

**NEW CUT ARTS**  
(A company limited by guarantee)

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

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**NEW CUT ARTS**  
**(A company limited by guarantee)**

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

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<b>Trustees</b>	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
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<b>Company registered number</b>	06461027
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<b>Charity registered number</b>	1123971
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<b>Registered office</b>	Old Maltings 8 New Cut Halesworth Suffolk IP19 8BY
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<b>Principal operating office</b>	The Cut, New Cut Halesworth Suffolk IP19 8BY
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<b>Accountants</b>	Larking Gowen LLP Chartered Accountants Faiers House Gilray Road Diss IP22 4WR
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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2022**

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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.

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

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**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.

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

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**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.

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

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**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).

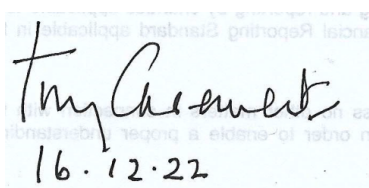
Company law requires the Trustees to prepare financial statements for each financial . Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of its incoming resources and application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

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**NEW CUT ARTS**  
**(A company limited by guarantee)**

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

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**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.



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

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

	<b>Note</b>	<b>Unrestricted funds 2022 £</b>	<b>Restricted funds 2022 £</b>	<b>Total funds 2022 £</b>	<i>Total funds 2021 £</i>
<b>Income from:</b>					
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	-
<b>Total income</b>		<b>148,372</b>	<b>98,400</b>	<b>246,772</b>	<b>271,002</b>
<b>Expenditure on:</b>					
Raising funds	6	39,309	22,635	61,944	69,056
Charitable activities	7	72,205	61,239	133,444	102,383
<b>Total expenditure</b>		<b>111,514</b>	<b>83,874</b>	<b>195,388</b>	<b>171,439</b>
<b>Net income</b>		<b>36,858</b>	<b>14,526</b>	<b>51,384</b>	<b>99,563</b>
Transfers between funds	16	60,065	(60,065)	-	-
<b>Net movement in funds</b>		<b>96,923</b>	<b>(45,539)</b>	<b>51,384</b>	<b>99,563</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		692,202	176,266	868,468	768,905
Net movement in funds		96,923	(45,539)	51,384	99,563
<b>Total funds carried forward</b>		<b>789,125</b>	<b>130,727</b>	<b>919,852</b>	<b>868,468</b>

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**  
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**REGISTERED NUMBER: 06461027**

**BALANCE SHEET**  
**AS AT 31 MARCH 2022**

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

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**NEW CUT ARTS**  
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**REGISTERED NUMBER: 06461027**

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**BALANCE SHEET (CONTINUED)**  
**AS AT 31 MARCH 2022**

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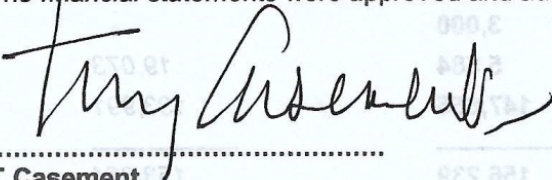
The Company was entitled to exemption from audit under section 477 of the Companies Act 2006.

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:



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**T Casement**  
(Trustee)

Date: 16.12.22

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

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

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**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.

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

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**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.

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

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

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



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

**4. Income from charitable activities**

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

**5. Other trading activities**

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

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

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**6. Expenditure on raising funds**

	<b>Total funds 2022 £</b>	<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
<b>Total 2022</b>	<b>61,944</b>	<b>69,056</b>

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

**7. Analysis of expenditure by activities**

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

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

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

**7. Analysis of expenditure by activities (continued)**

**Analysis of support costs**

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

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**9. Staff costs**

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

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

The average headcount expressed as full-time equivalents was:

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

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).

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**11. Tangible fixed assets**

	Land and buildings £	Plant and machinery £	Total £
<b>Cost or valuation</b>			
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>
<b>Depreciation</b>			
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>
<b>Net book value</b>			
At 31 March 2022	<u>739,222</u>	<u>129,605</u>	<u>868,827</u>
<i>At 31 March 2021</i>	<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>

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**13. Debtors**

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

**14. Creditors: Amounts falling due within one year**

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

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

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

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

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



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**NOTES TO THE FINANCIAL STATEMENTS  
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**16. Statement of funds**

**Statement of funds - current year**

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2022 £
<b>Unrestricted funds</b>					
General Fund	692,202	148,372	(111,514)	60,065	789,125
<b>Restricted funds</b>					
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
<b>Total of funds</b>	868,468	246,772	(195,388)	-	919,852

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**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>
<b>Unrestricted funds</b>					
General Fund	595,128	162,920	(126,829)	60,983	692,202
<b>Restricted funds</b>					
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
<b>Total of funds</b>	768,905	271,002	(171,439)	-	868,468

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**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.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**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**

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

**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)
<b>Total</b>	<b>692,202</b>	<b>176,266</b>	<b>868,468</b>

**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.

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**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	<b>508</b>	-

**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.