

NORWICH ARTS CENTRE LIMITED
(A company limited by guarantee)

UNAUDITED

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

NORWICH ARTS CENTRE LIMITED
(A company limited by guarantee)

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NORWICH ARTS CENTRE LIMITED
(A company limited by guarantee)

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

Trustees	R Drury L Farrant M Figura S Forster K Radley (appointed 1 September 2022) 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
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2022

The Trustees present their annual report together with the financial statements of the company for the 1 April 2021 to 31 March 2022. The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the company qualifies as small under section 382 of the Companies Act 2006, the Strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. Policies and objectives

The 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 Director, 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.

b. Report from the Chair for the year ended 31 March 2022

'this is one of the best arts centre's in the country' *Benjamin Zephaniah*

It is with optimism, admittedly cautious optimism but optimism nevertheless, that I write this to sum up the year and welcome the coming one.

Despite some opening-up and the reduction of some restrictions, the year was still overshadowed by the pandemic and its effects on business. Even when restrictions were not in place there were still event cancellations as performers struggled to cope with uncertainty and that sometimes government guidelines became unclear. New Brexit visa requirements also led to a backlog leading to some overseas performers being unable to fulfil their UK tours.

The management and staff again rose to all the challenges thrown their way admirably. The increased reserves position (from the previous year's all time high) is strong evidence of Director Pasco-Q Kevlin, General Manager Bradley Glasspoole, Finance Manager Jayne Steward and their team's ability to manage, build and maintain a strong financial and operational structure. One further result of this was that unlike many other venues we never had to cancel any event because we were unable to staff it. This is testament to the operational staff team that has been established, who have been willing to step in and cover shifts, sometimes at very short notice.

We continued in lockdown until May, obliged to stage only socially distanced events through much of June and July with the first full capacity event held on 21 July with Seasick Steve, supported by The Music Venues Trust. This was a huge sold out success and proved that there was still a keen market for live performance.

During periods of restricted audience numbers we continued our series of streamed events which drew praise from many quarters for their excellent visual and audio quality.

NORWICH ARTS CENTRE LIMITED
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Objectives and activities (continued)

Even after the removal of restrictions (and continuing to the present) non attendance from ticketholders was another issue faced by the industry, with some sources claiming a national average of 10%. While few, if any asked for refunds it nevertheless had an effect on bar sales.

We have continued to explore and expand a number of partnerships with organisations including Norwich City Council. This has resulted in NAC programming and running more events at The Halls, many of them sell outs including Dr John Cooper Clarke and John Grant. It is hoped that we can extend this partnership in the coming year, including expanding it into other areas of The Halls' operation.

We continued to support artists (many of whom had a really difficult year as the continuing pandemic crippled touring plans) and commissioned new work including a new play MUCK by East Anglia/London theatre company Fen City Players. This was selected for London's Come What May Festival. Amongst others supported were musicians Polly Wright, Sink Ya Teeth, The Birds of Hell/Pete Murdoch, Roger Eno and The Neutrinos. The latter were invited to take their show Darkroom (developed in partnership with UEA's Tyndall Centre for Climate Change) to November's COP26 in Glasgow and debuted their new sound and light experience LightHaus at the 2022 LoveLight Festival.

The few remaining elements of the capital scheme were completed successfully and enthusiastically welcomed by our customers and partners. Indeed, at his sold-out gig in August, poet, musician, actor and broadcaster Benjamin Zephaniah said from the stage 'I love it here, I love what's been done to the place, this is one of the best arts centre's in the country'!

We successfully submitted an amended business plan to Arts Council England for a one-year extension to our National Portfolio agreement although we need to reapply for 2023 – 2026. Writing in November 2022 I can confirm that this application has been successful, significantly reducing the risks for that period.

The network of board sub committees has extended with mixed board and staff membership and these continue to support staff with discussion and expert advice. The board itself has continued to bring in a more diverse membership and is becoming much more representative of the work NAC presents.

NAC has also developed a list of patrons who will lend their names and regularly support us in various ways. At year's end this list included comedian, actor and writer Adam Buxton, musician and composer Roger Eno, multi award winning theatre makers Sh!t Theatre, BBC broadcaster and radio producer Amy Nomvula and artist David Shenton.

Norwich Arts Centre maintains a strong commitment to what we see as our most valuable asset, our committed, enthusiastic, knowledgeable and loyal workforce. While we accept we cannot pay salaries to a level we would ideally like to, as a caring employer we are committed to pay the living wage as a minimum and increase salaries as much as we prudently can.

Financially we are in a reasonably strong position, the best the organisation has ever enjoyed - although we are expecting 2022/3 to produce further operational challenges. But then when does a year not in the arts?

I sincerely believe that the enviable reputation that has been generated by NAC over the past 40+ years continues to be significantly strengthened and it continues to be a pleasure to greet both returning and new audiences who continue to be overwhelmingly enthusiastic and appreciative.

I should also like to thank my fellow trustees for their continued support, foresight and efforts throughout the year.

NORWICH ARTS CENTRE LIMITED
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Objectives and activities (continued)

At the year's end, while not wishing to be overconfident I do feel that NAC is in good shape to face the future. Thanks to the capital project we have a building that offers unrivalled access for performers and audiences alike and is one of the most sustainable in the country in terms of energy use and carbon footprint reduction.

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

b. Reserves policy

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

At the 31 March 2022 total funds amounted to £704,211 (2021: £730,261). The charity has unrestricted reserves of £119,901 (2021: £94,250) and restricted reserves of £584,310 (2021: £636,011). The free reserves of the charity at 31 March 2022 (being the unrestricted current assets less unrestricted current liabilities) amount to £83,988 (2021: £24,846).

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 level of free reserves is sufficient to meet these liabilities.

c. Financial review

Total income for the year ended 31 March 2022 was £851,596 compared to £609,951 for the previous year. Included within income was £63,359 of COVID funding, largely being from the Coronavirus Job Retention Scheme (2021: £179,804). Expenditure of £877,646 was incurred in this financial year (2021: £519,173). This has decreased the total funds held by the charity to £704,211 at 31 March 2022, compared to £730,261 at 31 March 2021.

NORWICH ARTS CENTRE LIMITED
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Structure, governance and management

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.

The charitable objects are to promote, maintain, improve and advance the arts, especially those activities which seek to make the arts relevant to the community with particular reference to the county of Norfolk and the city of Norwich and the provision of facilities in the interest of social education with the object of improving the conditions of life of those persons for whom such facilities are primarily intended.

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

Salaries for all NAC employees are decided by a wages sub committee consisting of the Chair, Treasurer and one other board member. Advised by the Director, General Manager and Finance Manager. Factors considered by the sub committee include trading position and reserves, current inflation/cost of living and market forces in our industry.

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

Structure, governance and management (continued)

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.

Key risks are identified in our business plan as:

- Lower than forecast ticket income is managed with weekly/monthly and quarterly monitoring, increasing efficiency and adjusting staffing levels as appropriate.
- Grant income from Arts Council England and other regular funding bodies falling below expected levels, managed by ongoing research into other sources of funding, investigations into diversifying into new markets and close monitoring of income expectations. Currently ACE income is decided on a 3 year basis via their National Portfolio Organisation programme.
- Insufficient reserves at end of financial year, managed with quarterly accounts forecasts, monitoring actuals against budget forecast. Re-forecasting where necessary and adjusting expenditure as a result. Increasing efficiency and adjusting staffing levels as appropriate.
- Resignation/loss for other reason of Director/key personnel managed by ongoing strength of staff structure and ensuring that a deputising and succession plan is in place. Board is sufficiently 'fleet of foot' to act quickly on recruitment.
- National emergency (ie Covid) managed by swift action by Senior Management Team and Board to react to changing circumstances and follow government advice. Maximising use of government assistance (ie furlough schemes). Adjusting trading plans as required by government and budgetary forecasts and business plan as appropriate.

Plans for future periods

Norwich Arts Centre is in a good position to face the next three years with some level of confidence, we have secured our National Portfolio Organisation investment from Arts Council England, our experienced core team remains in place, the building is in excellent condition, relationships with artists and the creative community are strong, our audiences continue to trust us and we all have the passion to continue to do what we love.

Finance will continue to be the central focus for every small cultural organisation in the country, but we have experienced personnel and tested systems in place to allow us to move forward with a level of confidence. We are in the process of taking on the responsibility to run another events-based bar in a venue in the city, which will help our contributed income generation. We have retained our sponsorship relationship with a local brewery.

We will continue in all areas of our artistic talent development to regularly support new work to be created, produced, toured, and enjoyed by audiences.

Our programme of events will continue to be amongst the most exciting in our region, always trying to ensure on a month by month there is something that is affordable for everyone in the community we serve.

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).

NORWICH ARTS CENTRE LIMITED
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Statement of Trustees' responsibilities (CONTINUED)

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:



Stephen A Forster
Chair

Date: 15 December 2022

NORWICH ARTS CENTRE LIMITED
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INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 MARCH 2022

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 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

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.

NORWICH ARTS CENTRE LIMITED
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INDEPENDENT EXAMINER'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

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



Giles Kerkham FCA DChA (Senior statutory auditor)

Larking Gowen LLP
Chartered Accountants
Norwich
Date: 19 December 2022

NORWICH ARTS CENTRE LIMITED
(A company limited by guarantee)

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

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:					
Donations and legacies:	3				
Grants		279,596	59,511	339,107	401,932
Other donations and legacies		19,290	-	19,290	6,279
Charitable activities	4	274,518	-	274,518	19,190
Other trading activities	5	155,322	-	155,322	2,746
Other income	6	63,359	-	63,359	179,804
Total income		792,085	59,511	851,596	609,951
Expenditure on:					
Raising funds	7	116,657	-	116,657	53,837
Charitable activities		670,078	90,911	760,989	465,336
Total expenditure		786,735	90,911	877,646	519,173
Net income/(expenditure)		5,350	(31,400)	(26,050)	90,778
Transfers between funds	16	20,301	(20,301)	-	-
Net movement in funds		25,651	(51,701)	(26,050)	90,778
Reconciliation of funds:					
Total funds brought forward		94,250	636,011	730,261	639,483
Net movement in funds		25,651	(51,701)	(26,050)	90,778
Total funds carried forward		119,901	584,310	704,211	730,261

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

The notes on pages 14 to 31 form part of these financial statements.

NORWICH ARTS CENTRE LIMITED
(A company limited by guarantee)
REGISTERED NUMBER: 01329092

BALANCE SHEET
AS AT 31 MARCH 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	12	620,221	686,094
Investments	13	2	2
		<u>620,223</u>	<u>686,096</u>
Current assets			
Stocks		8,091	4,390
Debtors	14	26,512	32,983
Cash at bank and in hand		203,754	114,350
		<u>238,357</u>	<u>151,723</u>
Creditors: amounts falling due within one year	15	(154,369)	(107,558)
Net current assets		<u>83,988</u>	<u>44,165</u>
Total assets less current liabilities		<u>704,211</u>	<u>730,261</u>
Total net assets		<u><u>704,211</u></u>	<u><u>730,261</u></u>

NORWICH ARTS CENTRE LIMITED
(A company limited by guarantee)
REGISTERED NUMBER: 01329092

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2022

	Note	2022 £	2021 £
Charity funds			
Restricted funds	16	584,310	636,011
Unrestricted funds	16	119,901	94,250
Total funds		704,211	730,261

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:



S Forster
Chair

Date: 15 December 2022

The notes on pages 14 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 2022

	2022 £	2021 £
Cash flows from operating activities		
Net cash used in operating activities	126,219	212,817
	<hr/>	<hr/>
Cash flows from investing activities		
Purchase of tangible fixed assets	(36,815)	(171,603)
	<hr/>	<hr/>
Net cash used in investing activities	(36,815)	(171,603)
	<hr/>	<hr/>
Change in cash and cash equivalents in the year	89,404	41,214
Cash and cash equivalents at the beginning of the year	114,350	73,136
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	203,754	114,350
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 14 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 2022

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 economic uncertainty and inflation, 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 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.

NORWICH ARTS CENTRE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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.

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.

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 facilities are recognised on the basis of the value of the gift to the company which is the amount it 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.

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.

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.

NORWICH ARTS CENTRE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

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.

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.

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

2.7 Investments

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

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. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

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.

NORWICH ARTS CENTRE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

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.

2.13 Operating leases

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

2.14 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.

2.15 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.

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3. Income from donations and legacies

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Art Council England East	235,159	59,511	294,670
Donations	19,290	-	19,290
Local authority grants	44,437	-	44,437
Total 2022	298,886	59,511	358,397
	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Arts Council England East	227,921	115,517	343,438
Donations	6,279	-	6,279
Local authority grants	58,494	-	58,494
<i>Total 2021</i>	<i>292,694</i>	<i>115,517</i>	<i>408,211</i>

4. Income from charitable activities

	Unrestricted funds 2022 £	Total funds 2022 £
Box office income	240,059	240,059
Premises hire	12,460	12,460
Insurance - loss of earnings	3,170	3,170
Other income	18,829	18,829
Total 2022	274,518	274,518

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4. Income from charitable activities (continued)

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

5. Income from other trading activities

Income from fundraising events

	Unrestricted funds 2022 £	Total funds 2022 £
Cafe Bar sales	149,137	149,137
Other fundraising income	6,185	6,185
	<u>155,322</u>	<u>155,322</u>

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

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**NOTES TO THE FINANCIAL STATEMENTS
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6. Other incoming resources

	Unrestricted funds 2022 £	Total funds 2022 £
Covid-19 Grant	27,500	27,500
Coronavirus Job Retention Scheme income	35,859	35,859
Total 2022	63,359	63,359

During the current and previous financial 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.

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

7. Expenditure on raising funds

Fundraising trading expenses

	Unrestricted funds 2022 £	Total funds 2022 £
Cafe Bar purchases	60,249	60,249
Staff costs	56,408	56,408
	116,657	116,657

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**NOTES TO THE FINANCIAL STATEMENTS
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7. Expenditure on raising funds (continued)

Fundraising trading expenses (continued)

	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Cafe Bar purchases	4,600	4,600
Staff costs	49,237	49,237
	<u>53,837</u>	<u>53,837</u>

8. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £
Charitable activities	<u>408,087</u>	<u>352,902</u>	<u>760,989</u>

	<i>Activities undertaken directly 2021 £</i>	<i>Support costs 2021 £</i>	<i>Total funds 2021 £</i>
Charitable activities	<u>200,820</u>	<u>264,516</u>	<u>465,336</u>

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8. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Direct costs 2022 £	Total funds 2022 £
Staff costs	149,349	149,349
Technical costs	12,383	12,383
Equipment & materials	10,933	10,933
Security	21,253	21,253
Training	5,038	5,038
Travel & subsistence	10,874	10,874
Performer fees & expenses	169,100	169,100
Performer Rights Society	6,808	6,808
Bank charges	11,184	11,184
Online ticket sales expenses	11,165	11,165
	<u>408,087</u>	<u>408,087</u>

	<i>Direct costs 2021 £</i>	<i>Total funds 2021 £</i>
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>

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8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Support costs 2022 £	Total funds 2022 £
Staff costs	110,742	110,742
Cleaning	8,677	8,677
Rent and rates	23,356	23,356
Insurances	9,008	9,008
Heat, light and water	17,421	17,421
Office costs and admin	16,502	16,502
Legal and professional	7,419	7,419
Advertising	9,149	9,149
Other building charges	24,932	24,932
Irrecoverable VAT	113,919	113,919
Depreciation	11,777	11,777
	<u>352,902</u>	<u>352,902</u>

	<i>Support costs 2021 £</i>	<i>Total funds 2021 £</i>
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	3,630	3,630
Advertising	660	660
Other building charges	23,135	23,135
Irrecoverable VAT	96,370	96,370
Depreciation	7,332	7,332
	<u>264,516</u>	<u>264,516</u>

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9. Independent examiner's remuneration

	2022 £	<i>2021</i> £
Fees payable to the company's independent examiner for the independent examination of the company's annual accounts	3,000	<i>2,750</i>
All other services not included above	1,000	<i>250</i>
	<u>4,000</u>	<u><i>3,000</i></u>

10. Staff costs

	2022 £	<i>2021</i> £
Wages and salaries	290,979	<i>260,859</i>
Social security costs	21,759	<i>17,562</i>
Contribution to defined contribution pension schemes	3,761	<i>5,032</i>
	<u>316,499</u>	<u><i>283,453</i></u>

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

	2022 No.	<i>2021</i> No.
Employees	22	<i>18</i>

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 £126,299 (2021: £119,369).

11. 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 reimbursed (2021 - £NIL).

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**NOTES TO THE FINANCIAL STATEMENTS
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12. Tangible fixed assets

	Freehold property £	Long-term leasehold property £	Freehold land £	General equipment £	Total £
Cost					
At 1 April 2021	381,034	254,384	7,033	932,339	1,574,790
Additions	-	-	-	36,815	36,815
At 31 March 2022	381,034	254,384	7,033	969,154	1,611,605
Depreciation					
At 1 April 2021	270,414	201,665	-	416,617	888,696
Charge for the year	12,292	5,857	-	84,539	102,688
At 31 March 2022	282,706	207,522	-	501,156	991,384
Net book value					
At 31 March 2022	98,328	46,862	7,033	467,998	620,221
At 31 March 2021	110,620	52,719	7,033	515,722	686,094

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

	Shares in group undertaking £
Cost	
At 1 April 2021	2
At 31 March 2022	<u>2</u>

Principal subsidiaries

The following was a subsidiary undertaking of the company:

Name	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:

Name	Net assets £
NAC Cafe Bar Limited	2

14. Debtors

	2022 £	2021 £
Due within one year		
Trade debtors	6,235	5,544
Other debtors	3,320	1,742
Prepayments and accrued income	16,957	25,697
	<u>26,512</u>	<u>32,983</u>

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

15. Creditors: Amounts falling due within one year

	2022	<i>2021</i>
	£	£
Trade creditors	19,788	<i>11,692</i>
Other taxation and social security	10,862	<i>6,631</i>
Other creditors	1,319	<i>1,188</i>
Accruals and deferred income	122,400	<i>88,047</i>
	<hr/> 154,369 <hr/>	<hr/> <i>107,558</i> <hr/>
		2022
		£
Deferred income at 1 April 2021		82,954
Resources deferred during the year		117,009
Amounts released from previous periods		(82,954)
		<hr/> 117,009 <hr/>

Deferred income is in relation to advance ticket sales and events taking place after the financial year end.

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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 £
Unrestricted funds					
General funds	94,250	792,085	(786,735)	20,301	119,901
Restricted funds					
Restricted funds	636,011	59,511	(90,911)	(20,301)	584,310
Total of funds	730,261	851,596	(877,646)	-	704,211

Statement of funds - prior 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

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

The current year transfer reallocates depreciation charged during the prior year.

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

17. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	35,911	584,310	620,221
Fixed asset investments	2	-	2
Current assets	238,357	-	238,357
Creditors due within one year	(154,369)	-	(154,369)
Total	<u>119,901</u>	<u>584,310</u>	<u>704,211</u>

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	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>

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

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

	2022 £	2021 £
Net income/expenditure for the year (as per Statement of Financial Activities)	(26,050)	90,778
Adjustments for:		
Depreciation charges	102,688	97,640
Decrease/(increase) in stocks	(3,701)	1,296
Decrease/(increase) in debtors	9,791	(2,878)
Increase in creditors	43,491	25,981
Net cash provided by operating activities	126,219	212,817

19. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand	203,754	114,350
Total cash and cash equivalents	203,754	114,350

20. Analysis of changes in net debt

	At 1 April 2021 £	Cash flows £	At 31 March 2022 £
Cash at bank and in hand	114,350	89,404	203,754

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 £3,761 (2021: £5,032). Contributions totalling £1,319 (2021: £1,188) were payable to the fund at the balance sheet date and are included in other creditors.

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NOTES TO THE FINANCIAL STATEMENTS
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22. 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 £
Not later than 1 year	17,313	17,627
Later than 1 year and not later than 5 years	-	17,313
	<hr/> 17,313 <hr/>	<hr/> 34,940 <hr/>

23. Related party transactions

During the year, the company made sales of £494 (2021: £Nil) and incurred purchases of £3,650 (2021: £Nil) with LJ Hope Productions, of which Lucy Farrant is a Director. The balance due at the year end was £Nil (2021: £Nil). The company also made purchases of £100 (2021: £Nil) from Lucy Farrant.

During the year, the company incurred purchases of £2,900 (2021: £2,100) with Luke Wright. The balance due at the year end was £Nil (2021: £Nil).

During the year, the company incurred purchases of £575 (2021: £Nil) with Maria Uzor. The balance due at the year end was £Nil (2021: £Nil).

At the financial year end, the balance due to the company from the Director amounted to £461 (2021: £Nil).

All transactions were made at an open market basis.