

Registered number: 01329092
Charity number: 274803

NORWICH ARTS CENTRE LIMITED
(A company limited by guarantee)

UNAUDITED

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

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 2023**

Trustees	R Drury L Farrant M Figura S Forster K Radley (appointed 1 September 2022) G Tucker M Uzor K J Went L Wright (resigned 5 December 2022)
Company registered number	01329092
Charity registered number	274803
Registered office	51 St Benedict's Street Norwich Norfolk NR2 4PG
Company secretary	L Wright (resigned 5 December 2022)
Accountants	Larking Gowen LLP Chartered Accountants 1st Floor, Prospect House Rouen Road Norwich NR1 1RE
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 2023

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

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

Objectives and activities

a. Policies and objectives

The 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 2023

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

Due to the pandemic and its long tail, this year represented the first full year of operation for Norwich Arts Centre since 2018/19, a gap of 4 years.

It has become customary to talk about 'challenging trading climates' in these reports but this year (and its successor, in which we are currently immersed), almost redefined the phrase. The much publicised 'cost of living crisis' has affected almost everyone worldwide. This has seen unprecedented rises in energy, fuel, food and other essential costs, putting great pressures on a business such as ours, dependent on public leisure spending. This spending is of course amongst the first to be restricted by most people when income is stretched to meet expenditure.

Despite a strong and adventurous artistic programme the first few months of the year suffered from very disappointing ticket sales as people reigned in what was seen as non-essential spending.

Management and staff were fast to respond to this, amending the artistic offer and cutting costs where doing so did not affect quality and safety. This saw the pattern reversed resulting in a significantly lower deficit than was realistically feared earlier in the year.

Hand in hand with this was, of course, the need to maintain staff wages at a realistic level to ensure that our valued staff themselves can weather the crisis. In common with the rest of the industry, and as artist fees also struggled to cope with rising costs, we were also forced to increase ticket and bar prices to accommodate increased costs, in turn a deterrent to some audiences.

NORWICH ARTS CENTRE LIMITED
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Objectives and activities (continued)

Other issues we faced included that due to changing visa requirements brought about by Brexit, some overseas artists and performers were unable to enter the country to fulfil touring commitments causing cancellations.

The overall outcome of all these however is that although there has been some reduction in the overall levels of liquid reserves during the year it should be noted that these are still considerably above the pre pandemic 2019 level.

Our weddings offer continued to provide valuable additional income and this has become a valued resource to many in our communities.

One significant addition to our trading was the short-term contract to provide bar facilities at The Halls from December. This did require some initial investment to ensure that the operation could run efficiently and inevitably there were some teething problems but the operation settled down and was able to be run to generate welcome funds for NAC. That this was achieved with largely existing staff is yet another testament to the dedication, loyalty and efficiency of our workforce.

The Halls is due to close for a period of investment, refurbishment and renovation in 2023/4 so this area of income will be restricted during this time but it is hoped that we can successfully negotiate with Norwich City Council to continue this arrangement when the buildings reopen.

We continued to promote our own events in The Halls although the sheer cost of hosting a show in a venue with so little in-house technical equipment led to a reduction in number of events towards the end of the year. At the same time, and with an eye to the coming temporary closure of The Halls, we are looking to promote events in other larger venues in the city. We also worked with partners in areas around the county with traditionally lower involvement in the arts.

The year saw NAC reapply for National Portfolio Organisation (NPO) status to Arts Council England. I am pleased to say the application was successful although yet again with no financial upscaling. This means that by the end of this three-year agreement (in 2026) there will have been no increase in core funding for 14 years, itself a considerable cut in real terms. Inevitably this could result in artistic cuts, especially in commissioning and supporting external companies.

During 2022/23 however we continued to support artists including the continuation of support for The Fenland Players, Cambridge based digital artists Collusion providing work in Norfolk, Norwich community theatre company The Common Lot, no less than five female associate artists and the spoken word element of First Light festival amongst others.

Artistically NAC continued to programme ever more diverse and varied events. The music programme is one of the most adventurous in the country while also maintaining a strong level of better known, established and up and coming acts while new initiatives have further expanded the diversity of the shows on offer and introduced new audiences.

That we have continued to attract high calibre performers who would normally play much bigger venues is testament to the high regard NAC is held in by many in the industry. Adam Buxton continued to use us as his 'try out' venue of choice with a number of appearances. Beth Orton came to us for a warm-up show prior to a UK tour of large scale venues and Wet Leg honoured a rearranged date booked long before their huge success.

The venue enjoyed considerable national exposure and visibility for Independent Venue Week when BBC6 Music broadcast its Steve Lamacq show live from NAC. This was followed by a sell-out concert by Young Fathers, excerpts of which were repeated across the network in the following weeks. That the technical infrastructure installed at NAC was sufficient for the BBC's demanding broadcasting and transfer standards is testament to the foresight and value of the work undertaken during the capital scheme.

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

Objectives and activities (continued)

We continue to see the benefits of that capital project. This gave us a building that offers unrivalled access for performers and audiences alike, is one of the most sustainable in the country in terms of energy use and carbon footprint reduction while providing technical standards that are the envy of many of not only our peers but many larger facilities too.

Norwich Arts Centre maintains a strong commitment to what we see as our most valuable asset, our committed, enthusiastic, knowledgeable and loyal workforce. Under the leadership of Director Pasco Q Kevlin and his senior management team (Bradley Glasspole and Jayne Steward), the staffing structure has remained stable and able to grow and adapt to change smoothly and seamlessly. 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 to casual staff and increase salaries as much as we prudently can.

I strongly believe that by doing all we can to create a safe and welcoming environment for staff with fair pay and conditions we have fostered a degree of commitment that has reaped rewards for both the organisation and the employees.

The patrons who agreed last year to lend their names and regularly support us in various ways has been maintained. I offer sincere thanks to comedian, actor and writer Adam Buxton, musician and composer Roger Eno, multi award winning theatre makers Sh!t Theatre, screenwriter and creator Helen Serafinowicz and artist David Shenton.

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

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.

At the year's end, I feel that NAC is in good shape to face the future and the challenges it offers with an efficient monitoring process in place to alert the management and board to any potential issues.

Of course, 2023/4 will produce further operational and financial challenges. But in the arts we have become accustomed to that!

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.

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

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 2023 total funds amounted to £556,416 (2022: £704,211). The charity has unrestricted reserves of £72,201 (2022: £119,901) and restricted reserves of £484,215 (2022: £584,310). The free reserves of the charity at 31 March 2023 (being the unrestricted current assets less unrestricted current liabilities) amount to £39,480 (2022: £83,988).

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. The free reserves target is £50k - £70k which is in line with the NPO forecast for the next three years. The trustees are comfortable with the year end level of free reserves and are projecting recovery of reserves over the NPO period to meet the target level.

c. Financial review

Total income for the year ended 31 March 2023 was £973,878 compared to £851,596 for the previous year. Included within other income in the previous year was £63,359 of COVID funding, largely being from the Coronavirus Job Retention Scheme. Expenditure of £1,121,673 was incurred in this financial year (2022: £877,646). This has decreased the total funds held by the charity to £556,416 at 31 March 2023, compared to £704,211 at 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.

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

Structure, governance and management (continued)

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.

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.

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

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).

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:

3 October 2023

NORWICH ARTS CENTRE LIMITED
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INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 MARCH 2023

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 2023.

Responsibilities and basis of report

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

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

Independent examiner's statement

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 2023

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



Giles Kerkham FCA DChA (Senior statutory auditor)

Larking Gowen LLP

Chartered Accountants

Norwich

Date: 10 October 2023

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

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:					
Donations and legacies:	3				
Grants		229,858	2,892	232,750	339,107
Other donations and legacies		22,477	-	22,477	19,290
Charitable activities	4	433,423	-	433,423	274,518
Other trading activities	5	285,228	-	285,228	155,322
Other income	6	-	-	-	63,359
Total income		970,986	2,892	973,878	851,596
Expenditure on:					
Raising funds	7	256,352	-	256,352	116,657
Charitable activities		762,334	102,987	865,321	760,989
Total expenditure		1,018,686	102,987	1,121,673	877,646
Net movement in funds		(47,700)	(100,095)	(147,795)	(26,050)
Reconciliation of funds:	16				
Total funds brought forward		119,901	584,310	704,211	730,261
Net movement in funds		(47,700)	(100,095)	(147,795)	(26,050)
Total funds carried forward		72,201	484,215	556,416	704,211

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
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REGISTERED NUMBER: 01329092

BALANCE SHEET
AS AT 31 MARCH 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	12	516,934	620,221
Investments	13	2	2
		<u>516,936</u>	<u>620,223</u>
Current assets			
Stocks		18,770	8,091
Debtors	14	24,664	26,512
Cash at bank and in hand		130,909	203,754
		<u>174,343</u>	<u>238,357</u>
Creditors: amounts falling due within one year	15	(134,863)	(154,369)
Net current assets		<u>39,480</u>	<u>83,988</u>
Total assets less current liabilities		<u>556,416</u>	<u>704,211</u>
Total net assets		<u><u>556,416</u></u>	<u><u>704,211</u></u>

NORWICH ARTS CENTRE LIMITED
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REGISTERED NUMBER: 01329092

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2023

	Note	2023 £	2022 £
Charity funds			
Restricted funds	16	484,215	584,310
Unrestricted funds	16	72,201	119,901
Total funds		<u>556,416</u>	<u>704,211</u>

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: 3 October 2023

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 2023

	2023 £	2022 £
Cash flows from operating activities		
Net cash used in operating activities	(63,449)	126,219
Cash flows from investing activities		
Purchase of tangible fixed assets	(9,396)	(36,815)
Net cash used in investing activities	(9,396)	(36,815)
Change in cash and cash equivalents in the year	(72,845)	89,404
Cash and cash equivalents at the beginning of the year	203,754	114,350
Cash and cash equivalents at the end of the year	<u>130,909</u>	<u>203,754</u>

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 2023

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. The Charity continues to receive the NPO grant amounting to £185k per annum which is in place for the next three years from April 2023 to March 2026.

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 2023**

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 2023**

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.

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

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 2023 £	Restricted funds 2023 £	Total funds 2023 £
Arts Council England - National Portfolio Organisation	185,421	-	185,421
Donations	22,477	-	22,477
Local authority grants	44,437	-	44,437
Arts Council England - Other	-	2,892	2,892
Total 2023	252,335	2,892	255,227
	<i>Unrestricted funds 2022 £</i>	<i>Restricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Arts Council England - National Portfolio Organisation	185,421	-	185,421
Donations	19,290	-	19,290
Local authority grants	44,437	-	44,437
Arts Council England - Other	49,738	59,511	109,249
<i>Total 2022</i>	<i>298,886</i>	<i>59,511</i>	<i>358,397</i>

4. Income from charitable activities

	Unrestricted funds 2023 £	Total funds 2023 £
Box office income	388,704	388,704
Premises hire	20,425	20,425
Other income	24,294	24,294
Total 2023	433,423	433,423

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4. Income from charitable activities (continued)

	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
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
<i>Total 2022</i>	<u>274,518</u>	<u>274,518</u>

5. Income from other trading activities

	Unrestricted funds 2023 £	Total funds 2023 £
Cafe Bar sales	233,862	233,862
Corporate sponsorship	13,500	13,500
Other fundraising income	8,795	8,795
The Halls Bar sales	29,071	29,071
	<u>285,228</u>	<u>285,228</u>

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

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6. Other incoming resources

	Total funds 2023 £
Covid-19 Grant	-
Coronavirus Job Retention Scheme income	-
Total 2023	-

	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Covid-19 Grant	27,500	27,500
Coronavirus Job Retention Scheme Income	35,859	35,859
Total 2022	63,359	63,359

During the 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.

7. Expenditure on raising funds

Fundraising trading expenses

	Unrestricted funds 2023 £	Total funds 2023 £
Cafe Bar purchases	92,507	92,507
The Halls Bar purchases	18,595	18,595
Staff costs	145,250	145,250
	256,352	256,352

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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 2022 £</i>	<i>Total funds 2022 £</i>
Cafe Bar purchases	60,249	60,249
Staff costs	56,408	56,408
	<u>116,657</u>	<u>116,657</u>

8. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £
Charitable activities	484,111	381,210	865,321

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

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8. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Direct costs 2023 £	Total funds 2023 £
Staff costs	155,188	155,188
Technical costs	11,088	11,088
Equipment & materials	12,546	12,546
Security	17,638	17,638
Training	965	965
Travel & subsistence	8,388	8,388
Performer fees & expenses	246,413	246,413
Performer Rights Society	5,540	5,540
Bank charges	12,787	12,787
Online ticket sales expenses	13,558	13,558
	<u>484,111</u>	<u>484,111</u>
	<u>484,111</u>	<u>484,111</u>
	<i>Direct costs 2022 £</i>	<i>Total funds 2022 £</i>
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>
	<u>408,087</u>	<u>408,087</u>

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8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Support costs 2023 £	Total funds 2023 £
Staff costs	114,221	114,221
Cleaning	11,272	11,272
Rent and rates	25,069	25,069
Insurances	10,731	10,731
Heat, light and water	29,149	29,149
Office costs and admin	26,092	26,092
Legal and professional	3,720	3,720
Advertising	10,875	10,875
Other building charges	12,922	12,922
Irrecoverable VAT	124,571	124,571
Depreciation	12,588	12,588
	<u>381,210</u>	<u>381,210</u>

	<i>Support costs 2022 £</i>	<i>Total funds 2022 £</i>
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>

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9. Independent examiner's remuneration

	2023 £	2022 £
Fees payable to the company's independent examiner for the independent examination of the company's annual accounts	3,300	3,000
All other services not included above	1,670	1,000
	<u>4,970</u>	<u>4,000</u>

10. Staff costs

	2023 £	2022 £
Wages and salaries	384,259	290,979
Social security costs	26,554	21,759
Contribution to defined contribution pension schemes	3,846	3,761
	<u>414,659</u>	<u>316,499</u>

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

	2023 No.	2022 No.
Employees	22	22

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 £132,069 (2022: £126,299).

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2022 - £NIL).

During the year ended 31 March 2023, expenses totalling £78 were reimbursed or paid directly to 1 Trustee (2022 - £NIL).

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12. Tangible fixed assets

	Freehold property £	Long-term leasehold property £	Freehold land £	General equipment £	Total £
Cost					
At 1 April 2022	381,034	254,384	7,033	969,154	1,611,605
Additions	-	-	-	9,396	9,396
At 31 March 2023	381,034	254,384	7,033	978,550	1,621,001
Depreciation					
At 1 April 2022	282,706	207,522	-	501,156	991,384
Charge for the year	12,291	5,857	-	94,535	112,683
At 31 March 2023	294,997	213,379	-	595,691	1,104,067
Net book value					
At 31 March 2023	86,037	41,005	7,033	382,859	516,934
At 31 March 2022	98,328	46,862	7,033	467,998	620,221

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13. Fixed asset investments

	Shares in group undertaking £
Cost	
At 1 April 2022	2
At 31 March 2023	<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

	2023 £	2022 £
Due within one year		
Trade debtors	12,251	6,235
Other debtors	-	3,320
Prepayments and accrued income	12,413	16,957
	<u>24,664</u>	<u>26,512</u>

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15. Creditors: Amounts falling due within one year

	2023	2022
	£	£
Trade creditors	14,039	19,788
Other taxation and social security	14,807	10,862
Other creditors	-	1,319
Accruals and deferred income	106,017	122,400
	134,863	154,369
	2023	
	£	
Deferred income at 1 April 2022	117,009	
Resources deferred during the year	104,179	
Amounts released from previous periods	(117,009)	
	104,179	

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 2022 £	Income £	Expenditure £	Balance at 31 March 2023 £
Unrestricted funds				
General funds	119,901	970,986	(1,018,686)	72,201
Restricted funds				
Restricted funds	584,310	2,892	(102,987)	484,215
Total of funds	704,211	973,878	(1,121,673)	556,416

Statement of funds - prior 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

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 2023 £	Restricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	32,719	484,215	516,934
Fixed asset investments	2	-	2
Current assets	174,343	-	174,343
Creditors due within one year	(134,863)	-	(134,863)
Total	<u>72,201</u>	<u>484,215</u>	<u>556,416</u>

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2022 £</i>	<i>Restricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Tangible fixed assets	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>

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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

	2023 £	2022 £
Net expenditure for the year (as per Statement of Financial Activities)	(147,795)	(26,050)
Adjustments for:		
Depreciation charges	112,683	102,688
Increase in stocks	(10,679)	(3,701)
Decrease in debtors	1,848	9,791
Increase/(decrease) in creditors	(19,506)	43,491
Net cash provided by/(used in) operating activities	(63,449)	126,219

19. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash in hand	130,909	203,754
Total cash and cash equivalents	130,909	203,754

20. Analysis of changes in net debt

	At 1 April 2022 £	Cash flows £	At 31 March 2023 £
Cash at bank and in hand	203,754	(72,845)	130,909

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 £3,846 (2022: £3,761). Contributions totalling £Nil (2022: £1,319) were payable to the fund at the balance sheet date and are included in other creditors.

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22. Operating lease commitments

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

	2023 £	2022 £
Not later than 1 year	17,000	17,313
Later than 1 year and not later than 5 years	17,000	-
	<u>34,000</u>	<u>17,313</u>

23. Related party transactions

During the year, the company made sales of £570 (2022: £494) and incurred purchases of £3,660 (2022: £3,650) in relation to services provided to and from LJ Hope Productions, of which Lucy Farrant is sole proprietor. The balance due at the year end was £Nil (2022: £Nil). The company also made purchases of £Nil (2022: £100) from Lucy Farrant.

During the year, the company incurred purchases of £Nil (2022: £2,900) with Luke Wright. The balance due at the year end was £Nil (2022: £Nil).

During the year, the company incurred purchases of £2,150 (2022: £575) in relation to services provided from Maria Uzor. The balance due at the year end was £Nil (2022: £Nil).

All transactions were made at an open market basis.

During the year, the Director received an unsecured interest free loan of £1,000 from the company. At the financial year end, the balance due to the company from the Director amounted to £1,481 (2022: £461).