

NORWICH ARTS CENTRE LIMITED
(A company limited by guarantee)

UNAUDITED

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

NORWICH ARTS CENTRE LIMITED
(A company limited by guarantee)

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

Trustees	R Drury L Farrant M Figura S Forster G Tucker M Uzor K J Went L Wright
Company registered number	01329092
Charity registered number	274803
Registered office	51 St Benedict's Street Norwich Norfolk NR2 4PG
Company secretary	L Wright
Accountants	Larking Gowen LLP Chartered Accountants King Street House 15 Upper King Street Norwich NR3 1RB
Bankers	Barclays Bank plc Small business banking Leicester LE87 2BR

NORWICH ARTS CENTRE LIMITED
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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 year 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 principal activity of the company is the promotion, improvement and advancement of the arts, with particular relevance to the community in Norfolk and Norwich, and the provision of facilities in the interest of social education for recreation or other leisure time occupation.

Norwich Arts Centre employs the Chief Executive, together with a number of full and part time staff involved in education, promotion, catering and administration.

The subsidiary, NAC Cafe Bar Limited, was dormant this year so made neither profit nor loss as the activities of the subsidiary have been incorporated into the activities of the parent charity.

Report from the Chair for the year ended 31 March 2021

The year was of course dominated internationally by the global pandemic that caused the venue to be closed for almost all of the year and endure very restricted trading when it was allowed to open. This was potentially the most challenging period that a venue such as ours could face but it is of immeasurable credit to Director Pasco-Q Kevlin, General Manager Bradley Glasspoole, Finance Manager Jayne Steward and their team that, for now at least, we are emerging in a strong financial and operational condition.

In many ways we were fortunate in that we had planned to close for a significant proportion of this financial year to complete the capital programme of improvements and refurbishments to the building, funded by Arts Council England's Small Scale Capital Investment Grant scheme and a successful public fundraising campaign that realised the money needed to release the ACE grant.

As well as providing much improved sound and lighting rigs and complete redecoration of the building, the capital programme was specifically designed to make the building more accessible for both performers and audiences. It also reduced our carbon footprint and additionally aimed to make the organisation as a whole more sustainable by reducing energy usage.

The effects of Covid19 and anticipated expectations following the lifting of restrictions affected the capital project especially around the design and fitting out of bar and toilets to allow distancing and touch free operation where possible. We also used the project as an opportunity to invest in broadcast quality camera equipment. This enabled Norwich Arts Centre to stream events which were staged to distanced audiences and thus to continue to engage wider audiences in our shows. To date our YouTube channel has had around 3,000 views.

We ended the year with a building in much better shape to face the future, a building that offered unrivalled access for performers and audiences alike and one that was at the forefront of carbon footprint reduction. As a

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

Objectives and activities (continued)

result we were awarded Gold Standard by Norfolk Carbon Charter and Bronze level from 'Accessibility is Everything' – although the latter is expected to be upgraded to at least Silver in the coming year.

The government furlough scheme was a considerable financial help as was our successful applications to ACE and Norwich City Council administered cultural recovery grants. I'm pleased to say that we were able to apply responsibly for to these funds for amounts that realistically reflected our needs without inflating these.

Furlough allowed us to keep the bulk of the core staff team together who worked hard and flexibly on the days they were taken off furlough to contribute to the work of the organisation. Inevitably there was some restructuring when it became apparent that changed circumstances would dictate that certain roles would become redundant in a changing operational landscape but this was kept to a minimum. For furloughed staff we made up the difference between government funding and full salaries.

The effect of the pandemic on organisations such as ours caused us to review our reserves policy and reset it at a more realistic level to reflect a financial cushion that could cover three months of operation. I am happy to report that the new level of reserves have been met this year.

We also opened as a bar with outdoor seating on Friday and Saturday evenings in the summer, which as well as allowing people into the building and grounds to see the newly equipped and decorated venue provided employment for our bar staff.

As noted above we were only able to stage a selected number of events to a greatly reduced capacity of only 42 people but by streaming these we allowed many more people to see them. At the very end of the year our annual festival of performance, Tilted East, returned (mostly) digitally via our new streaming Home Service YouTube channel. From 26 to 28 March 2021 we showcased work from some of Norfolk's very best performers.

We were still able to support a diverse range of artists throughout the year and amongst those were

- poets Luke Wright and Piers Harrison-Reid,
- writers Mags Chalcraft-Islam, Molly Naylor and James McDermott
- painter Will Teather,
- nonbinary performer Liv,
- musicians Polly Wright, Sink Ya Teeth, The Birds of Hell/Pee Murdoch and Roger Eno
- multi-instrumentalist, actress, singer, writer and educator Anna Mudeka

Our partnerships with organisations such as Young Norfolk Arts Trust, Norwich Science Festival, Wild Paths Festival, Norwich Theatre, Cambridge Junction and Colchester Arts Centre have continued to prosper and benefit all parties.

Although it would have been imprudent in these difficult times to offer above inflation pay increases to staff the ground was prepared to adjust salaries for permanent staff at levels comparable to similar organisations when circumstances allow. Norwich Arts Centre maintains a strong commitment to what we see as our most valuable asset, our committed, enthusiastic, knowledgeable and loyal workforce.

I should also like to thank my fellow trustees for their continued support, foresight and efforts in these difficult times.

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

Objectives and activities (continued)

Norwich Arts Centre went into 2021/22 year strong in spirit and morale while aware of the challenges to come as the pandemic continued, challenges faced by all in the arts industry. The enviable reputation that has been generated over the past 40+ years has been significantly strengthened in recent years and the successful completion of the capital project showed a tangible outcome and a significant impact to greet returning audiences who were overwhelmingly enthusiastic and appreciative.

Stephen A Forster, Chair

a. Fundraising activities and income generation

Norwich Arts Centre does not undertake conventional charitable fundraising activities, it does not have any third-party fundraisers acting on its behalf and has not received any complaints about its fundraising activity over the last year.

Financial review

a. Going concern

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

b. Reserves policy

The notes to the financial statements show the assets and liabilities attributable to the various funds by type.

The trustee's ongoing policy is to maintain a sufficient level of reserves so as to enable the Arts Centre to meet its commitments as they fall due. In addition the trustees have recognised that sufficient reserves need to be maintained to meet any potential redundancy payments that may be needed for employees should the Centre be forced to close. In the opinion of the trustees the current balance of unrestricted funds of £94,250 sufficient to meet these liabilities. The free reserves of the charity at 31 March 2021 (being the unrestricted current assets less unrestricted current liabilities) amount to £24,846 (2020: £5,576), as set out in note 17.

c. Financial review

Total income for the year ended 31 March 2021 was £609,951 compared to £1,184,557 for the previous year. Included within income was £179,804 of COVID funding, largely being from the Coronavirus Job Retention Scheme (2020: £4,211). Expenditure of £519,173 was incurred in this financial year (2020: £825,922). This has increased the total funds held by the charity to £730,261 at 31 March 2021, compared to £639,483 at 31 March 2020.

Structure, governance and management

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

Structure, governance and management (continued)

a. Constitution

Norwich Arts Centre Limited is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 19 May 1977.

The company is constituted under a Memorandum of Association dated 19 May 1977 and is a registered charity number 274803.

b. Methods of appointment or election of Trustees

The management of the company is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed.

The members of the Company appoint the Council of Management. One third of the board retires annually, on a rotation basis. Retiring members may stand for re-election.

c. Policies adopted for the induction and training of Trustees

The charity trustees will make available to each new charity trustee, on or before his or her first appointment:

- (a) a copy of the current version of the Articles of Association;
- (b) a copy of the latest Trustees' Annual Report and statement of accounts; and
- (c) are made aware of the guidance available at Charity Commission including CC3 'The essential trustee'.

d. Pay policy for key management personnel

All permanent staff are subject to an annual pay review carried out by the Trustees.

e. 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.

Plans for future periods

As Covid restrictions allow, Norwich Arts Centre will continue to deliver an exciting programme of world class cultural events for the 2021/22 period and maintain our commitment to develop the best emerging artistic talent in the region and nationally. Norwich Arts Centre is also developing its reach and partnering with other organisations to deliver cultural activity in areas of low engagement, using its experienced programming and talent development teams to ensure that everyone has the best opportunity to experience great art.

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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 year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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:

x **Stephen A Forster**
Chair
Date:

10 Dec 2021

NORWICH ARTS CENTRE LIMITED
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INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 MARCH 2021

Independent examiner's report to the Trustees of Norwich Arts Centre Limited ('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 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.

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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.



Joanne Fox FCA (Senior statutory auditor)

Larking Gowen LLP
Chartered Accountants
Norwich
Date: 14 December 2021

NORWICH ARTS CENTRE LIMITED
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**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 legacies:	3				
Grants		286,415	115,517	401,932	654,020
Other donations and legacies		6,279	-	6,279	12,501
Charitable activities	4	19,190	-	19,190	309,965
Other trading activities	5	2,746	-	2,746	203,860
Other income	6	179,804	-	179,804	4,211
Total income		494,434	115,517	609,951	1,184,557
Expenditure on:					
Raising funds		53,837	-	53,837	161,130
Charitable activities	7	375,028	90,308	465,336	664,792
Total expenditure		428,865	90,308	519,173	825,922
Total transfers		-	-	-	-
Net movement in funds		65,569	25,209	90,778	358,635
Reconciliation of funds:					
Total funds brought forward		28,681	610,802	639,483	280,848
Net movement in funds		65,569	25,209	90,778	358,635
Total funds carried forward		94,250	636,011	730,261	639,483

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

The notes on pages 13 to 31 form part of these financial statements.

NORWICH ARTS CENTRE LIMITED
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REGISTERED NUMBER: 01329092

BALANCE SHEET
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	12	686,094	612,131
Investments	13	2	2
		<u>686,096</u>	<u>612,133</u>
Current assets			
Stocks		4,390	5,686
Debtors	14	32,983	30,105
Cash at bank and in hand		114,350	73,136
		<u>151,723</u>	<u>108,927</u>
Creditors: amounts falling due within one year	15	(107,558)	(81,577)
Net current assets		<u>44,165</u>	<u>27,350</u>
Total assets less current liabilities		<u>730,261</u>	<u>639,483</u>
Total net assets		<u><u>730,261</u></u>	<u><u>639,483</u></u>

NORWICH ARTS CENTRE LIMITED
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REGISTERED NUMBER: 01329092

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Charity funds			
Restricted funds	16	636,011	610,802
Unrestricted funds	16	94,250	28,681
Total funds		730,261	639,483

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:

X **S Forster**

Chair
Date:

10 Dec 2021
The notes on pages 13 to 31 form part of these financial statements.

NORWICH ARTS CENTRE LIMITED
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	2021 £	2020 £
Cash flows from operating activities		
Net cash used in operating activities	212,817	387,777
	<hr/>	<hr/>
Cash flows from investing activities		
Purchase of tangible fixed assets	(171,603)	(405,739)
	<hr/>	<hr/>
Net cash used in investing activities	(171,603)	(405,739)
	<hr/>	<hr/>
Change in cash and cash equivalents in the year	41,214	(17,962)
Cash and cash equivalents at the beginning of the year	73,136	91,098
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	<u>114,350</u>	<u>73,136</u>

The notes on pages 13 to 31 form part of these financial statements

NORWICH ARTS CENTRE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. General information

The company is a company limited by guarantee, incorporated in England and Wales. The registered office is 51 St Benedict's Street, Norwich, Norfolk, NR2 4PG. The registered company number is 01329092. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

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.

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

2.2 Company status

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

2.3 Going concern

The Trustees have considered the Charity's position at the time of signing the financial statements, and in particular the effects of Covid-19, as described in more detail in the Trustees' Report. Having considered a range of scenarios, together with the range of measures the Trustees could take to further manage costs should the need arise, the Trustees are confident that the Charity is well positioned to weather any further challenges presented by the pandemic and to continue to deliver its services.

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

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

2. Accounting policies (continued)

2.4 Income

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

Donated services or facilities are recognised when the company has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the company of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised and refer to the Trustees' report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the company which is the amount the company would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

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.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

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

2. Accounting policies (continued)

2.5 Expenditure

Expenditure is recognised on an accruals basis 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.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the company and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

Charitable activities and Governance costs are costs incurred on the company's educational operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

2.6 Government grants

Government grants are credited to the Statement of financial activities once the company has entitlement.

2.7 Tangible fixed assets and depreciation

Tangible fixed assets costing £100 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities incorporating income and expenditure account.

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 2021

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	- 31 years straight line
Long-term leasehold property	- 31 years straight line
Freehold land	- Not depreciated
General equipment	- 1-7 years straight line

2.8 Investments

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

2.9 Stocks

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

2.10 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.

2.11 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.

2.12 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.

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

2. Accounting policies (continued)

2.13 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.

2.14 Operating leases

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

2.15 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.

2.16 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.

3. Income from donations and legacies

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Art Council England East	227,921	115,517	343,438
Donations	6,279	-	6,279
Local authority grants	58,494	-	58,494
Total 2021	292,694	115,517	408,211

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

3. Income from donations and legacies (continued)

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Arts Council England East	189,507	427,513	617,020
Donations	12,501	-	12,501
Local authority grants	37,000	-	37,000
	<u>239,008</u>	<u>427,513</u>	<u>666,521</u>

4. Income from charitable activities

	Unrestricted funds 2021 £	Total funds 2021 £
Box office income	4,194	4,194
Premises hire	-	-
Insurance - loss of earnings	13,870	13,870
Other income	1,126	1,126
Total 2021	<u>19,190</u>	<u>19,190</u>

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Box office income	260,361	260,361
Premises hire	22,263	22,263
Other income	27,341	27,341
<i>Total 2020</i>	<u>309,965</u>	<u>309,965</u>

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

5. Income from other trading activities

Income from fundraising events

	Unrestricted funds 2021 £	Total funds 2021 £
Cafe Bar sales	1,846	1,846
Other fundraising income	900	900
	<u>2,746</u>	<u>2,746</u>

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Cafe Bar sales	203,860	203,860

6. Other incoming resources

	Unrestricted funds 2021 £	Total funds 2021 £
Covid - 19 Grant	27,000	27,000
Coronavirus Job Retention Scheme income	152,804	152,804
Total 2021	<u>179,804</u>	<u>179,804</u>

During the year, the Charity received exceptional government funding as part of the Coronavirus Job Retention Scheme. Funding represents the costs of employing certain staff unable to carry out their duties as a result of the coronavirus crisis.

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**NOTES TO THE FINANCIAL STATEMENTS
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6. Other incoming resources (continued)

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Coronavirus Job Retention Scheme Income	4,211	4,211

7. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Charitable activities	200,820	261,686	462,506
Governance	-	2,830	2,830
Total 2021	200,820	264,516	465,336

	<i>Activities undertaken directly 2020 £</i>	<i>Support costs 2020 £</i>	<i>Total funds 2020 £</i>
Charitable activities	406,598	248,545	655,143
Governance	-	9,649	9,649
<i>Total 2020</i>	<i>406,598</i>	<i>258,194</i>	<i>664,792</i>

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7. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Direct costs 2021 £	Total funds 2021 £
Staff costs	151,194	151,194
Technical costs	5,788	5,788
Equipment & materials	1,818	1,818
Security	8,797	8,797
Training	1,146	1,146
Travel & subsistence	1,115	1,115
Performer fees & expenses	20,805	20,805
Performer Rights Society	4,800	4,800
Bank charges	3,365	3,365
Online ticket sales expenses	1,992	1,992
	<u>200,820</u>	<u>200,820</u>

	<i>Direct costs 2020 £</i>	<i>Total funds 2020 £</i>
Staff costs	146,639	146,639
Technical costs	4,656	4,656
Equipment & materials	10,478	10,478
Security	22,198	22,198
Training	2,259	2,259
Travel & subsistence	11,457	11,457
Performer fees & expenses	181,821	181,821
Performer Rights Society	6,449	6,449
Bank charges	9,556	9,556
Online ticket sales expenses	11,085	11,085
	<u>406,598</u>	<u>406,598</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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7. Analysis of expenditure by activities (continued)

Analysis of support costs

	Support Costs 2021 £	Governance 2021 £	Total funds 2021 £
Staff costs	83,022	-	83,022
Cleaning	684	-	684
Rent and Rates	22,735	-	22,735
Insurances	7,928	-	7,928
Heat, Light and Water	8,462	-	8,462
Office costs and admin	10,558	-	10,558
Legal and professional	800	2,830	3,630
Advertising	660	-	660
Other building charges	23,135	-	23,135
Irrecoverable VAT	96,370	-	96,370
Depreciation	7,332	-	7,332
	<u>261,686</u>	<u>2,830</u>	<u>264,516</u>

	<i>Support Costs 2020 £</i>	<i>Governance 2020 £</i>	<i>Total funds 2020 £</i>
Staff costs	91,931	-	91,931
Cleaning	9,042	-	9,042
Rent and Rates	27,154	-	27,154
Insurances	7,314	-	7,314
Heat, Light and Water	12,260	-	12,260
Office costs and admin	11,092	-	11,092
Legal and professional	1,338	9,649	10,987
Advertising	7,123	-	7,123
Other building charges	11,306	-	11,306
Irrecoverable VAT	61,784	-	61,784
Depreciation	8,201	-	8,201
	<u>248,545</u>	<u>9,649</u>	<u>258,194</u>

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8. Analysis of Expenditure by expenditure type

	Staff costs 2021 £	Depreciation 2021 £	Other costs 2021 £	Total funds 2021 £
Cost of raising funds:				
Expenditure on fundraising trading	49,237	-	4,600	53,837
Cost of Charitable activities:	49,237	-	4,600	53,837
Charitable activities	234,216	97,640	130,650	462,506
Governance	-	-	2,830	2,830
	283,453	97,640	138,080	519,173

	Staff costs 2020 £	Depreciation 2020 £	Other costs 2020 £	Total funds 2020 £
Cost of raising funds:				
Expenditure on fundraising trading	79,660	-	81,470	161,130
Cost of charitable activities	79,660	-	81,470	161,130
Charitable activities	238,570	60,339	356,234	-
Governance	-	-	3,989	-
	318,230	60,339	441,693	820,262

9. Independent examiner's remuneration

	2021 £	2020 £
Fee payable to the company's auditor for the audit of the company's annual accounts	-	6,400
Fees payable to the company's independent examiner for the independent examination of the company's annual accounts	2,750	-

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10. Staff costs

	2021	<i>2020</i>
	£	£
Wages and salaries	259,969	292,144
Social security costs	18,452	20,889
Contribution to defined contribution pension schemes	5,032	5,197
	<u>283,453</u>	<u>318,230</u>

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

	2021	<i>2020</i>
	No.	No.
Employees	<u>18</u>	<u>20</u>

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

Key management personnel includes the Trustees, the Director, the General Manager and the Finance Manager. The total amount of employee benefits received by key management personnel for their services was £119,369 (2020: £107,936).

11. 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).

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

12. Tangible fixed assets

	Freehold property £	Long-term leasehold property £	Freehold land £	General equipment £	Total £
Cost or valuation					
At 1 April 2020	381,034	254,384	7,033	760,736	1,403,187
Additions	-	-	-	171,603	171,603
At 31 March 2021	381,034	254,384	7,033	932,339	1,574,790
Depreciation					
At 1 April 2020	258,122	195,808	-	337,126	791,056
Charge for the year	12,292	5,857	-	79,491	97,640
At 31 March 2021	270,414	201,665	-	416,617	888,696
Net book value					
At 31 March 2021	110,620	52,719	7,033	515,722	686,094
At 31 March 2020	122,912	58,576	7,033	423,610	612,131

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**NOTES TO THE FINANCIAL STATEMENTS
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13. Fixed asset investments

	Shares in group undertaking s £
Cost or valuation	
At 1 April 2020	2
At 31 March 2021	<u>2</u>

Principal subsidiaries

The following was a subsidiary undertaking of the company:

	Company number	Principal activity	Holding	Included in consolidation
NAC Cafe Bar Limited	03716749	Dormant	100%	Yes

The financial results of the subsidiary for the year were:

	Net assets £
NAC Cafe Bar Limited	2

14. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	5,544	15,430
Other debtors	1,742	-
Prepayments and accrued income	25,697	14,675
	<u>32,983</u>	<u>30,105</u>

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NOTES TO THE FINANCIAL STATEMENTS
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15. Creditors: Amounts falling due within one year

	2021	<i>2020</i>
	£	<i>£</i>
Trade creditors	11,692	<i>7,434</i>
Other taxation and social security	6,631	<i>7,602</i>
Other creditors	1,188	<i>-</i>
Accruals and deferred income	88,047	<i>66,541</i>
	<hr/> 107,558 <hr/>	<hr/> <i>81,577</i> <hr/>
		2021
		£
Deferred income at 1 April 2020		61,719
Resources deferred during the year		29,840
Amounts released from previous periods		(8,605)
		<hr/> 82,954 <hr/>

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**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 £	Balance at 31 March 2021 £
Unrestricted funds				
General funds	28,681	494,434	(428,865)	94,250
Restricted funds				
Restricted funds	610,802	115,517	(90,308)	636,011
Total of funds	639,483	609,951	(519,173)	730,261

Statement of funds - prior year

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2020 £
Unrestricted funds					
General Funds - all funds	45,421	752,833	(773,784)	4,211	28,681
Restricted funds					
Restricted Funds - all funds	235,427	427,513	(52,138)	-	610,802
Government grants	-	4,211	-	(4,211)	-
	235,427	431,724	(52,138)	(4,211)	610,802
Total of funds	280,848	1,184,557	(825,922)	-	639,483

Restricted funds represent funds received from the lottery and Arts Council for improvements to buildings and facilities.

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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 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	69,402	616,692	686,094
Fixed asset investments	2	-	2
Current assets	132,404	19,319	151,723
Creditors due within one year	(107,558)	-	(107,558)
Total	<u>94,250</u>	<u>636,011</u>	<u>730,261</u>

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	23,103	589,028	612,131
Fixed asset investments	2	-	2
Current assets	87,153	21,774	108,927
Creditors due within one year	(81,577)	-	(81,577)
Total	<u>28,681</u>	<u>610,802</u>	<u>639,483</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Reconciliation of net movement in funds to net cash flow from operating activities

	2021 £	2020 £
Net income for the year (as per Statement of Financial Activities)	90,778	358,635
Adjustments for:		
Depreciation charges	97,640	60,339
Decrease in stocks	1,296	639
Increase in debtors	(2,878)	(3,951)
Increase/(decrease) in creditors	25,981	(27,885)
Net cash provided by operating activities	212,817	387,777

19. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand	114,350	73,136
Total cash and cash equivalents	114,350	73,136

20. Analysis of changes in net debt

	At 1 April 2020 £	Cash flows £	At 31 March 2021 £
Cash at bank and in hand	73,136	41,214	114,350
	73,136	41,214	114,350

21. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £5,032 (2020: £5,197). Contributions totalling £Nil (2020: £Nil) were payable to the fund at the balance sheet date.

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NOTES TO THE FINANCIAL STATEMENTS
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22. Operating lease commitments

At 31 March 2021 the company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	17,627	17,627
Later than 1 year and not later than 5 years	17,313	34,940
	<u>34,940</u>	<u>52,567</u>

23. Related party transactions

During the year, the company paid amounts totalling £Nil (2020: £1,172) on behalf of the CEO in respect of moving expenses. The balance due to the company at the year end was £Nil (2020: £1,471).

During the year, the company paid £Nil (2020: £3,432) in respect of co-productions for True Stories Live and Balloon with LJ Hope Productions, of which Lucy Farrant is a Director. The balance due at the year end was £Nil (2020: £Nil).

During the year, the company paid commission of £2,100 (2020: £1,500) to Luke Wright, in respect of the new play 'The Remains of Logan Dankworth.' The balance due at the year end was £Nil (2020: £Nil).

During the year, the company paid £Nil (2020: £150) to Katy Jon Went, in respect of the Respectful Conversation series of events. The balance due at the year end was £Nil (2020: £Nil).