to attend at least 80% of all scheduled meetings.

Trustees must be selected on the basis of knowledge and experience which is appropriate to the charity's aims and organisation - in particular we seek to include people with financial, legal, marketing, HR and health & safety competencies.

The Board of Trustees should be representative of the local community in terms of age, gender and ethnicity - we actively support the notion of diversity.

c. Financial risk management

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

NEW CUT ARTS
(A company limited by guarantee)

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

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the 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 . 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 Company and of its incoming resources and application of resources, including its 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 Company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of 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 Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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


T Casement
(Trustee)
Date: 13.12.23

NEW CUT ARTS
(A company limited by guarantee)

INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 MARCH 2023

Independent examiner's report to the Trustees of New Cut Arts ('the Company')

I report to the charity Trustees on my examination of the accounts of the Company for the year ended 31 March 2023.

Responsibilities and basis of report

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

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

Independent examiner's statement

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

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

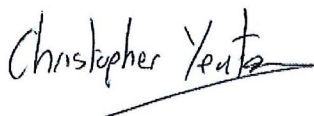
I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

NEW CUT ARTS
(A company limited by guarantee)

INDEPENDENT EXAMINER'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

This report is made solely to the Company's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the Company's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Company and the Company's Trustees as a body, for my work or for this report.

Signed:



Dated: 18 December 2023

Christopher Yeates FCA DChA

Larking Gowen LLP

Chartered Accountants

Diss

NEW CUT ARTS
(A company limited by guarantee)

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

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:					
Donations and grants	3	18,120	541	18,661	142,942
Charitable activities	4	68,624	-	68,624	29,436
Other trading activities	5	93,799	-	93,799	74,383
Investments		116	-	116	11
Total income		180,659	541	181,200	246,772
Expenditure on:					
Raising funds	6	83,655	4,812	88,467	61,944
Charitable activities	7	162,232	7,218	169,450	133,444
Total expenditure		245,887	12,030	257,917	195,388
Net (expenditure)/income		(65,228)	(11,489)	(76,717)	51,384
Transfers between funds	16	9,570	(9,570)	-	-
Net movement in funds		(55,658)	(21,059)	(76,717)	51,384
Reconciliation of funds:					
Total funds brought forward		789,125	130,727	919,852	868,468
Net movement in funds		(55,658)	(21,059)	(76,717)	51,384
Total funds carried forward		733,467	109,668	843,135	919,852

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

The notes on pages 12 to 27 form part of these financial statements.

NEW CUT ARTS
(A company limited by guarantee)
REGISTERED NUMBER: 06461027

BALANCE SHEET
AS AT 31 MARCH 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	11	829,861	868,827
		<u>829,861</u>	<u>868,827</u>
Current assets			
Stocks	12	3,000	3,000
Debtors	13	1,483	5,584
Cash at bank and in hand		93,521	147,655
		<u>98,004</u>	<u>156,239</u>
Creditors: amounts falling due within one year	14	(23,892)	(39,798)
Net current assets		<u>74,112</u>	<u>116,441</u>
Total assets less current liabilities		<u>903,973</u>	<u>985,268</u>
Creditors: amounts falling due after more than one year	15	(60,838)	(65,416)
Net assets		<u>843,135</u>	<u>919,852</u>
Total net assets		<u><u>843,135</u></u>	<u><u>919,852</u></u>
Charity funds			
Restricted funds	16	109,668	130,727
Unrestricted funds	16	733,467	789,125
Total funds		<u><u>843,135</u></u>	<u><u>919,852</u></u>

NEW CUT ARTS
(A company limited by guarantee)
REGISTERED NUMBER: 06461027

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2023

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

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

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

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

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


.....
T Casement
(Trustee)

Date: 13.12.23

The notes on pages 12 to 27 form part of these financial statements.

NEW CUT ARTS
(A company limited by guarantee)

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

1. General information

The charity is a company limited by guarantee, incorporated in England and Wales. The members of the company are the Trustees named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The registered office is Old Maltings, 8 New Cut, Halesworth, Suffolk IP19 8BY.

The financial statements are presented in sterling which is the functional currency of the company and rounded to the nearest £.

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.

New Cut Arts 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.

2.2 Going concern

The financial statements are prepared on a going concern basis. In preparing the financial statements the trustees have assessed the level of reserves, together with cash availability and expected demands and remain confident that the going concern basis is appropriate in the circumstances.

2.3 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.

Grants are included in the 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.

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

NEW CUT ARTS
(A company limited by guarantee)

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

2. Accounting policies (continued)

2.4 Expenditure

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

2.5 Government grants

Government grants are included in the 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.

2.6 Interest receivable

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

2.7 Tangible fixed assets and depreciation

Tangible fixed 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.

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.

NEW CUT ARTS
(A company limited by guarantee)

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

2. Accounting policies (continued)

2.7 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, .

Depreciation is provided on the following bases:

Freehold property	- 2% on cost
Improvements to property	- 2% on cost
Furniture	- 15% on reducing balance
Equipment	- 15% on reducing balance
Computer equipment	- 33% on cost

2.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

2.9 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.

2.10 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.

2.11 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 Statement of financial activities as a finance cost.

2.12 Financial instruments

The Company 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.

NEW CUT ARTS
(A company limited by guarantee)

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

2. Accounting policies (continued)

2.13 Pensions

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

2.14 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 Company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Company 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. Income from donations and grants

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Government grants				
Local Restrictions Support Grant, Closed Business Lockdown Payment and Retail Hospitality and Leisure Grant	-	541	541	21,418
Arts Council England Culture Recovery Fund	-	-	-	92,982
Coronavirus Job Retention Scheme	-	-	-	12,055
	-	541	541	126,455

NEW CUT ARTS
(A company limited by guarantee)

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

3. Income from donations and grants (continued)

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Donations	7,840	-	7,840	8,803
Grants	3,000	-	3,000	-
500 Club	7,280	-	7,280	7,684
	<u>18,120</u>	<u>-</u>	<u>18,120</u>	<u>16,487</u>
Total 2023	<u>18,120</u>	<u>541</u>	<u>18,661</u>	<u>142,942</u>
<i>Total 2022</i>	<u>44,542</u>	<u>98,400</u>	<u>142,942</u>	

4. Income from charitable activities

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Auditorium	53,843	53,843	19,837
Commission on art sales	86	86	430
Room hire and rent	14,695	14,695	9,169
Total 2023	<u>68,624</u>	<u>68,624</u>	<u>29,436</u>
<i>Total 2022</i>	<u>29,436</u>	<u>29,436</u>	

NEW CUT ARTS
(A company limited by guarantee)

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

5. Other trading activities

	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Fundraising events	4,745	4,745	3,050
Cafe and bar income	43,247	43,247	17,178
Programme advertising	1,313	1,313	-
Room hire	44,494	44,494	54,155
Total 2023	<u>93,799</u>	<u>93,799</u>	<u>74,383</u>
<i>Total 2022</i>	<u>74,383</u>	<u>74,383</u>	

6. Expenditure on raising funds

	Total funds 2023 £	<i>Total funds 2022 £</i>
Cafe and bar purchases and consumables	20,446	6,474
Catering wages	25,481	15,163
500 Club expenses	1,200	1,550
Allocation of support costs	41,340	38,757
Total 2023	<u>88,467</u>	<u>61,944</u>
<i>Total 2022</i>	<u>61,944</u>	

NEW CUT ARTS
(A company limited by guarantee)

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

7. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Auditorium	46,852	121,328	168,180	131,174
Commission on art sales	1,270	-	1,270	2,270
	<u>48,122</u>	<u>121,328</u>	<u>169,450</u>	<u>133,444</u>
<i>Total 2022</i>	<u>37,200</u>	<u>96,244</u>	<u>133,444</u>	

Analysis of direct costs

	Auditorium 2023 £	Art shows 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Staff costs	16,893	-	16,893	11,425
Cinema films	750	-	750	438
Visiting theatre and music	28,909	-	28,909	23,067
Art shows	-	1,270	1,270	2,270
Technical labour	300	-	300	-
Total 2023	<u>46,852</u>	<u>1,270</u>	<u>48,122</u>	<u>37,200</u>
<i>Total 2022</i>	<u>34,930</u>	<u>2,270</u>	<u>37,200</u>	

NEW CUT ARTS
(A company limited by guarantee)

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

7. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2023 £	<i>Total funds 2022 £</i>
Staff costs	39,994	31,237
Depreciation	38,966	42,362
Rent and rates	4,749	3,435
Light and heat	14,613	4,104
Telephone	1,475	1,669
Print, post, stationary and computer costs	4,564	2,751
Website and marketing	4,627	10,872
Repairs and renewals	13,638	8,129
Premises expenses and equipment hire	3,360	4,675
Training costs	10	-
Insurance	5,381	4,993
Interest and bank charges	7,494	4,384
Sundries	4,473	1,521
Professional fees	11,437	9,849
Bad debts	-	(715)
Accountancy	7,887	5,734
Allocation of support costs to fundraising costs	(41,340)	(38,756)
	<u>121,328</u>	<u>96,244</u>

8. Independent examiner's remuneration

The independent examiner's remuneration amounts to an independent examiner fee of £4,675 (2022 - £4,170), and other services including grant certification and VAT assistance of £1,130 (2022 - £1,850).

NEW CUT ARTS
(A company limited by guarantee)

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

9. Staff costs

	2023 £	2022 £
Wages and salaries	81,347	57,191
Contribution to defined contribution pension schemes	1,021	634
	<u>82,368</u>	<u>57,825</u>

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

	2023 No.	2022 No.
New Cut Arts Centre	<u>6</u>	<u>5</u>

The average headcount expressed as full-time equivalents was:

	2023 No.	2022 No.
New Cut Arts Centre	<u>4</u>	<u>3</u>

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

Total employee benefits of key management personnel were £37,604 (2022: £27,271).

10. 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).

NEW CUT ARTS
(A company limited by guarantee)

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

11. Tangible fixed assets

	Land and buildings £	Plant and machinery £	Total £
Cost or valuation			
At 1 April 2022	952,670	333,881	1,286,551
At 31 March 2023	<u>952,670</u>	<u>333,881</u>	<u>1,286,551</u>
Depreciation			
At 1 April 2022	213,448	204,276	417,724
Charge for the year	19,052	19,914	38,966
At 31 March 2023	<u>232,500</u>	<u>224,190</u>	<u>456,690</u>
Net book value			
At 31 March 2023	<u>720,170</u>	<u>109,691</u>	<u>829,861</u>
At 31 March 2022	<u>739,222</u>	<u>129,605</u>	<u>868,827</u>

Included in land and buildings is freehold land and property with a carrying value of £720,171 (2022 - £739,222) which is pledged as security for liabilities.

12. Stocks

	2023 £	2022 £
Goods for sale and consumables	<u>3,000</u>	<u>3,000</u>

13. Debtors

	2023 £	2022 £
Due within one year		
Trade debtors	1,483	3,571
Prepayments and accrued income	-	2,013
	<u>1,483</u>	<u>5,584</u>

NEW CUT ARTS
(A company limited by guarantee)

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

14. Creditors: Amounts falling due within one year

	2023 £	2022 £
Bank loans	4,836	5,561
Other loans	-	25,000
Trade creditors	5,396	1,193
Other taxation and social security	5,446	1,889
Pension fund creditor	210	303
Other creditors	2,704	1,977
Accruals and deferred income	5,300	3,875
	<u>23,892</u>	<u>39,798</u>

15. Creditors: Amounts falling due after more than one year

	2023 £	2022 £
Bank loans	59,838	64,416
Other loans	1,000	1,000
	<u>60,838</u>	<u>65,416</u>

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	2023 £	2022 £
Payable or repayable by instalments	64,674	69,977
	<u>64,674</u>	<u>69,977</u>

Interest is charged on the bank loan at 2.5% above the bank base rate subject to a minimum of 3.5%. Instalments are paid monthly to cover the interest and capital. The loan is due to be repaid by October 2032 and is secured on the property to which it relates.

Other loans are secured by way of a first legal charge over the the freehold interest in the Malt Store Annex.

Further information regarding other loans is included in note 20.

NEW CUT ARTS
(A company limited by guarantee)

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

16. Statement of funds

Statement of funds - current year

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2023 £
Unrestricted funds					
Designated funds					
James Holloway Youth Fund	-	5,215	(480)	-	4,735
Summer Project	-	5,000	(720)	-	4,280
	-	10,215	(1,200)	-	9,015
General funds					
General Fund	789,125	170,444	(244,687)	9,570	724,452
Total Unrestricted funds	789,125	180,659	(245,887)	9,570	733,467
Restricted funds					
Cutting Edge	56,979	-	(1,632)	-	55,347
Refurbishment	55,572	-	(6,019)	(9,029)	40,524
Lighting	12,981	-	(1,947)	-	11,034
Flooring	3,251	-	(488)	-	2,763
Website	1,944	-	(1,944)	-	-
East Suffolk Covid Continuity Fund	-	541	-	(541)	-
	130,727	541	(12,030)	(9,570)	109,668
Total of funds	919,852	181,200	(257,917)	-	843,135

NEW CUT ARTS
(A company limited by guarantee)

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

16. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 April 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 March 2022 £</i>
Unrestricted funds					
General Fund	692,202	148,372	(111,514)	60,065	789,125
Restricted funds					
Cutting Edge	60,203	-	(3,224)	-	56,979
Refurbishment	70,620	-	(6,019)	(9,029)	55,572
Lighting	15,272	-	(2,291)	-	12,981
Flooring	3,825	-	(574)	-	3,251
Website	5,000	-	(3,056)	-	1,944
Foyle	2,666	-	-	(2,666)	-
Theatres Trust	2,560	-	(1,924)	(636)	-
Digital development	16,120	-	(13,792)	(2,328)	-
East Suffolk Covid Continuity Fund	-	5,418	-	(5,418)	-
ACE Culture Recovery Fund	-	92,982	(52,994)	(39,988)	-
	<u>176,266</u>	<u>98,400</u>	<u>(83,874)</u>	<u>(60,065)</u>	<u>130,727</u>
Total of funds	<u>868,468</u>	<u>246,772</u>	<u>(195,388)</u>	<u>-</u>	<u>919,852</u>

NEW CUT ARTS
(A company limited by guarantee)

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

16. Statement of funds (continued)

The funds held in the **Cutting Edge Fund** are for the refurbishment of storage space to create performance and workshop space. As funds held are expended on fixed assets, a corresponding amount is transferred from this fund to the general fund except where these are subject to restrictions on their use. A transfer has been made in the current year corresponding to the depreciation on the assets on which the funding was spent.

The funds held in the **Refurbishment Fund** were for the purchase and refurbishment of the Old Maltings as the New Cut Arts Centre. The East of England Development Agency (EEDA) grants are repayable on a pro-rata basis over 20 years should the charity dispose of its freehold property and therefore the funds relating to EEDA grants are reduced by 5% on an annual basis.

The funds held in the **Lighting Fund** are for the renewal and improvement of lighting. As funds held are expended on fixed assets, a corresponding amount is transferred from this fund to the general fund except where these are subject to restriction on their use. A transfer has been made in the current year corresponding to the depreciation on the assets on which the funding was spent.

The funds held in the **Flooring Fund** are for the purchase of new rubber flooring for the stairs and corridors. As funds held are expended on flooring, a corresponding amount is transferred to the general fund to reflect the depreciation on the assets on which the funding was spent.

The funds held within the **Website Fund** and for the purpose of developing a new website and booking system.

The funds held within the **Foyle Fund** were granted by the Foyle Foundation for refurbishment of the Centre including repairs to the existing roof, new front and back doors, sound-proofing for the cafe, auditorium sound and lighting upgrades and replacement drapes.

The funds held in the **Theatres Trust Fund** were granted for the purpose of deep cleaning the premises prior to re-opening when covid restrictions allowed and included an amount for the purchase of personal protective equipment.

The funds held within the Digital Development Fund are for the purpose of purchasing new streaming equipment and training, and creating a resource for a visual art project, an online resource for audiences to engage with our gallery spaces and artists.

The funds held in the **East Suffolk Covid Recovery Fund** were for the purchase of a sound console.

The funds held in the **ACE Culture Recovery Fund** were granted to support the centre through financial difficulties caused by national and local covid restrictions. A transfer of £35,000 was made from this fund to unrestricted funds in the year as the grant included this amount to restore operating reserves post-covid.

Where restricted funds are spent on the purchase of fixed assets where the asset is held for a general and not a restricted purpose, a transfer is made from restricted to unrestricted funds for the corresponding amount.

Designated funds represent funds set aside for specific projects. The **James Holloway Youth Fund** has been established to support talented young people who would not otherwise have access to arts activities. The funds in the **Summer Project Fund** will be used to support up to 40 emerging artists to participate in a unique multidisciplinary arts project in the summer of 2024.

NEW CUT ARTS
(A company limited by guarantee)

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

17. 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	720,193	109,668	829,861
Current assets	98,004	-	98,004
Creditors due within one year	(23,892)	-	(23,892)
Creditors due in more than one year	(60,838)	-	(60,838)
Total	733,467	109,668	843,135

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2022 £</i>	<i>Restricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Tangible fixed assets	740,044	128,783	868,827
Current assets	154,295	1,944	156,239
Creditors due within one year	(39,798)	-	(39,798)
Creditors due in more than one year	(65,416)	-	(65,416)
Total	789,125	130,727	919,852

18. Pension commitments

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £1,021 (2022: £634). Contributions totalling £210 (2022: £303) were payable to the fund at the balance sheet date and are included in creditors.

NEW CUT ARTS
(A company limited by guarantee)

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

19. Operating lease commitments

At 31 March 2023 the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023 £	2022 £
Later than 1 year and not later than 5 years	<u>508</u>	<u>508</u>

20. Related party transactions

During a prior year a loan was made to the charity by a close family member of a trustee. The loan principal was £100,000 and was reduced in previous years by £75,000. The remaining balance of £25,000 was repaid in May 2022. Interest was charged on the loan at 3.5% per annum. In the year ended 31 March 2023, interest of £Nil (2022: £1,835) was charged on the loan. The balance outstanding at the year end is £Nil (2022: £25,000).

Payments totalling £3,680 (2022: £3,829) were made in the year to Jo & Louis, of which J Leverett, a trustee, is a partner, for project management services received in relation to the Digital Archive project.

Payments were made in the year totalling £1,120 to Anthony Casement and £300 to Richard Dwelly, both trustees, for work carried out to the buildings.

Payments totalling £371 were made in the year to Dean Parkin, a trustee, for hosting the Big Cut Quiz.

The charity employs the spouse of one of the trustees. During the year, that employee received emoluments from the charity totalling £34,091 (2022: £25,103), including employer's pension contributions.

The payments are permitted by the charity's Governing Document.

NEW CUT ARTS

England & Wales - Charity number 1123971

Accounts

NEW CUT ARTS
(A company limited by guarantee)

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

NEW CUT ARTS
(A company limited by guarantee)

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NEW CUT ARTS
(A company limited by guarantee)

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

Trustees

S Bailey
U Hashim
R Dwelly (resigned 31 July 2022)
K Don-Daniel
L Calder (resigned 1 February 2022)
B Holloway
J Leverett
A Casement
J Jordan
N Jaffa
D Parkin

Company registered number

06461027

Charity registered number

1123971

Registered office

Old Maltings
8 New Cut
Halesworth
Suffolk
IP19 8BY

Principal operating office

The Cut, New Cut
Halesworth
Suffolk
IP19 8BY

Accountants

Larking Gowen LLP
Chartered Accountants
Faiers House
Gilray Road
Diss
IP22 4WR

NEW CUT ARTS
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2022

The Trustees present their annual report together with the financial statements of the Company for the 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 Company qualifies as small under section 382 of the Companies Act 2006, the 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

The object of the charity is to advance education in the arts in Suffolk and Norfolk particularly, but not exclusively, by:

- Establishing an Arts Centre;
- Providing training courses and workshops in all aspects of the performing and fine arts and media studies leading to educational qualifications;
- Providing community arts programmes to meet the needs of the whole community;
- Developing and encouraging youth programmes to meet the needs of the whole community;
- Developing and encouraging youth programmes in all areas of arts, dance and media.

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)'.

Achievements and performance

a. Main achievements of the Company

Having survived the effects of Covid-19 and lockdown closures The Cut re-opened with the support of A.C.E. Covid Recovery Fund which included funds for new 'clubs' to benefit the out of work, youth drama, dementia sufferers and carers as well as the exhibition programme which restarted in July 2021. With the gradual re-introduction of theatre and cinema programming and classes, the A.C.E. support also enabled The Cut to build its reserves to 10% of turnover and although challenges remain The Cut is expected to return to a full programme in the second half of 2022 and its current finances are stable.

NEW CUT ARTS
(A company limited by guarantee)

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

Financial review

a. Going concern

The Trustees have considered the Charity's position at the time of signing the financial statements, and in particular the current issues caused by Covid-19 and its potential impact on the Charity.

In particular, they have considered the Charity's cash reserves, additional funding secured after the year end, and loan repayments due in the short to medium term.

Based on this, the Trustees have concluded that they have a reasonable expectation that the Charity will have adequate resources to continue in operational existence for the foreseeable future, and at least twelve months from the date of signing these financial statements. They therefore continue to adopt the going concern basis of accounting in preparing these financial statements.

b. Reserves policy

New Cut Arts has adopted the following policy with respect to holding part of its income as a reserve to cover contingencies:

Reserve levels

Free reserves are defined as unrestricted funds not represented by fixed assets. New Cut Arts' target level of free reserves is 10% of its annual income. This is approximately £25k. The charity's free reserves at 31 March 2022 were £49,081.

Unrestricted funds at 31 March 2022 were £789,125 (£2021: £692,202) and restricted funds were £130,727 (2021: £176,266), meaning total funds were £919,852 (2021: £868,468).

Management of reserves

Reserves are overseen by a trustee elected by the Board of Trustees on an annual basis. The elected trustee must have a proven financial competency. Alterations to the policy must be agreed by an 80% majority of the Board.

Structure, governance and management

a. Constitution

New Cut Arts is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 11 April 2008.

NEW CUT ARTS
(A company limited by guarantee)

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

Structure, governance and management (continued)

b. Methods of appointment or election of Trustees

New Cut Arts has adopted the following policy covering the recruitment of new trustees:

Trustees must have an interest in the aims and objectives of New Cut Arts and be committed to the safe governance of the charity.

Trustees must not have any conviction for fraud or financial mal-practice.

Trustees must not stand to gain financially from their position as trustee except in special circumstances approved by the trustees and authorised by the Charity Commission.

Trustees must be able to attend at least 80% of all scheduled meetings.

Trustees must be selected on the basis of knowledge and experience which is appropriate to the charity's aims and organisation - in particular we seek to include people with financial, legal, marketing, HR and health & safety competencies.

The Board of Trustees should be representative of the local community in terms of age, gender and ethnicity - we actively support the notion of diversity.

c. Financial risk management

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

NEW CUT ARTS
(A company limited by guarantee)

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

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the 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).

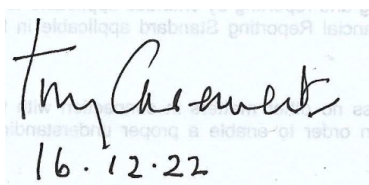
Company law requires the Trustees to prepare financial statements for each financial . Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of its incoming resources and application of resources, including its 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 (FRS102) 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 Company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of 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 Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

T Casement
(Trustee)
Date:



16.12.22

NEW CUT ARTS
(A company limited by guarantee)

INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 MARCH 2022

Independent examiner's report to the Trustees of New Cut Arts ('the Company')

I report to the charity Trustees on my examination of the accounts of the Company for the year ended 31 March 2022.

Responsibilities and basis of report

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

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

Independent examiner's statement

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

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

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

NEW CUT ARTS
(A company limited by guarantee)

INDEPENDENT EXAMINER'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

This report is made solely to the Company's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the Company's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Company and the Company's Trustees as a body, for my work or for this report.

Signed:



Christopher Yeates FCA DChA

Larking Gowen LLP

Chartered Accountants

Diss

16 December 2022

NEW CUT ARTS
(A company limited by guarantee)

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

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:					
Donations and grants	3	44,542	98,400	142,942	221,993
Charitable activities	4	29,436	-	29,436	6,968
Other trading activities	5	74,383	-	74,383	42,041
Investments		11	-	11	-
Total income		148,372	98,400	246,772	271,002
Expenditure on:					
Raising funds	6	39,309	22,635	61,944	69,056
Charitable activities	7	72,205	61,239	133,444	102,383
Total expenditure		111,514	83,874	195,388	171,439
Net income		36,858	14,526	51,384	99,563
Transfers between funds	16	60,065	(60,065)	-	-
Net movement in funds		96,923	(45,539)	51,384	99,563
Reconciliation of funds:					
Total funds brought forward		692,202	176,266	868,468	768,905
Net movement in funds		96,923	(45,539)	51,384	99,563
Total funds carried forward		789,125	130,727	919,852	868,468

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

The notes on pages 11 to 27 form part of these financial statements.

NEW CUT ARTS
(A company limited by guarantee)
REGISTERED NUMBER: 06461027

BALANCE SHEET
AS AT 31 MARCH 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	11	868,827	875,979
		<u>868,827</u>	<u>875,979</u>
Current assets			
Stocks	12	3,000	-
Debtors	13	5,584	19,073
Cash at bank and in hand		147,655	133,991
		<u>156,239</u>	<u>153,064</u>
Creditors: amounts falling due within one year	14	(39,798)	(28,583)
Net current assets		<u>116,441</u>	<u>124,481</u>
Total assets less current liabilities		<u>985,268</u>	<u>1,000,460</u>
Creditors: amounts falling due after more than one year	15	(65,416)	(131,992)
Net assets		<u>919,852</u>	<u>868,468</u>
Total net assets		<u><u>919,852</u></u>	<u><u>868,468</u></u>
Charity funds			
Restricted funds	16	130,727	176,266
Unrestricted funds	16	789,125	692,202
Total funds		<u><u>919,852</u></u>	<u><u>868,468</u></u>

NEW CUT ARTS
(A company limited by guarantee)
REGISTERED NUMBER: 06461027

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2022

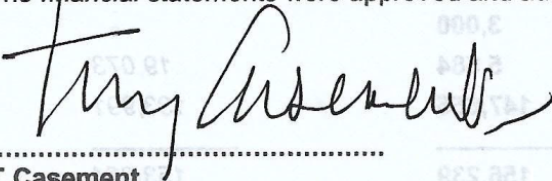
The Company was entitled to exemption from audit under section 477 of the Companies Act 2006.

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

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

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

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



T Casement
(Trustee)

Date: 16.12.22

The notes on pages 11 to 27 form part of these financial statements.

NEW CUT ARTS
(A company limited by guarantee)

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

1. General information

The charity is a company limited by guarantee, incorporated in England and Wales. The members of the company are the Trustees named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The registered office is Old Maltings, 8 New Cut, Halesworth, Suffolk IP19 8BY.

The financial statements are presented in sterling which is the functional currency of the company and rounded to the nearest £.

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.

New Cut Arts 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.

2.2 Going concern

The financial statements are prepared on a going concern basis. In preparing the financial statements the trustees have assessed the level of reserves, together with cash availability and expected demands and remain confident that the going concern basis is appropriate in the circumstances.

2.3 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.

Grants are included in the 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.

NEW CUT ARTS
(A company limited by guarantee)

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

2. Accounting policies (continued)

2.4 Expenditure

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

2.5 Interest receivable

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

2.6 Tangible fixed assets and depreciation

Tangible fixed 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.

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, .

Depreciation is provided on the following bases:

Freehold property	- 2% on cost
Improvements to property	- 2% on cost
Furniture	- 15% on reducing balance
Equipment	- 15% on reducing balance
Computer equipment	- 33% on cost

2.7 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

NEW CUT ARTS
(A company limited by guarantee)

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

2. Accounting policies (continued)

2.8 Debtors

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

2.9 Cash at bank and in hand

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

2.10 Liabilities and provisions

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

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 Statement of financial activities as a finance cost.

2.11 Financial instruments

The Company 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.

2.12 Pensions

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

2.13 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Company 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 Company 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.

NEW CUT ARTS
(A company limited by guarantee)

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

2. Accounting policies (continued)

2.14 Redundancy costs

Costs of termination of employment are recognised as a liability and an expense when the charity is has a detailed formal plan for the termination and there is no realistic possibility of withdrawal from the plan, e.g. because the staff affected have been informed.

3. Income from donations and grants

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Government grants				
Local Restrictions Support Grant, Closed Business Lockdown Payment and Retail Hospitality and Leisure Grant	16,000	5,418	21,418	41,057
Arts Council England Culture Recovery Fund	-	92,982	92,982	-
Arts Council National Lottery Project Grant, Bounce Back Grant and Emergency Response Fund	-	-	-	53,872
Coronavirus Job Retention Scheme	12,055	-	12,055	59,765
Energy Efficiency Grant	-	-	-	17,345
	28,055	98,400	126,455	172,039
Donations	8,803	-	8,803	16,431
Grants	-	-	-	25,560
500 Club	7,684	-	7,684	7,963
	16,487	-	16,487	49,954
Total 2022	44,542	98,400	142,942	221,993
<i>Total 2021</i>	<i>113,911</i>	<i>108,082</i>	<i>221,993</i>	

Donations includes £836 (2021: £Nil) of loan interest waived in the year.

NEW CUT ARTS
(A company limited by guarantee)

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

4. Income from charitable activities

	Unrestricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Auditorium	19,837	19,837	4,764
Commission on art sales	430	430	-
Room hire and rent	9,169	9,169	2,204
Total 2022	<u>29,436</u>	<u>29,436</u>	<u>6,968</u>
<i>Total 2021</i>	<u>6,968</u>	<u>6,968</u>	

5. Other trading activities

	Unrestricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Fundraising events	3,050	3,050	-
Cafe and bar income	17,178	17,178	130
Room hire	54,155	54,155	41,911
Total 2022	<u>74,383</u>	<u>74,383</u>	<u>42,041</u>
<i>Total 2021</i>	<u>42,041</u>	<u>42,041</u>	

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

6. Expenditure on raising funds

	Total funds 2022 £	<i>Total funds 2021 £</i>
Purchases	6,474	3,974
Rent and rates	3,246	3,120
Light and heat	1,642	2,334
Print, post and stationery	708	558
Telephone	668	552
Repairs and renewals	3,644	1,336
Premises expenses	1,870	1,847
Website and marketing	4,349	2,790
Insurance	1,997	2,034
Bad debts	(286)	50
Miscellaneous expenses	608	902
Interest	3,366	5,128
500 Club expenses	1,550	20
Wages and salaries	15,015	27,108
Social security costs	-	312
Pension contributions	148	385
Depreciation of tangible fixed assets	16,945	16,606
Total 2022	61,944	69,056

NEW CUT ARTS
(A company limited by guarantee)

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

7. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Auditorium	34,930	96,244	131,174	101,561
Commission on art sales	2,270	-	2,270	822
	<u>37,200</u>	<u>96,244</u>	<u>133,444</u>	<u>102,383</u>
<i>Total 2021</i>	<u>9,293</u>	<u>93,090</u>	<u>102,383</u>	

Analysis of direct costs

	Auditorium 2022 £	Art shows 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Staff costs	11,425	-	11,425	-
Cinema films	438	-	438	32
Visiting theatre and music	23,067	-	23,067	8,439
Art shows	-	2,270	2,270	822
Total 2022	<u>34,930</u>	<u>2,270</u>	<u>37,200</u>	<u>9,293</u>
<i>Total 2021</i>	<u>8,471</u>	<u>822</u>	<u>9,293</u>	

NEW CUT ARTS
(A company limited by guarantee)

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

7. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2022 £	<i>Total funds 2021 £</i>
Staff costs	31,237	42,125
Depreciation	25,417	24,909
Rent and rates	189	214
Light and heat	2,462	3,502
Telephone	1,001	829
Postage and stationary	1,651	1,781
Website and marketing	6,523	4,186
Repairs and renewals	4,877	1,060
Premises expenses	2,805	2,771
Insurance	2,996	3,051
Interest	1,019	291
Sundries	913	1,354
Professional fees	9,849	-
Bad debts	(429)	76
Accountancy	5,734	6,941
	96,244	93,090

8. Independent examiner's remuneration

The independent examiner's remuneration amounts to an independent examiner fee of £3,365 (2021 - £3,666), and other services including grant certification and VAT assistance of £2,569 (2021 - £2,959).

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

9. Staff costs

	2022 £	<i>2021</i> £
Wages and salaries	57,191	68,176
Social security costs	-	786
Contribution to defined contribution pension schemes	634	968
	<u>57,825</u>	<u>69,930</u>

Staff costs include the cost of staff redundancies in the year of £Nil (2021: £2,091).

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

	2022 No.	<i>2021</i> No.
New Cut Arts Centre	5	6
	<u>5</u>	<u>6</u>

The average headcount expressed as full-time equivalents was:

	2022 No.	<i>2021</i> No.
New Cut Arts Centre	3	2
	<u>3</u>	<u>2</u>

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

Total employee benefits of key management personnel were £27,271 (2021: £27,279).

10. 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).

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

11. Tangible fixed assets

	Land and buildings £	Plant and machinery £	Total £
Cost or valuation			
At 1 April 2021	941,859	309,483	1,251,342
Additions	10,811	24,398	35,209
At 31 March 2022	<u>952,670</u>	<u>333,881</u>	<u>1,286,551</u>
Depreciation			
At 1 April 2021	194,396	180,967	375,363
Charge for the year	19,052	23,309	42,361
At 31 March 2022	<u>213,448</u>	<u>204,276</u>	<u>417,724</u>
Net book value			
At 31 March 2022	<u>739,222</u>	<u>129,605</u>	<u>868,827</u>
At 31 March 2021	<u>747,463</u>	<u>128,516</u>	<u>875,979</u>

Included in land and buildings is freehold land and property with a carrying value of £739,222 (2021 - £747,463) which is pledged as security for liabilities.

12. Stocks

	2022 £	2021 £
Goods for sale and consumables	<u>3,000</u>	<u>-</u>

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

13. Debtors

	2022 £	2021 £
Due within one year		
Trade debtors	3,571	753
Other debtors	-	4,848
Prepayments and accrued income	2,013	13,472
	5,584	19,073

14. Creditors: Amounts falling due within one year

	2022 £	2021 £
Bank loans	5,561	5,370
Other loans	25,000	7,989
Trade creditors	1,193	10,739
Other taxation and social security	1,889	-
Pension fund creditor	303	107
Other creditors	1,977	18
Accruals and deferred income	3,875	4,360
	39,798	28,583

NEW CUT ARTS
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

15. Creditors: Amounts falling due after more than one year

	2022	2021
	£	£
Bank loans	64,416	69,977
Other loans	1,000	57,015
Other creditors	-	5,000
	<u>65,416</u>	<u>131,992</u>

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	2022	2021
	£	£
Payable or repayable by instalments	69,977	75,347
Payable or repayable other than by instalments	1,000	6,000
	<u>70,977</u>	<u>81,347</u>

Interest is charged on the bank loan at 2.5% above the bank base rate subject to a minimum of 3.5%. Instalments are paid monthly to cover the interest and capital. The loan is due to be repaid in October 2032 and is secured on the property to which it relates.

Other loans are secured by way of a first legal charge over the the freehold interest in the Malt Store Annex.

Further information regarding other loans is included in note 19.

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

16. Statement of funds

Statement of funds - current year

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2022 £
Unrestricted funds					
General Fund	692,202	148,372	(111,514)	60,065	789,125
Restricted funds					
Cutting Edge	60,203	-	(3,224)	-	56,979
Refurbishment	70,620	-	(6,019)	(9,029)	55,572
Lighting	15,272	-	(2,291)	-	12,981
Flooring	3,825	-	(574)	-	3,251
Website	5,000	-	(3,056)	-	1,944
Foyle	2,666	-	-	(2,666)	-
Theatres Trust	2,560	-	(1,924)	(636)	-
Digital development	16,120	-	(13,792)	(2,328)	-
East Suffolk Covid Continuity Fund	-	5,418	-	(5,418)	-
ACE Culture Recovery Fund	-	92,982	(52,994)	(39,988)	-
	176,266	98,400	(83,874)	(60,065)	130,727
Total of funds	868,468	246,772	(195,388)	-	919,852

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

16. 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					
General Fund	595,128	162,920	(126,829)	60,983	692,202
Restricted funds					
Cutting Edge	63,642	-	(3,439)	-	60,203
Refurbishment	85,668	-	(6,019)	(9,029)	70,620
Lighting	17,967	-	(2,695)	-	15,272
Flooring	4,500	-	(675)	-	3,825
Website	-	5,000	-	-	5,000
Foyle	-	12,000	-	(9,334)	2,666
Lectern	2,000	-	-	(2,000)	-
Theatres Trust	-	2,560	-	-	2,560
Sound and light	-	17,305	-	(17,305)	-
ACE Emergency Response Fund	-	35,000	(29,030)	(5,970)	-
Business Energy Efficiency	-	17,345	-	(17,345)	-
Digital development	-	18,872	(2,752)	-	16,120
	173,777	108,082	(44,610)	(60,983)	176,266
Total of funds	768,905	271,002	(171,439)	-	868,468

NEW CUT ARTS
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

16. Statement of funds (continued)

The funds held in the **Cutting Edge Fund** are for the refurbishment of storage space to create performance and workshop space. As funds held are expended on fixed assets, a corresponding amount is transferred from this fund to the general fund except where these are subject to restrictions on their use. A transfer has been made in the current year corresponding to the depreciation on the assets on which the funding was spent.

The funds held in the **Refurbishment Fund** were for the purchase and refurbishment of the Old Maltings as the New Cut Arts Centre. The East of England Development Agency (EEDA) grants are repayable on a pro-rata basis over 20 years should the charity dispose of its freehold property and therefore the funds relating to EEDA grants are reduced by 5% on an annual basis.

The funds held in the **Lighting Fund** are for the renewal and improvement of lighting. As funds held are expended on fixed assets, a corresponding amount is transferred from this fund to the general fund except where these are subject to restriction on their use. A transfer has been made in the current year corresponding to the depreciation on the assets on which the funding was spent.

The funds held in the **Flooring Fund** are for the purchase of new rubber flooring for the stairs and corridors. As funds held are expended on flooring, a corresponding amount is transferred to the general fund to reflect the depreciation on the assets on which the funding was spent.

The funds held within the **Website Fund** and for the purpose of developing a new website and booking system.

The funds held within the **Foyle Fund** were granted by the Foyle Foundation for refurbishment of the Centre including repairs to the existing roof, new front and back doors, sound-proofing for the cafe, auditorium sound and lighting upgrades and replacement drapes.

The funds held in the **Lectern Fund** were granted by the Mulberry Trust for the purchase of a digital lectern. This was purchased during the year end.

The funds held in the **Theatres Trust Fund** were granted for the purpose of deep cleaning the premises prior to re-opening when covid restrictions allowed and included an amount for the purchase of personal protective equipment.

The funds held in the **ACE Culture Recovery Fund** were granted to support the centre through financial difficulties caused by national and local covid restrictions. A transfer of £35,000 was made from this fund to unrestricted funds in the year as the grant included this amount to restore operating reserves post-covid.

The funds held in the **East Suffolk Covid Recovery Fund** were for the purchase of a sound console.

The funds included in the **Sound and Light Fund** were for the purchase of sound and light equipment for the theatre. These funds were expended on fixed assets in the year.

The funds in the **ACE Emergency Response Fund** were granted to provide immediate support for the charity in view of the coronavirus crisis.

The funds held in the **Business Energy Efficiency Fund** were granted to fund energy efficiency measures including upgrading lighting and solar panels.

The funds held within the **Digital Development Fund** are for the purpose of purchasing new streaming equipment and training, and creating a resource for a visual art project, an online resource for audiences to engage with our gallery spaces and artists.

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

16. Statement of funds (continued)

Where restricted funds are spent on the purchase of fixed assets where the asset is held for a general and not a restricted purpose, a transfer is made from restricted to unrestricted funds for the corresponding amount.

17. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	740,044	128,783	868,827
Current assets	154,295	1,944	156,239
Creditors due within one year	(39,798)	-	(39,798)
Creditors due in more than one year	(65,416)	-	(65,416)
Total	789,125	130,727	919,852

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Tangible fixed assets	726,059	149,920	875,979
Current assets	117,934	35,130	153,064
Creditors due within one year	(19,799)	(8,784)	(28,583)
Creditors due in more than one year	(131,992)	-	(131,992)
Total	692,202	176,266	868,468

18. Pension commitments

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £634 (2021: £968). Contributions totalling £303 (2021: £107) were payable to the fund at the balance sheet date and are included in creditors.

NEW CUT ARTS
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

19. Operating lease commitments

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

	2022 £	2021 £
Later than 1 year and not later than 5 years	508	-

20. Related party transactions

During a prior year a loan was made to the charity by a close family member of one of the trustees. The loan principal was £100,000 and was reduced in previous years by £43,600. A further £40,000 was repaid in the year ended 31 March 2022 with the final installment being paid in May 2022. Interest is charged on the loan at 3.5% per annum. In the year ended 31 March 2022, interest of £1,835 (2021: £2,198) was charged on the loan. The balance outstanding at the year end is £25,000 (2021: £64,004).

Payments totalling £2,800 (2021: £nil) were made in the year to K Posen, a trustee, for services received in relation to the Digital Archive project.

Payments totalling £3,829 (2021: £nil) were made in the year to Jo & Louis, of which J Leverett, a trustee, is a partner, for project management services received in relation to the Digital Archive project.

A payment of £160 (2021: £nil) was made in the year to T Casement, a trustee, for an interview fee.

The charity employs the spouse of one of the trustees. During the year, that employee received emoluments from the charity totalling £25,103 (2021: £25,103), including employer's pension contributions.

The payments are permitted by the charity's Governing Document.

NEW CUT ARTS

England & Wales - Charity number 1123971

Accounts

NEW CUT ARTS
(A company limited by guarantee)

UNAUDITED
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

NEW CUT ARTS
(A company limited by guarantee)

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NEW CUT ARTS
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2021**

Trustees	S Bailey U Hashim R Dwelly K Don-Daniel L Calder (appointed 1 October 2020) B Holloway (appointed 1 May 2020) J Leverett (appointed 1 May 2020) A Casement J Jordan N Jaffa (appointed 1 September 2020) D Parkin
Company registered number	06461027
Charity registered number	1123971
Registered office	Old Maltings 8 New Cut Halesworth Suffolk IP19 8BY
Principal operating office	The Cut, New Cut Halesworth Suffolk IP19 8BY
Accountants	Larking Gowen LLP Chartered Accountants Faiers House Gilray Road Diss IP22 4WR

NEW CUT ARTS
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2021

The Trustees present their annual report together with the financial statements of the Company for the 1 April 2020 to 31 March 2021. 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 Company qualifies as small under section 382 of the Companies Act 2006, the 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

The object of the charity is to advance education in the arts in Suffolk and Norfolk particularly, but not exclusively, by:

- Establishing an Arts Centre;
- Providing training courses and workshops in all aspects of the performing and fine arts and media studies leading to educational qualifications;
- Providing community arts programmes to meet the needs of the whole community;
- Developing and encouraging youth programmes to meet the needs of the whole community;
- Developing and encouraging youth programmes in all areas of arts, dance and media.

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)'.

Achievements and performance

a. Main achievements of the Company

After a challenging year and two periods of closure the resilience of The Cut has been a feature of the last financial year as we emerge from the devastating effects of Covid-19. Much of 2020-21 has been an adaptation to new circumstances with the efforts of reduced staff and volunteers to keep The Cut's community presence going through a digital programme of events and activities, a refocusing on building improvements and fundraising. The Cut's provision of studio and office units has provided an essential residual income while successful A.C.E. bids and other government support has placed the Cut in a resilient position as prospects improve.

NEW CUT ARTS
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Financial review

a. Going concern

The Trustees have considered the Charity's position at the time of signing the financial statements, and in particular the current issues caused by Covid-19 and its potential impact on the Charity.

In particular, they have considered the Charity's cash reserves, additional funding secured after the year end, and loan repayments due in the short to medium term.

Based on this, the Trustees have concluded that they have a reasonable expectation that the Charity will have adequate resources to continue in operational existence for the foreseeable future, and at least twelve months from the date of signing these financial statements. They therefore continue to adopt the going concern basis of accounting in preparing these financial statements.

b. Reserves policy

New Cut Arts has adopted the following policy with respect to holding part of its income as a reserve to cover contingencies:

Reserve levels

Free reserves are defined as unrestricted funds not represented by fixed assets. New Cut Arts' target level of free reserves is 10% of its annual income. This is approximately £25k.

Long term loans have been taken out to help finance the gradual development of the centre meaning that at 31 March 2021 there are no free reserves. However, excluding the long term loans and fixed assets the charity has unrestricted reserves of £98,135 (2020: £78,533).

The trustees continue to review the level of free reserves with a view to re-establishing the target level of free reserves.

Management of reserves

Reserves are overseen by a trustee elected by the Board of Trustees on an annual basis. The elected trustee must have a proven financial competency. Alterations to the policy must be agreed by an 80% majority of the Board.

Structure, governance and management

a. Constitution

New Cut Arts is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 11 April 2008.

NEW CUT ARTS
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Structure, governance and management (continued)

b. Methods of appointment or election of Trustees

New Cut Arts has adopted the following policy covering the recruitment of new trustees:

Trustees must have an interest in the aims and objectives of New Cut Arts and be committed to the safe governance of the charity.

Trustees must not have any conviction for fraud or financial mal-practice.

Trustees must not stand to gain financially from their position as trustee except in special circumstances approved by the trustees and authorised by the Charity Commission.

Trustees must be able to attend at least 80% of all scheduled meetings.

Trustees must be selected on the basis of knowledge and experience which is appropriate to the charity's aims and organisation - in particular we seek to include people with financial, legal, marketing, HR and health & safety competencies.

The Board of Trustees should be representative of the local community in terms of age, gender and ethnicity - we actively support the notion of diversity.

c. Financial risk management

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

NEW CUT ARTS
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

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 . 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 Company and of its incoming resources and application of resources, including its 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 (FRS102) 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 Company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of 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 Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

T Casement
(Trustee)
Date:

NEW CUT ARTS
(A company limited by guarantee)

INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 MARCH 2021

Independent examiner's report to the Trustees of New Cut Arts ('the Company')

I report to the charity Trustees on my examination of the accounts of the Company for the year ended 31 March 2021.

Responsibilities and basis of report

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

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

Independent examiner's statement

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

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

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

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

NEW CUT ARTS
(A company limited by guarantee)

INDEPENDENT EXAMINER'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

This report is made solely to the Company's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the Company's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Company and the Company's Trustees as a body, for my work or for this report.

Signed:

Dated:

Christopher Yeates FCA DChA

Larking Gowen LLP

Chartered Accountants

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NEW CUT ARTS
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:					
Donations and grants	3	113,911	108,082	221,993	33,807
Charitable activities	4	6,968	-	6,968	109,345
Other trading activities	5	42,041	-	42,041	130,498
Total income		162,920	108,082	271,002	273,650
Expenditure on:					
Raising funds	6	43,776	25,280	69,056	116,963
Charitable activities	7	83,053	19,330	102,383	157,730
Total expenditure		126,829	44,610	171,439	274,693
Net income/(expenditure)		36,091	63,472	99,563	(1,043)
Transfers between funds	16	60,983	(60,983)	-	-
Net movement in funds		97,074	2,489	99,563	(1,043)
Reconciliation of funds:					
Total funds brought forward		595,128	173,777	768,905	769,948
Net movement in funds		97,074	2,489	99,563	(1,043)
Total funds carried forward		692,202	176,266	868,468	768,905

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

The notes on pages 11 to 27 form part of these financial statements.

NEW CUT ARTS
(A company limited by guarantee)
REGISTERED NUMBER: 06461027

BALANCE SHEET
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	11	875,979	831,524
		875,979	831,524
Current assets			
Stocks	12	-	3,000
Debtors	13	19,073	7,328
Cash at bank and in hand		133,991	84,331
		153,064	94,659
Creditors: amounts falling due within one year	14	(28,583)	(14,126)
Net current assets		124,481	80,533
Total assets less current liabilities		1,000,460	912,057
Creditors: amounts falling due after more than one year	15	(131,992)	(143,152)
Net assets		868,468	768,905
Total net assets		868,468	768,905
Charity funds			
Restricted funds	16	176,266	173,777
Unrestricted funds	16	692,202	595,128
Total funds		868,468	768,905

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

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

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.

NEW CUT ARTS
(A company limited by guarantee)
REGISTERED NUMBER: 06461027

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2021

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

.....
T Casement
(Trustee)

Date:

The notes on pages 11 to 27 form part of these financial statements.

NEW CUT ARTS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. General information

The charity is a company limited by guarantee, incorporated in England and Wales. The members of the company are the Trustees named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The registered office is Old Maltings, 8 New Cut, Halesworth, Suffolk IP19 8BY.

The financial statements are presented in sterling which is the functional currency of the company and rounded to the nearest £.

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.

New Cut Arts 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.

2.2 Going concern

The Trustees have considered the Charity's position at the time of signing the financial statements, and in particular the current issues caused by Covid-19 and its potential impact on the Charity.

In particular, they have considered the Charity's cash reserves, additional funding secured after the year end, and loan repayments due in the short to medium term.

Based on this, the Trustees have concluded that they have a reasonable expectation that the Charity will have adequate resources to continue in operational existence for the foreseeable future, and at least twelve months from the date of signing these financial statements. They therefore continue to adopt the going concern basis of accounting in preparing these financial statements.

2.3 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.

Grants are included in the 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.

NEW CUT ARTS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

2. Accounting policies (continued)

2.4 Expenditure

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

2.5 Tangible fixed assets and depreciation

Tangible fixed 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.

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, .

Depreciation is provided on the following bases:

Freehold property	- 2% on cost
Improvements to property	- 2% on cost
Furniture	- 15% on reducing balance
Equipment	- 15% on reducing balance
Computer equipment	- 33% on cost

2.6 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

2.7 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.

NEW CUT ARTS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.8 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.

2.9 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 Statement of financial activities as a finance cost.

2.10 Financial instruments

The Company 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.

2.11 Pensions

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

2.12 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 Company 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 Company 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.

2.13 Redundancy costs

Costs of termination of employment are recognised as a liability and an expense when the charity is has a detailed formal plan for the termination and there is no realistic possibility of withdrawal from the plan, e.g. because the staff affected have been informed.

NEW CUT ARTS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

3. Income from donations and grants

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Government grants				
Local Restrictions Support Grant, Closed Business Lockdown Payment and Retail Hospitality and Leisure Grant	41,057	-	41,057	-
Arts Council England Emergency Response Fund	-	35,000	35,000	-
Arts Council National Lottery Project Grant and Bounce Back Grant	-	18,872	18,872	-
Coronavirus Job Retention Scheme	59,765	-	59,765	-
Energy Efficiency Grant	-	17,345	17,345	-
Subtotal detailed disclosure	100,822	71,217	172,039	-
Donations	5,126	11,305	16,431	24,113
Grants	-	25,560	25,560	2,000
500 Club	7,963	-	7,963	7,694
Subtotal	13,089	36,865	49,954	33,807
Total 2021	113,911	108,082	221,993	33,807
<i>Total 2020</i>	<i>31,807</i>	<i>2,000</i>	<i>33,807</i>	

NEW CUT ARTS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

4. Income from charitable activities

	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Auditorium	4,764	4,764	83,844
Commission on art sales	-	-	5,417
Room hire and rent	2,204	2,204	19,954
Educational courses	-	-	130
Total 2021	<u>6,968</u>	<u>6,968</u>	<u>109,345</u>
<i>Total 2020</i>	<u>109,345</u>	<u>109,345</u>	

5. Other trading activities

	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Fundraising events	-	-	10,143
Cafe and bar income	130	130	64,584
Programme advertising	-	-	6,523
Room hire	41,911	41,911	49,248
Total 2021	<u>42,041</u>	<u>42,041</u>	<u>130,498</u>
<i>Total 2020</i>	<u>130,498</u>	<u>130,498</u>	

NEW CUT ARTS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

6. Expenditure on raising funds

	Total funds 2021 £	<i>Total funds 2020 £</i>
Purchases	3,974	28,177
Parking charges	3,120	3,120
Light and heat	2,334	3,335
Print, post and stationery	558	627
Telephone	552	541
Repairs and renewals	1,336	7,707
Premises expenses	1,847	2,891
Advertising	2,790	4,338
Training costs	-	94
Insurance	1,834	1,830
Licences	200	80
Bad debts	50	343
Miscellaneous expenses	902	485
Interest	5,128	5,758
500 Club expenses	20	-
Wages and salaries	27,108	42,482
Social security costs	312	875
Pension contributions	385	495
Depreciation of tangible fixed assets	16,606	13,785
Total 2021	69,056	<i>116,963</i>

NEW CUT ARTS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

7. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Auditorium	8,471	93,090	101,561	151,592
Commission on art sales	822	-	822	6,075
Room hire and rent	-	-	-	63
	<u>9,293</u>	<u>93,090</u>	<u>102,383</u>	<u>157,730</u>
<i>Total 2020</i>	<u>48,317</u>	<u>109,413</u>	<u>157,730</u>	

Analysis of direct costs

	Auditorium 2021 £	Commission on art sales 2021 £	Room hire 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Staff costs	-	-	-	-	3,869
Cinema films	32	-	-	32	674
Visiting theatre and music	8,439	-	-	8,439	37,080
Art shows	-	822	-	822	6,075
Rent and rates	-	-	-	-	63
Technical labour	-	-	-	-	556
Total 2021	<u>8,471</u>	<u>822</u>	<u>-</u>	<u>9,293</u>	<u>48,317</u>
<i>Total 2020</i>	<u>42,179</u>	<u>6,075</u>	<u>63</u>	<u>48,317</u>	

NEW CUT ARTS
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

7. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2021 £	<i>Total funds 2020 £</i>
Staff costs	42,125	47,744
Depreciation	24,909	20,677
Licences	214	120
Light and heat	3,502	5,001
Telephone	829	811
Postage and stationary	1,781	1,173
Advertising	4,186	6,508
Repairs and renewals	1,060	11,327
Premises expenses	2,771	4,337
Training costs	-	141
Insurance	3,051	2,746
Interest	291	522
Sundries	1,354	728
Bad debts	76	515
Accountancy	6,941	6,423
Professional fees	-	640
	93,090	109,413

8. Independent examiner's remuneration

The independent examiner's remuneration amounts to an independent examiner fee of £3,666 (2020 - £3,726), and other services including software training and VAT assistance of £2,959 (2020 - £2,697).

NEW CUT ARTS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

9. Staff costs

	2021	<i>2020</i>
	£	£
Wages and salaries	68,176	<i>91,114</i>
Social security costs	786	<i>2,779</i>
Contribution to defined contribution pension schemes	968	<i>1,572</i>
	69,930	<i>95,465</i>

Staff costs include the cost of staff redundancies in the year of £2,091 (2020: £Nil).

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

	2021	<i>2020</i>
	No.	No.
New Cut Arts Centre	6	<i>9</i>

The average headcount expressed as full-time equivalents was:

	2021	<i>2020</i>
	No.	No.
New Cut Arts Centre	2	<i>5</i>

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

Total employee benefits of key management personnel were £27,279 (2020: £27,303).

10. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 March 2021, no Trustee expenses have been incurred (2020 - £NIL).

NEW CUT ARTS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

11. Tangible fixed assets

	Land and buildings £	Plant and machinery £	Total £
Cost or valuation			
At 1 April 2020	915,577	249,793	1,165,370
Additions	26,283	59,687	85,970
At 31 March 2021	<u>941,860</u>	<u>309,480</u>	<u>1,251,340</u>
Depreciation			
At 1 April 2020	175,559	158,287	333,846
Charge for the year	18,836	22,679	41,515
At 31 March 2021	<u>194,395</u>	<u>180,966</u>	<u>375,361</u>
Net book value			
At 31 March 2021	<u>747,465</u>	<u>128,514</u>	<u>875,979</u>
At 31 March 2020	<u>740,018</u>	<u>91,506</u>	<u>831,524</u>

Included in land and buildings is freehold land and property with a carrying value of £747,466 (2020 - £740,020) which is pledged as security for liabilities.

12. Stocks

	2021 £	2020 £
Finished goods and goods for resale	<u>-</u>	<u>3,000</u>

NEW CUT ARTS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

13. Debtors

	2021 £	<i>2020</i> £
Due within one year		
Trade debtors	753	6,396
Other debtors	4,848	-
Prepayments and accrued income	13,472	932
	19,073	7,328

14. Creditors: Amounts falling due within one year

	2021 £	<i>2020</i> £
Bank loans	5,370	5,186
Other loans	7,989	-
Trade creditors	10,739	3,336
Other taxation and social security	-	1,031
Pension fund creditor	107	245
Other creditors	18	368
Accruals and deferred income	4,360	3,960
	28,583	14,126

NEW CUT ARTS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

15. Creditors: Amounts falling due after more than one year

	2021	<i>2020</i>
	£	<i>£</i>
Bank loans	69,977	<i>75,347</i>
Other loans	57,015	<i>62,805</i>
Other creditors	5,000	<i>5,000</i>
	<u>131,992</u>	<i><u>143,152</u></i>

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	2021	<i>2020</i>
	£	<i>£</i>
Payable or repayable by instalments	46,518	<i>52,694</i>
Payable or repayable other than by instalments	6,000	<i>6,000</i>
	<u>52,518</u>	<i><u>58,694</u></i>

Interest is charged on the bank loan at 2.5% above the bank base rate subject to a minimum of 3.5%. Instalments are paid monthly to cover the interest and capital. The loan is due to be repaid in October 2032 and is secured on the property to which it relates.

Other loans are secured by way of a first legal charge over the the freehold interest in the Malt Store Annex.

Further information regarding other loans is included in note 19.

NEW CUT ARTS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

16. Statement of funds

Statement of funds - current year

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2021 £
Unrestricted funds					
General Fund	595,128	162,920	(126,829)	60,983	692,202
Restricted funds					
Cutting Edge	63,642	-	(3,439)	-	60,203
Refurbishment	85,668	-	(6,019)	(9,029)	70,620
Lighting	17,967	-	(2,695)	-	15,272
Flooring	4,500	-	(675)	-	3,825
Website	-	5,000	-	-	5,000
Foyle	-	12,000	-	(9,334)	2,666
Lectern	2,000	-	-	(2,000)	-
Theatres Trust	-	2,560	-	-	2,560
Sound and light	-	17,305	-	(17,305)	-
ACE Emergency Response Fund	-	35,000	(29,030)	(5,970)	-
Business Energy Efficiency	-	17,345	-	(17,345)	-
Digital development	-	18,872	(2,752)	-	16,120
	173,777	108,082	(44,610)	(60,983)	176,266
Total of funds	768,905	271,002	(171,439)	-	868,468

NEW CUT ARTS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

16. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 April 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 March 2020 £</i>
Unrestricted funds					
General Fund	560,602	271,650	(250,614)	13,490	595,128
Restricted funds					
Cutting Edge	66,455	-	(2,813)	-	63,642
Refurbishment	100,716	-	(6,019)	(9,029)	85,668
Lighting	21,137	-	(3,170)	-	17,967
Flooring	5,294	-	(794)	-	4,500
Website	788	-	(788)	-	-
Foyle	14,956	-	(10,495)	(4,461)	-
Lectern	-	2,000	-	-	2,000
	209,346	2,000	(24,079)	(13,490)	173,777
Total of funds	769,948	273,650	(274,693)	-	768,905

NEW CUT ARTS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

16. Statement of funds (continued)

The funds held in the Cutting Edge Fund are for the refurbishment of storage space to create performance and workshop space. As funds held are expended on fixed assets, a corresponding amount is transferred from this fund to the general fund except where these are subject to restrictions on their use. A transfer has been made in the current year corresponding to the depreciation on the assets on which the funding was spent.

The funds held in the Refurbishment Fund were for the purchase and refurbishment of the Old Maltings as the New Cut Arts Centre. The East of England Development Agency (EEDA) grants are repayable on a pro-rata basis over 20 years should the charity dispose of its freehold property and therefore the funds relating to EEDA grants are reduced by 5% on an annual basis.

The funds held in the Lighting Fund are for the renewal and improvement of lighting. As funds held are expended on fixed assets, a corresponding amount is transferred from this fund to the general fund except where these are subject to restriction on their use. A transfer has been made in the current year corresponding to the depreciation on the assets on which the funding was spent.

The funds held in the Flooring Fund are for the purchase of new rubber flooring for the stairs and corridors. As funds held are expended on flooring, a corresponding amount is transferred to the general fund to reflect the depreciation on the assets on which the funding was spent.

The funds held within the Foyle Fund were granted by the Foyle Foundation for refurbishment of the Centre including repairs to the existing roof, new front and back doors, sound-proofing for the cafe, auditorium sound and lighting upgrades and replacement drapes.

The funds held in the Lectern Fund were granted by the Mulberry Trust for the purchase of a digital lectern. This was purchased during the year end.

The funds held in the Theatres Trust fund were granted for the purpose of deep cleaning the premises prior to re-opening when covid restrictions allowed and included an amount for the purchase of personal protective equipment.

The funds included in the Sound and Light fund were for the purchase of sound and light equipment for the theatre. These funds were expended on fixed assets in the year.

The funds in the ACE Emergency Response fund were granted to provide immediate support for the charity in view of the coronavirus crisis.

The funds held in the Business Energy Efficiency fund were granted to fund energy efficiency measures including upgrading lighting and solar panels.

The funds held within the Digital Development fund are for the purpose of purchasing new streaming equipment and training, and creating a resource for a visual art project, an online resource for audiences to engage with our gallery spaces and artists.

The funds held within the Website fund and for the purpose of developing a new website and booking system.

NEW CUT ARTS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

17. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	726,059	149,920	875,979
Current assets	117,934	35,130	153,064
Creditors due within one year	(19,799)	(8,784)	(28,583)
Creditors due in more than one year	(131,992)	-	(131,992)
Total	692,202	176,266	868,468

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Tangible fixed assets	659,747	171,777	831,524
Current assets	92,659	2,000	94,659
Creditors due within one year	(14,126)	-	(14,126)
Creditors due in more than one year	(143,152)	-	(143,152)
Total	595,128	173,777	768,905

18. Pension commitments

The charity 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 £968 (2020: £1,279). Contributions totalling £107 (2020: £245) were payable to the fund at the balance sheet date and are included in creditors.

NEW CUT ARTS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

19. Related party transactions

During a prior year a loan was made to the charity by a close family member of one of the trustees. The loan principal was £100,000 and was reduced in previous years by £43,600. The loan is to be repaid in installments of £5,000 per annum over 5 years with the balance due in May 2022. The payment due in the year ended 31 March 2021 was deferred and paid in May 2021. Interest is being charged on the loan at 3.5% per annum. In the year ended 31 March 2021, interest of £2,198 (2020: £2,496) was accrued on the loan. The balance outstanding at the year end is £64,004 (2020: £61,805).

The charity employs the spouse of one of the trustees. During the year, that employee received emoluments from the charity totalling £25,103 (2020: £25,106), including employer's pension contributions.