

Registered number: 06461027
Charity number: 1123971

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.

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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
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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.

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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.

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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).

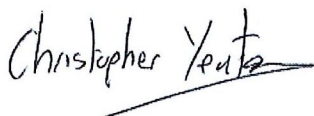
I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

NEW CUT ARTS
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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

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NEW CUT ARTS
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**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
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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>

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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
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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
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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.

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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.

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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 £	<i>Total funds 2022 £</i>
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
	<hr/> - <hr/>	<hr/> 541 <hr/>	<hr/> 541 <hr/>	<hr/> 126,455 <hr/>

NEW CUT ARTS
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**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>	

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**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>	

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**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 £	Total funds 2022 £
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 £	Total funds 2022 £
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>	

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**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).

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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).

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**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>

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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.

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**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

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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)	-
	176,266	98,400	(83,874)	(60,065)	130,727
Total of funds	868,468	246,772	(195,388)	-	919,852

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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 **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.

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**NOTES TO THE FINANCIAL STATEMENTS
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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.

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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.