

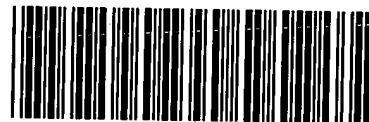
**COMPANY NUMBER: 02276987**

**LEICESTER ARTS CENTRE LIMITED  
TRADING AS PHOENIX**

**REPORT OF THE  
DIRECTORS AND  
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
31 MARCH 2025**

THURSDAY



\*AEHP504R\*

A28

18/12/2025

#10

COMPANIES HOUSE

**LEICESTER ARTS CENTRE LIMITED  
TRADING AS PHOENIX**

**CONTENTS OF THE FINANCIAL STATEMENTS FOR  
THE YEAR ENDED 31 MARCH 2025**

<b>CONTENTS</b>	<b>Pages</b>
Company Information	1
Report of the Directors	2 - 8
Report of the Independent Auditors	9 - 12
Statement of Financial Activities - Charity	13
Statement of Financial Activities - Group	14
Balance Sheet	15
Statement of Cash Flows	16
Notes to the Financial Statements	17 - 32

**LEICESTER ARTS CENTRE LIMITED  
TRADING AS PHOENIX**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31 MARCH 2025**

**DIRECTORS AT YEAR END AND THROUGHOUT THE YEAR:**

A Sinclair (Chair)  
B A Carpenter Van Barthold (Resigned 27<sup>th</sup> November 2024)  
S M Overton-Edwards  
L M Jones (Resigned 27<sup>th</sup> November 2024)  
Prof S M Sharma (Resigned 15<sup>th</sup> January 2025)  
C J Kersey  
S Bazzaz (Resigned 27<sup>th</sup> November 2024)  
J L Smith (Resigned 27<sup>th</sup> November 2024)  
J M Cowley  
Prof J Smith  
A M D Clarke  
D Kavi  
K Mamujee  
W Wells (Appointed on 26<sup>th</sup> March 2025)

K Purohit and C Sharpe was appointed after the year-end but before the approval of the financial statements.

<b>CHIEF EXECUTIVES :</b>	S Vallance R Hill
<b>REGISTERED OFFICE :</b>	Phoenix Square 4 Midland Street Leicester LE1 1TG
<b>COMPANY NUMBER :</b>	02276987 (England and Wales)
<b>CHARITY NUMBER :</b>	701078
<b>AUDITORS :</b>	TC Group 10 Stadium Business Court Millenium Way Pride Park Derby DE24 8HP
<b>BANKERS :</b>	Bank of Scotland

**LEICESTER ARTS CENTRE LIMITED  
TRADING AS PHOENIX**

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 MARCH 2025**

The Trustees, who are also directors of the charity for the purposes of the Companies Act, present their annual report together with the audited financial statements for the year ended 31 March 2025. Company information as set out on page 1 forms part of this report.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing Document**

Leicester Arts Centre Limited (LAC Ltd) is a registered charity (charity number 701078) and a company limited by guarantee (company number 2276987).

The company is governed by its Memorandum and Articles of Association which were last amended in August 2015.

Phoenix is the trading name of the charity and its trading subsidiary, Firebird Trading Ltd (company number 6942215).

**Recruitment and Appointment of the Directors**

Directors can be appointed by the Board or by the company's members at a general meeting. Leicester City Council is entitled to appoint a maximum of two directors and to remove any such directors. De Montfort University is entitled to appoint a maximum of two directors and to remove any such directors.

The Chair of the Board is appointed by the Board. The term of appointment for the Chair and directors is for a fixed period after which the Chair and/or directors can stand for re-election. The number of directors shall not be less than three and is not subject to any maximum.

**Director Induction and Training**

There is an induction programme for new directors, which is tailored to their particular needs. Training programmes for directors are available to assist them in consolidating their knowledge of their duties and responsibilities as directors.

**Risk Management**

The Trustees regularly review the major strategic, business and operational risks which the company faces and confirm that systems have been put in place to mitigate those risks.

**Organisational Structure**

The company is overseen by a Board of Directors that meet periodically in order to administer the charity. Decisions are made at Board meetings by a majority vote. A Chief Executive Officer (who is not a Board member) is appointed by the Board to manage the day-to-day operations of the charity.

The Members have a maximum liability under guarantee to contribute £1 each towards the company's liabilities in the event of a winding up.

**LEICESTER ARTS CENTRE LIMITED TRADING AS PHOENIX  
REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 MARCH 2025**

**PRINCIPAL OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT**

Phoenix's vision is to enrich lives and celebrate diversity and ambition in film and art. The company's mission is to be a dynamic artistic and creative centre where everyone can enjoy, learn about and make inspirational film and art; enriching individual lives and stimulating economic growth in Leicester and beyond.

Phoenix provides a unique programme of world cinema, digital arts and education for a wide range of people mainly from the greater Leicester area. Open to all, Phoenix promotes education and a stimulating environment that enables people to develop the inspiration, skills and relationships they need to achieve.

Our public benefit aims are to promote education and community development especially through world film and the digital arts.

The company's principal place of activity is Phoenix Square, 4 Midland Street, Leicester.

It is the company's policy that there should be no discrimination in respect of ethnic origin, race, physical appearance, gender, disability, sexuality, marital status, class, age, religious or political belief and that equal opportunity shall be given to all employees. The company's recruitment procedures ensure that all applicants are given full and fair consideration for suitable vacancies.

The company has referred to the Charity Commission's general guidance on public benefit when reviewing its aims and objectives and in planning its future activities.

**ACHIEVEMENTS AND PERFORMANCES**

The achievements and financial statements of Phoenix in 2024/25 continued to be affected by the long-term impact of the pandemic, operational challenges following the opening in January 2023 of our expanded venue, the widely-discussed cost of living crisis, and the commencement in January 2024 of the Leicester City Council-run project to re-clad the original Phoenix Square building within which Phoenix is housed. These financial statements are therefore untypical of our normal operation, but represent the charity robustly facing a prolonged period of business challenges, most of which were out of our control.

In 2023, following a 16-month construction period, Phoenix completed an £8M capital project to expand its venue, increasing cinema screens from 2 to 4, extending the café bar, adding a new digital arts gallery, and refurbishing spaces for learning, creativity and commercial hire. With the support of our stakeholders and partners, we are proud to have delivered a superb expanded cultural and economic asset for the benefit of Leicester and its diverse communities, and we are delighted to have won Medium to Large Non-Residential Scheme of the Year at the ProCon Leicestershire 2024 awards.

The expansion of the venue enabled planned growth in the cultural programme across four cinema screens and the new gallery spaces. Within a landscape of sector-wide reduction in audiences, flexible programming has enabled Phoenix to maximise ticket income by extending the run of popular films, bringing programme back quickly where there's audience demand, and responding to opportunities to add new films and events into the schedule as soon as they become available.

**LEICESTER ARTS CENTRE LIMITED TRADING AS PHOENIX**  
**REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 31 MARCH 2025**

In 2024/25 total audience engagement (excluding Café Bar) was 169,539 – 98% of the pre-pandemic 2019/20 figure (171,939) and a 53% increase on 2023/24 engagement. This is in the context of lower audiences and visitor numbers at arts and cultural venues across the country, including major national institutions. UK cinema audiences have been slower than expected to recover from the pandemic, and in 2023 reached 80% of the 2019 total nationally. Cost-of-living remains a major contributing factor: data from the ONS in March 2025 shows that 60% of adults in Great Britain are spending less on non-essentials as a direct consequence of cost of living pressures (ONS Public Opinions and Social Trends bulletin, March 2025), a marginal decrease of 6% on the previous year but still high.

The capital project saw the refurbishment of existing meeting rooms, in addition to the creation of new hireable spaces, and a substantial increase in income from hires and conferencing was a key element of the capital project business plan. Prior to the pandemic, yearly attendance at business and community events in hired spaces was around 11,100 (2019/20), with many regular bookings from large and small businesses alike. However, the commencement in January 2024 of the 18-month council-run project to re clad the original Phoenix Square building within which Phoenix is housed has severely impacted our ability to hire our meeting rooms for prolonged periods due to the level of noise disturbance, resulting in significantly lower commercial income than planned, and just 13% growth in attendance at business and community event attendances in 2024/25 (7,586 c.f. 6,678 in 2023/24).

We implemented GA4 (Google Analytics), an important transition in terms of understanding our audience. Trends show greater online reach with younger audiences (under 35s). We also undertook a pilot project with a specialist digital agency to maximise the use of our Google Ad grant – early results were promising, and we are looking to continue this work.

Phoenix sustained its high consumer satisfaction ratings – an endorsement of the cultural programming, customer services levels and environment. The charity cultivates high levels of consumer loyalty, which is evident in the continued growth in MyPhoenix membership sales (a total of 1,903 active memberships in 2024/25, 39% up on 2023/24). This, alongside with our outreach activities and flexible programming, is an excellent platform for audience growth in the year ahead.

We have seen a sea-change in Phoenix's engagement with Leicester's diverse communities following the appointment of a Community Outreach Officer (in October 2023, supported by funding from British Film Institute) and regular work by community curators – this has directly resulted in growth of new audiences.

Engagement with the local creative sector has also been boosted by Phoenix's PLATFORM programme for filmmakers and digital artists. Supported by the UK Shared Prosperity Fund, PLATFORM launched in November 2024, offering expert-led Q&A sessions, practical workshops on business fundamentals and networking events. In PLATFORM's 5 months of project delivery in 2024/25 it provided non-financial support to 16 creative businesses, delivered training sessions to 54 creative businesses, and supported 28 potential creative entrepreneurs to be business-ready. Furthermore, UKSPF support was secured the enable continuation of the PLATFORM programme in 2025/26.

As part of a national programme, led by the UK government's DCMS in partnership with Innovate UK, we also delivered Create Growth @ Phoenix, a fully funded, intensive business support programme designed specifically for filmmakers and digital creatives across Leicestershire, Rutland and surrounding areas. Participants undertook an intensive 3-day course, with access to mentoring and Investment Readiness workshops. A cohort of 15 individuals benefited from this support.

**LEICESTER ARTS CENTRE LIMITED TRADING AS PHOENIX  
REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 MARCH 2025**

Following the board's interim joint appointment (in June 2024) of two experienced senior managers to the CEO role after the retirement of the previous longstanding Chief Executive, the board confirmed the appointment of the interim co-CEOs to permanent co-Chief Executive Officers in December 2024.

Phoenix is grateful for the financial support from stakeholders Leicester City Council, Arts Council England, British Film Institute and De Montfort University. Awarded under the auspices of their new strategies and funding programmes announced in 2022/23, Phoenix's Arts Council NPO grant continues to March 2027 (following the NPO extension for 2026/27), and BFI Audience Projects funding is secured until March 2026. Leicester City Council and De Montfort University funding was maintained in 2024/25 – vital in ensuring the continuation of Phoenix's work to deliver the charity's charitable aims and engage local communities in film, digital art and culture, learning, and creativity.

Following the retirement of Phoenix's longstanding auditor, Phoenix undertook a tendering process and appointed a new auditor in readiness for the audit and preparation of statutory accounts for the period 2024/25.

**FINANCIAL REVIEW**

Total Incoming Resources of the group amounted to £2,429,770 during the year (2023/24: £2,484,942) with Total Resources Expended in the year of £2,878,956 (2023/24: £2,653,714).

£279,098 of Phoenix 2020 capital costs were recorded in the financial year as a depreciation charge

The fixed assets of the group on 31 March 2025 amounted to £8,066,576 (31 March 2024: £8,345,961) reflecting the completion of the capital project and depreciation charged in the year. Restricted Funds stood at £7,572,354 at the year-end (31 March 2024: £7,821,206).

The General Funds of the group were £406,484 at the year-end (31 March 2024: £609,172) with cash balances of £197,922. The designated funds balance was £7,736 at 31 March 2025 (31 March 2024 £5,382)

Box Office income increased from £614,690 (2023/24) to £649,391.

Income from the trading subsidiary increased from £877,723 (2023/24) to £947,683. Gift aid from the trading subsidiary decreased to £98,388 from £187,101 in 2023/24.

There has been significant growth in trading income streams alongside efforts to control operating costs, the group made an operating deficit of £449,186 in the year (2024: £168,772). The trend remains positive.

The directors have considered the going concern position of the Company and the group and consider that the preparation of the financial statements on a going concern basis is appropriate.

**PRINCIPAL FUNDING SOURCES**

Leicester Arts Centre's main revenue grant funders in the period were Leicester City Council, Arts Council England, De Montfort University, British Film Institute.

In addition, Phoenix received funding from Foyle Foundation and UK Shared Prosperity Fund.

**LEICESTER ARTS CENTRE LIMITED TRADING AS PHOENIX  
REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 MARCH 2025**

**RESERVES POLICY**

The Board reviewed and approved the Reserves policy at a general meeting in November 2025. The current Reserves policy is to retain a minimum of £400,000 free reserves, this being the unrestricted funds not designated for a specific purpose, to cover contingencies and annual variations in operating income. In addition, the Trustees aim to retain a cash balance of £400,000 to cover variations in operating income. However, it is acknowledged by the Board that a significant amount of work will be required to achieve the levels set out in the policy.

The level of unrestricted reserves of the group on 31 March 2025 was £406,484 which meets the reserves policy requirement. Cash balances held at 31 March 2025 were £197,922, below the target.

**PLANS FOR FUTURE PERIODS**

Having completed the expansion project, we aim to capitalise on the opportunity this provides to significantly increase participation in film, digital art and education activities through growth of our cultural programme, with a view to doubling audiences by 2028/29. Financial resilience will be improved through increased ticket revenue, earned income from our extended Café Bar and The Nest roof terrace bar, and venue hires.

However, the current environment differs greatly to that conceived in the original business plan for the capital development. High levels of inflation, cost-of-living impact on consumer spending which has suppressed post-pandemic audience recovery, and pressures on public funders which threaten our grants, all mean that Phoenix is facing an increasingly challenging financial position over the next few years. Added to this, Leicester City Council (LCC) confirmed that its revenue grant would end on 31 March 2025.

On top of this, LCC's 18-month project to re-clad Phoenix Square (the development in which Phoenix is located) in response to national fire safety concerns around high rise buildings began in January 2024 and led to significant impact on customer experience and trading across 2023/24 and 2024/25. There was also further disruption within the Cultural Quarter (the area around Phoenix) – including road closures, loss of parking and restrictions to primary pedestrian routes – as a result of unexpected external work to Curve theatre which is close to Phoenix and which was expected to continue until August 2025.

These challenges were compounded by measures in the government's autumn budget in October 2024 which saw a sizeable increase in the National Living Wage (which has increased by 49% since 2019) and the changes to Employers' National Insurance contributions. As well as increasing our own payroll costs significantly, we also predicted larger % increases in overheads as many suppliers would have no option but to pass at least some of these increased costs on to us. The combined impact of grant withdrawal and increased costs was too much for Phoenix to absorb and, despite growth in audiences and income exceeding pre-covid levels, we faced a serious, unsustainable budget deficit in 2025/26.

Acknowledging that this position was untenable, a range of measures were undertaken focused on business growth and identifying opportunities for changes across the organisation (in addition to those taken previously) in order to achieve a more favourable outcome. This included thorough reviews of product pricing, additional income generating opportunities not previously considered, and most significantly a reduction in organisational structure and operating parameters in order to realise significant savings.



**LEICESTER ARTS CENTRE LIMITED TRADING AS PHOENIX  
REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 MARCH 2025**

The following actions were taken by directors, on senior management recommendation:

- A reduction in opening hours, from 7 days a week to 5 days a week, Thursday – Monday only (closing Tuesday and Wednesday) from 7<sup>th</sup> April 2025;
- Earlier closing on Sunday evenings from late February 2025

Reduced hours in most departments across the Charity led to an organisational restructure to meet business needs, resulting in a number of redundancies. Collective consultation was undertaken voluntarily to ensure that staff had input throughout the process. The redundancy process was completed on 31 March 2025.

Importantly, Phoenix continues to offer a full and vibrant programme of cinema, art and learning opportunities, and our Café Bar operate as normal within our revised opening times. However, the new operating model will have a tangible impact on organisational income generated through programme and Café Bar.

We will continue to engage with the local authority regarding withdrawal of their revenue grant beyond April 2025.

Following the retirement of a number of Board members after completion of the capital project, we have recruited (and will continue to seek) new Trustees who can support the charity's further development, improve business links, and advance the representation of local communities.

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006, Charities Act 2011, 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 2015) and the trust deed. 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.

#### **AUDITORS**

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as each trustee is aware, there is no relevant audit information of which the Charity's auditor is unaware; and
- each trustee has taken all steps that they ought to have taken as a trustee to make them-self aware of any relevant audit information and to establish that the Charity's auditor is aware of that information.

**LEICESTER ARTS CENTRE LIMITED TRADING AS PHOENIX  
REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 MARCH 2025**

This report has been prepared in accordance with the 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 2015) and in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

**Alison Sinclair**

**ON BEHALF OF THE BOARD**  
**Alison Sinclair (Chair) – Director**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEICESTER ARTS CENTRE LIMITED TRADING AS PHOENIX**

### **OPINION**

We have audited the consolidated accounts of Leicester Arts Centre Trading as Phoenix for the year ended 31 March 2025 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, Consolidated Cashflow Statement and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the consolidated accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2025 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

### **BASIS OF OPINION**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the consolidated accounts section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the consolidated accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **CONCLUSIONS RELATING TO GOING CONCERN**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to where:

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEICESTER ARTS CENTRE LIMITED TRADING AS PHOENIX**

The trustees' use of the going concern basis of accounting in the preparation of the consolidated accounts is not appropriate; or the trustees have not disclosed in the consolidated accounts any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the consolidated accounts are authorised for issue.

### **MATERIAL UNCERTAINTY RELATED TO GOING CONCERN**

We would draw your attention to Note 15 of the accounts. As set out in that note there are conditions that indicate a material uncertainty exists that may cast significant doubt on the charitable company's ability to continue as a going concern. The auditor's opinion is not modified in respect of this matter.

### **OTHER INFORMATION**

The other information comprises the information included in the annual report, other than the consolidated accounts and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the consolidated accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance thereon.

In connection with our audit of the consolidated accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the consolidated accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **OPINION ON OTHER MATTERS PRESCRIBED BY THE CHARITIES ACT 2011**

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Trustees' Report for the financial year for which the consolidated accounts are prepared is consistent with the consolidated accounts
- the Trustees' Report has been prepared in accordance with applicable legal requirements

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEICESTER ARTS CENTRE LIMITED TRADING AS PHOENIX**

### **MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees Report.

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the consolidated accounts are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the consolidated accounts in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the Trustees' Annual Report and from the requirement to prepare a strategic report.

### **RESPONSIBILITIES OF TRUSTEES**

As explained more fully in the Trustees' Annual Report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the consolidated accounts and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated accounts, the Trustees are responsible for assessing the Charitable Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Charitable Company or to cease operations, or have no realistic alternative but to do so.

### **AUDITORS RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED ACCOUNTS**

Our objectives are to obtain reasonable assurance about whether the consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated accounts. Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below;

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
LEICESTER ARTS CENTRE LIMITED TRADING AS PHOENIX**

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements. Specifically reviewing compliance with Charities SORP FRS102 and the Companies Act 2022.
- Performing recalculations of consolidation process and ensuring any adjustments made were agreed back to supporting documentation.
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate an increased risk of material misstatement as a result of fraud.
- Performing substantive testing over a selection of journal entries made in the period, to address the risk of fraud due to management override of controls.
- Assessing material accounting estimates to determine if there are indications of management bias.

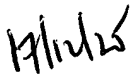
We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Despite the audit being planned and conducted in accordance with ISAs (UK) there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to the inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularity likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

A further description of our responsibilities for the audit of the consolidated accounts is located on the Financial Reporting Councils website at [www.frc.org.uk/auditorresponsibilities](http://www.frc.org.uk/auditorresponsibilities). This description forms part of our auditor's report.



TC Group  
10 Stadium Business Court  
Millenium Way  
Pride Park  
Derby  
DE24 8HP



LEICESTER ARTS CENTRE LIMITED TRADING AS PHOENIX  
STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 MARCH 2025

		CHARITY			
		Unrestricted Funds 2025 £	Restricted Funds 2025 £	Total Funds 2025 £	Total Funds 2024 £
	Note				
Incoming Resources from generated funds					
Voluntary Income					
Grants received		324,000	314,504	638,504	793,676
Intangible income – rent free use of premises		110,500	-	110,500	110,500
Investment Income					
Bank interest		-	-	-	1,397
Gift aid from subsidiary		98,388	-	98,388	187,101
Incoming Resources from Charitable Activities					
Box Office (charitable trading income)		649,391	-	649,391	614,690
Other income from operating activities		83,692	-	83,692	95,658
Total Incoming Resources		1,265,971	314,504	1,580,475	1,803,022
Resources Expended					
Costs of generating funds					
Premises costs – intangible		110,500	-	110,500	110,500
Cost of Charitable activities					
Live performance and education		23,118	67,111	90,229	95,378
Film hire		251,025	-	251,025	244,959
Wages, salaries and Social Security	3	614,733	200,987	815,720	800,692
Marketing and publicity		89,214	-	89,214	95,922
Premises costs – Centre		132,928	30,000	162,928	190,415
Depreciation		10,823	268,275	279,098	172,935
Supplies and services		206,142	6,588	212,730	255,501
Other		5,934	-	5,934	-
Governance costs		11,996	-	11,996	4,583
Total resources expended		1,456,413	572,961	2,029,374	1,970,885
Net (outgoing)/incoming Resources		(190,442)	(258,457)	(448,899)	(167,863)
Transfers	11	(9,605)	9,605	-	-
Net Movement on Funds		(200,047)	(248,852)	(448,899)	(167,863)
Total funds brought forward		613,168	7,821,206	8,434,374	8,602,237
Total funds carried forward		413,121	7,572,354	7,985,475	8,434,374

All incoming resources and resources expended derive from continuing activities.

LEICESTER ARTS CENTRE LIMITED TRADING AS PHOENIX

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 MARCH 2025

				<b>GROUP</b>	
	<b>Note</b>	<b>Unrestricted Funds 2025 £</b>	<b>Restricted Funds 2025 £</b>	<b>Total Funds 2025 £</b>	<b>Total Funds 2024 £</b>
<b>Incoming Resources from generated funds</b>					
<b>Voluntary Income</b>					
Grants received		324,000	314,504	638,504	793,676
Intangible income – rent free use of premises		110,500	-	110,500	110,500
<b>Investment Income</b>		-	-	-	1,397
<b>Activities for Generating Funds</b>					
Income of trading subsidiary		947,683	-	947,683	877,723
<b>Incoming Resources from Charitable Activities</b>					
Box Office (charitable trading income)		649,391	-	649,391	614,690
Other income from operating activities		83,692	-	83,692	86,956
<b>Total Incoming Resources</b>		<b>2,115,266</b>	<b>314,504</b>	<b>2,429,770</b>	<b>2,484,942</b>
<b>Resources Expended</b>					
<b>Costs of generating funds</b>					
Trading subsidiary cost of sales		355,577	-	355,577	283,198
Trading subsidiary overhead costs		24,532	-	24,532	18,167
Premises costs – intangible		110,500	-	110,500	110,500
<b>Cost of Charitable activities</b>					
Live performance and education		23,118	67,111	90,229	95,378
Film hire		251,025	-	251,025	244,959
Wages, salaries and Social Security	3	1,083,919	200,987	1,284,906	1,179,815
Marketing and publicity		89,214	-	89,214	95,922
Premises costs – Centre		132,928	30,000	162,928	190,415
Depreciation		11,110	268,275	279,385	175,276
Supplies and services		206,142	6,588	212,730	255,501
Other		5,934	-	5,934	-
<b>Governance costs</b>		11,996	-	11,996	4,583
<b>Total resources expended</b>		<b>2,305,995</b>	<b>572,961</b>	<b>2,878,956</b>	<b>2,653,714</b>
<b>Net (outgoing)/incoming Resources</b>		<b>(190,729)</b>	<b>(258,457)</b>	<b>(449,186)</b>	<b>(168,772)</b>
Transfers	11	(9,605)	9,605	-	-
<b>Net Movement on Funds</b>		<b>(200,334)</b>	<b>(248,852)</b>	<b>(449,186)</b>	<b>(168,772)</b>
<b>Total funds brought forward</b>		<b>614,554</b>	<b>7,821,206</b>	<b>8,435,760</b>	<b>8,604,532</b>
<b>Total funds carried forward</b>	13	<b>414,220</b>	<b>7,572,354</b>	<b>7,986,574</b>	<b>8,435,760</b>

All incoming resources and resources expended derive from continuing activities.



**LEICESTER ARTS CENTRE LIMITED TRADING AS PHOENIX**  
**BALANCE SHEET AS AT THE YEAR ENDED 31 MARCH 2025**

	Note	CHARITY		GROUP	
		2025	2024	2025	2024
		£	£	£	£
<b>FIXED ASSETS:</b>					
Tangible assets	6	8,065,479	8,344,577	8,066,576	8,345,961
Investments		2	2	-	-
		<u>8,065,481</u>	<u>8,344,579</u>	<u>8,066,576</u>	<u>8,345,961</u>
<b>CURRENT ASSETS:</b>					
Stocks		-	-	19,094	17,203
Debtors	7	72,805	116,376	89,196	102,782
Cash at bank and in hand		175,688	273,102	197,922	359,922
		<u>248,493</u>	<u>389,478</u>	<u>306,212</u>	<u>479,907</u>
<b>CREDITORS:</b>					
Amounts falling due within one year	8	315,999	228,850	373,714	319,275
		<u></u>	<u></u>	<u></u>	<u></u>
<b>NET CURRENT ASSETS:</b>		<u>(67,506)</u>	<u>160,628</u>	<u>(67,502)</u>	<u>160,632</u>
<b>CREDITORS:</b>					
Amounts falling due in over one year	9	12,500	70,833	12,500	70,833
		<u></u>	<u></u>	<u></u>	<u></u>
<b>NET ASSETS:</b>		<u>7,985,475</u>	<u>8,434,374</u>	<u>7,986,574</u>	<u>8,435,760</u>
<b>UNRESTRICTED FUNDS:</b>					
General fund		405,385	607,786	406,484	609,172
Designated Funds	12	7,736	5,382	7,736	5,382
<b>RESTRICTED FUNDS</b>	11	<u>7,572,354</u>	<u>7,821,206</u>	<u>7,572,354</u>	<u>7,821,206</u>
	13	<u>7,985,475</u>	<u>8,434,374</u>	<u>7,986,574</u>	<u>8,435,760</u>

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 2006 (the Act) relating to the audit of the financial statements for the period by virtue of section 477, and that no member or members have requested an audit pursuant to section 476 of the Act.

The directors acknowledge their responsibilities for:

- (i) ensuring that the company keeps adequate accounting records which comply with section 386 of the Act, and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial period and of its profit or loss for the financial period in accordance with the requirements of section 393, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

The financial statements have however been audited as required by the Charities Act 2011. These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and with 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 2015).

17/12/2025

These financial statements were approved by the board and authorised for issue on ....., and are signed on their behalf by:

**Alison Sinclair**

Alison Sinclair (Chair) – Director

**LEICESTER ARTS CENTRE LIMITED TRADING AS PHOENIX**  
**STATEMENT OF CASH FLOWS THE YEAR ENDED 31 MARCH 2025**

	Note	GROUP 2025	Charity 2025	GROUP 2024	Charity 2024
		£	£	£	£
<b>Cash flows from operating activities</b>					
(Deficit)/Surplus for the year		(449,186)	(448,899)	(168,772)	(167,863)
Adjustments for:					
Depreciation charge		279,385	279,098	175,276	172,935
Interest income		-	-	(1,397)	(1,397)
Interest expense		6,588	6,588	9,089	9,089
Decrease/(increase) in trade and other receivables		13,586	43,571	(10,596)	(45,344)
Decrease/(increase) in stock		(1,891)	-	(7,600)	-
Increase/(decrease) in trade and other payables		54,439	87,149	22,525	(18,595)
<b>Net cash from operating activities</b>		<b>(97,079)</b>	<b>(32,493)</b>	<b>18,525</b>	<b>(51,175)</b>
<b>Cash flows from investing activities:</b>					
Purchase of fixed assets		-	-	(110,318)	(108,886)
Interest received		-	-	1,397	1,397
<b>Net cash from investing activities</b>		<b>-</b>	<b>-</b>	<b>(108,921)</b>	<b>(107,489)</b>
<b>Cash flows from financing activities:</b>					
Interest paid		(6,588)	(6,588)	(9,089)	(9,089)
Repayment of borrowings		(58,333)	(58,333)	(45,833)	(45,833)
<b>Net cash used in financing activities</b>		<b>(64,921)</b>	<b>(64,921)</b>	<b>(54,922)</b>	<b>(54,922)</b>
<b>Change in cash and cash equivalents in the year</b>		<b>(162,000)</b>	<b>(97,414)</b>	<b>(145,318)</b>	<b>(213,586)</b>
Cash and cash equivalents at the beginning of the year		359,922	273,102	505,240	486,688
<b>Cash and cash equivalents at the end of the year</b>	15	<b>197,922</b>	<b>175,688</b>	<b>359,922</b>	<b>273,102</b>

**LEICESTER ARTS CENTRE LIMITED TRADING AS PHOENIX  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

**1. ACCOUNTING POLICIES**

**Going Concern**

The accounts have been prepared on a going concern basis.

**Accounting Convention**

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets and in accordance with the Companies Act 2006 and 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 2015).

**Basis of Consolidation**

The consolidated financial statements combine the financial statements of the Leicester Arts Centre Limited and its' wholly owned subsidiary company, Firebird Trading Limited, as well as also showing the results of Leicester Arts Centre Limited as a single entity.

**Incoming Resources**

Income includes grant funding, donations, sponsorship and net invoiced sales of services, excluding value added tax.

Income is included in incoming resources when it is receivable, except as follows:

Income from cinema admission fees is included in incoming resources in the period in which the relevant show takes place.

Membership income relates to the annual membership of the MyPhoenix subscription. Income is recognised equally over the course of the membership period. Any amounts received in advance for a future period are treated as deferred income.

Income from government and other grants, whether "capital" grants and "other" grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received, and the amount can be measured reliably and is not deferred.

When rental is received in advance, for a pre-determined period, the income is deferred and released to income over the defined period.

The rent-free use of the premises has been accounted for by showing the market value of the rent that would have been charged as intangible income and a premises cost.

**Resources Expended**

Resources expended are included in the Statement of Financial Activities on an accruals basis. Certain expenditure is directly attributable to specific activities and has been included in this cost categories.

Costs of generating funds comprise the costs of trading including the centre.

Costs of activities in furtherance of the objects of the charity comprise costs incurred by the charity in the delivery of its activities and services. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

**LEICESTER ARTS CENTRE LIMITED TRADING AS PHOENIX  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity.

Certain other costs, which are attributable to more than one activity, are apportioned across cost categories on the basis of an estimate of the proportion of time spent by staff on those activities.

**Stocks**

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost is determined on a first-in, first-out (FIFO) basis.

**Investments in subsidiaries**

Investments in subsidiaries accounted for in accordance with the cost model are recorded at cost less any accumulated impairment losses.

**Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discounts offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**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.

**Creditors**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party, and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount.

**Tangible Fixed Assets**

Fixed Assets are stated at cost less depreciation. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Cinema Equipment	-	20% on cost
Office and IT Equipment	-	20%/33.3%/50% on cost
Catering Equipment	-	20% on cost

The Phoenix 2020 Capital Project was completed during the prior year and is now being depreciated at the following rates:

Project Build and Fees	-	Over the length of the lease
Project Fixtures and Fittings	-	20% on cost
Project Projector Equipment	-	10% on cost

Fixed assets costing less than £500 are not capitalised.

**LEICESTER ARTS CENTRE LIMITED TRADING AS PHOENIX  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

**Hire Purchase and Leasing Commitments**

Rentals paid under operating leases are charged to the profit and loss account as incurred.

**Taxation**

As a charity, Leicester Arts Centre Limited is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or S252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

**Fund Accounting**

- Unrestricted funds are available for use at the discretion of the directors in furtherance of the general objectives of the charity.
- Designated funds are unrestricted funds earmarked by the directors for particular purposes.
- Restricted funds are subjected to restrictions on their expenditure imposed by the donor.

**LEICESTER ARTS CENTRE LIMITED TRADING AS PHOENIX**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

**2. NET INCOME OF TRADING SUBSIDIARY**

The Charity owns the entire share capital of its trading subsidiary which is incorporated in the UK. The principal activities of Firebird Trading Limited are that of the operation of the Café Bar within Phoenix Square. The company pays its taxable profits to Leicester Arts Centre Limited under Gift Aid and its financial year end is the same as that of the Charity. A summary of its trading results is shown below:

	2025	2024
	£	£
<b>Turnover</b>	947,683	877,723
<b>Cost of sales</b>	(481,717)	(434,998)
<b>Gross Profit</b>	<u>465,966</u>	<u>442,725</u>
<b>Administration expenses</b>	(367,865)	(256,533)
<b>Other operating income</b>	-	-
<b>Gift Aid Donation</b>	(98,388)	(187,101)
<b>Operating profit/(loss)</b>	<u>(287)</u>	<u>(909)</u>

The assets and liabilities of the subsidiary were:

<b>Fixed assets</b>	1,097	1,384
<b>Current assets</b>	87,585	145,890
<b>Creditors : Amounts falling due within 1 year</b>	(87,581)	(145,886)
<b>Total Net Assets</b>	<u>1,101</u>	<u>1,388</u>
<b>Aggregate Share Capital and Reserves</b>	<u>1,101</u>	<u>1,388</u>

**3. STAFF COSTS**

	<b>CHARITY</b>		<b>GROUP</b>	
	<b>31 March 2025 £</b>	<b>31 March 2024 £</b>	<b>31 March 2025 £</b>	<b>31 March 2024 £</b>
Wages and salaries	731,902	717,719	731,902	717,719
Social Security costs	53,908	51,518	53,908	51,518
Pension contributions	29,910	31,455	29,910	31,455
Direct Wages of subsidiary company	-	-	143,398	151,800
Administrative salaries of subsidiary company	-	-	325,788	227,323
	<u>815,720</u>	<u>800,692</u>	<u>1,284,906</u>	<u>1,179,815</u>

The average monthly number of FTE employees during the year was as follows:

	<b>CHARITY</b>		<b>GROUP</b>	
	<b>31 March 2025 £</b>	<b>31 March 2024 £</b>	<b>31 March 2025 £</b>	<b>31 March 2024 £</b>
Charitable Activities	33	32	33	32
Generating Funds	-	-	17	17
	<u>33</u>	<u>32</u>	<u>50</u>	<u>49</u>

The directors were not paid or reimbursed for expenses during the year.

**LEICESTER ARTS CENTRE LIMITED TRADING AS PHOENIX**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

**4. NET SURPLUS/(DEFICIT) FOR THE YEAR**

The net surplus/(deficit) is stated after charging:

	CHARITY		GROUP	
	31 March 2025 £	31 March 2024 £	31 March 2025 £	31 March 2024 £
Depreciation	279,098	172,935	279,385	175,276
Loss/(Profit) on disposal of fixed assets	-	-	-	-
Auditors' remuneration	11,996	4,583	11,996	4,583
Directors emoluments and other benefits, etc	-	-	-	-

**5. TAXATION**

No liability to UK Corporation Tax arose on ordinary activities for the year ended 31 March 2025 or for the year ended 31 March 2024.

LEICESTER ARTS CENTRE LIMITED TRADING AS PHOENIX  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

**6. TANGIBLE FIXED ASSETS**

**CHARITY**

	2020 Project Costs £	Cinema Equipment £	Catering Equipment £	Office & IT Equipment £	Totals £
<b>COST OR VALUATION:</b>					
At 1 April 2024	8,491,956	528,892	-	118,103	9,138,951
Additions	-	-	-	-	-
Disposal	-	-	-	-	-
At 31 March 2025	8,491,956	528,892	-	118,103	9,138,951
<b>DEPRECIATION:</b>					
At 1 April 2024	158,202	518,069	-	118,103	794,374
Charge for year	268,275	10,823	-	-	279,098
At 31 March 2025	426,477	528,892	-	118,103	1,073,472
<b>NET BOOK VALUE:</b>					
At 31 March 2025	8,065,479	-	-	-	8,065,479
At 31 March 2024	8,333,754	10,823	-	-	8,344,577

**GROUP**

	2020 Project Costs £	Cinema Equipment £	Catering Equipment £	Office & IT Equipment £	Totals £
<b>COST OR VALUATION:</b>					
At 1 April 2024	8,491,956	528,892	80,474	118,103	9,219,425
Additions	-	-	-	-	-
Disposal	-	-	-	-	-
At 31 March 2025	8,491,956	528,892	80,474	118,103	9,219,425
<b>DEPRECIATION:</b>					
At 1 April 2024	158,202	518,069	79,090	118,103	873,464
Charge for year	268,275	10,823	287	-	279,385
Charge on disposals	-	-	-	-	-
At 31 March 2025	426,477	528,892	79,377	118,103	1,152,849
<b>NET BOOK VALUE:</b>					
At 31 March 2025	8,065,479	-	1,097	-	8,066,576
At 31 March 2024	8,333,754	10,823	1,384	-	8,345,961



**LEICESTER ARTS CENTRE LIMITED TRADING AS PHOENIX**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

**6. TANGIBLE FIXED ASSETS (Continued)**

The company has enjoyed throughout the year the use of certain fixed assets (principally cinema equipment) which were invested in the company by the Phoenix Arts Centre. The written down value of these assets is nil, their original cost is not known and they do not appear in the fixed asset schedule above. All fixed assets were used for charitable purposes.

The company has enjoyed throughout the year rent-free use of the original premises it operates from. The market value of the rent has been calculated at £110,500 per annum (2024: £110,500) and has been shown as intangible income and rent.

**7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	CHARITY		GROUP	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
	£	£	£	£
Trade, grant and agents debtors	38,820	46,948	52,898	86,111
Due from subsidiary company	-	55,461	-	-
VAT	-	-	-	-
Prepayments and other debtors	32,345	13,967	34,658	16,671
Gift aid refund	1,640	-	1,640	-
	<u>72,805</u>	<u>116,376</u>	<u>89,196</u>	<u>102,782</u>

**8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	CHARITY		GROUP	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
	£	£	£	£
Trade creditors	22,960	43,981	43,528	68,723
Other creditors	1,257	1,257	6,157	1,257
Social Security and other taxes	51,748	34,662	51,748	34,662
VAT	9,947	8,746	57,482	61,097
Deferred income (Note 10)	65,974	12,252	65,974	12,252
Bank Loan (CBILS)	50,000	45,834	50,000	45,834
Accrued expenses	84,247	82,118	98,825	95,450
Amounts owed to Trading Subsidiary	29,866	-	-	-
	<u>315,999</u>	<u>228,850</u>	<u>373,714</u>	<u>319,275</u>

**9. CREDITORS: AMOUNTS FALLING DUE IN OVER ONE YEAR**

	CHARITY		GROUP	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
	£	£	£	£
Bank Loan (CBILS)	12,500	70,833	12,500	70,833
	<u>12,500</u>	<u>70,833</u>	<u>12,500</u>	<u>70,833</u>

**LEICESTER ARTS CENTRE LIMITED TRADING AS PHOENIX**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

**10. DEFERRED INCOME**

Deferred income comprises admission fees and membership subscriptions received in advance and grants and rental income that relate to pre-determined future periods.

**11. MOVEMENTS IN RESTRICTED FUNDS (Charity and Group)**

	At 1 April 2024 £	Incoming Resources £	Outgoing Resources £	Transfers £	At 31 March 2025 £
ACE NPO Funding	-	85,393	(88,248)	2,855	-
ACE Careful Networks	3,524	-	(3,524)	-	-
Phoenix 2020 Development	7,364,306	-	(268,275)	-	7,096,031
BFI Audience Fund	(33,750)	162,000	(135,000)	6,750	-
ERDF Capital Fund	487,126	-	(10,803)	-	476,323
UKSPF funding	-	40,000	(40,000)	-	-
Create Growth	-	27,111	(27,111)	-	-
	<b>7,821,206</b>	<b>314,504</b>	<b>(572,961)</b>	<b>9,605</b>	<b>7,572,354</b>

**ARTS COUNCIL ENGLAND GRANT (NPO)**

Phoenix receives regular funding for its digital arts programme from Arts Council England (ACE) as a National Portfolio Organisation (NPO). Phoenix has maintained ACE NPO status since 1 April 2012.

The restricted fund now pertains to the National Portfolio Investment Programme which runs from 1 April 2023 to 31 March 2026. Phoenix applied for and was awarded funding for this period in 2022.

The funding enables a programme of digital arts exhibitions, events and learning activities. We regularly commission and curate work by national and international artists, host screenings and performances, and offer workshops for children, young people and families. The programme is also supported by De Montfort University. The overall theme is an exploration of the creative and cultural impact of media and technology. Working with a range of partners, we commission and produce new work by established and emerging artists for exhibition in our gallery and beyond, with the aim of reaching a wide and diverse audience.

Following the resignation of the Digital Arts Manager in November 2023, a specialist creative producer was appointed to advise and develop the arts programme.

In 2024/25 there were 6 exhibitions in our gallery spaces: A Class on Glass and Lightwerk, which were both part of the city's Bring the Paint festival; 1984 by Leicester-based artist Jas Singh – multi-layered narrative that draws on archival material, found footage and generative AI; large-scale audio visual installation Time, Bruised, Selves by Bret Battey and Deniz Ertan; and Sound 2024, featuring work by local and international artists working in the areas of sound art, music and audio production selected after an open call.

Phoenix also partnered with the Computer Arts Society to host 4 exhibitions exploring the history of computer arts and current practice: Jack Tait Retrospective; Alex May – Algorithmic Photography; the CAS Members' Show; and 8-Bit II – Computer Art from the 1980s (2025).

**LEICESTER ARTS CENTRE LIMITED TRADING AS PHOENIX**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

Throughout the year, Phoenix also hosted a number of artist networking events, artist talks, and workshops, providing learning and creative opportunities to artists and the wider community, including children and young people.

Phoenix continues to make good progress against ACE investment principles, in particular around Environmental Responsibility, as evidenced through Julie's Bicycle. We reviewed and updated our Environmental Action Plan and present regular events on environmental themes as part of our cultural programme.

We also continue to make great strides in terms of Inclusivity and Relevance. Our volunteer community Ambassadors support our Community Outreach Officer in engaging wider audiences, understanding the aspirations of communities in terms of cultural provision, identifying barriers to participation, and seeking opportunities for artistic collaboration through workshops and projects. Our associate curators and other partner organisations – including Leicester's two universities, cultural organisations and local artists – to explore the heritage of Leicester's diverse communities, telling their untold stories and celebrating their myriad contributions to the city and its culture.

**ARTS COUNCIL ENGLAND CAREFUL NETWORKS FUND**

Careful Networks was a project initiated by Phoenix in partnership with BOM, Furtherfield, The Photographers' Gallery, QUAD and Vivid Projects. The project examined alternative ways of hosting and viewing digital artworks with the idea of experimenting with practices focused on 'care'. A £32,230 grant was awarded from the Arts Council Project Grants programme. (ACE temporarily allowed NPO's to apply for project grants in response to the pandemic).

Each partner organisation nominated participating artists who were introduced to the concept of peer-to-peer systems, alternative web protocols and approaches to careful networking. They were then tasked to create new digital artworks that were hosted using this approach. The exhibition was then archived as a standalone website, which remains accessible to audiences. The project benefited the partners and 14 artists and attracted a more global audience than usual. It received a favourable independent evaluation and was featured in a talk and podcast with The ODI.

The project was mostly delivered in 2021/22 and was completed in 2022/23. The restricted fund will be closed and the small balance remaining will be contributed to the NPO restricted fund.

### **BFI (BRITISH FILM INSTITUTE) AUDIENCE FUND**

BFI has been a recurrent grant supporter of Phoenix for many years. In response to BFI's Screen Culture 2033 strategy, Phoenix applied for and was awarded an Audience Projects Fund grant of £270k for the period 26 April 2023 to 31 March 2025. The grant supported a significant increase in audience outreach and development facilitated by a new Community Outreach Officer and two Associate Curators.

Our programme showcases the breadth and depth of cinema. In 2024/25 admissions to our main cinema programme were 90,160, a 17% increase on 2023/24. We screened films from over 40 different countries and are known in the city as the home of world cinema – 52% of the films we screened this year were independent feature films. Across the year 59% of our screenings were of world cinema, British film, documentaries or rep titles, opening up the history of cinema to our audience.

Throughout 2024/25 we continued to focus on community engagement, driven by the work of our Community Outreach Office and Associate Curators. Their input has resulted in a sustained increase in audience diversity, and Phoenix continues to surpass audience attendance targets.

Access and inclusion is at the heart of Phoenix. We continue our work with the Access Advisory Group (AAG) and our IDEA (Inclusion, Diversity, Equity and Access) committee meetings, and engage with local accessibility organisation ALL IN. 63% of screenings in 2024/25 had an access element (audio-description, captions, or relaxed environment), with a high of 80% in Q4

We continue to make progress towards an inclusive and representative workforce. Within creative and curatorial roles, Phoenix's Community Outreach Officer and Associate Curators identify as from the global majority. Our staff team has seen the appointment of new co-CEOs (in December 2024) and our combined administration and management team is 70% female, while our Front of House and hospitality teams are young and representative of the make-up of the city population.

### **PHOENIX 2020 DEVELOPMENT FUND**

The Phoenix 2020 capital project is managed through this overarching restricted fund, which receives capital grant payments and the corresponding expenditure.

In June 2017 Phoenix was awarded Arts Council England (ACE) Large Capital programme funds towards its plan to expand the Phoenix Square venue. The aims of the development are to double participation in the Phoenix cultural programme and to significantly increase the charity's earned income and long-term financial resilience. The initial award included a £177,802 development grant and the conditional offer of up to £4M capital grant subject to completion of the stage 1 grant conditions and a successful stage 2 application. The ACE development grant was matched by a Leicester and Leicestershire Enterprise Partnership (LLEP) Project Development Grant of £100,000 confirmed in June 2017.

**LEICESTER ARTS CENTRE LIMITED TRADING AS PHOENIX**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

Planning approval in February 2019 was followed by confirmation of the stage 2 Large Capital grant in March 2019 of £4M. In August 2020 Leicester City Council confirmed a lease on the additional land needed at a peppercorn rent until 2069. This milestone enabled the final design stage (RIBA4) to begin part-funded by the Arts Council Large Capital Grant matched by Phoenix. These funds were used primarily for the professional services required to develop the scheme from RIBA3 to RIBA4 including design, construction planning and business planning.

Despite the pandemic, fundraising efforts produced an additional £1.5M of capital grants in 3 separate awards by 31 March 2021: Arts Council Kickstart Fund, Leicester City Council Business Rates Pool Fund via Leicester and Leicestershire Enterprise Partnership, and the European Regional Development Fund.

RIBA4 final designs and planning were completed in May 2021 against the backdrop of considerable price volatility and supply chain concerns in the construction industry. Additional financial support from Leicester City Council and Arts Council England was sought and confirmed in July, which closed the gap between funds pledged and project costs and enabled the Trustees to enter into the £6.2M construction contract. A new Deed of Security was provided to ACE.

The main contractor started on-site in September 2021 and the building works completion certificate was issued on 16<sup>th</sup> December 2022. The contract includes one year of snagging from the completion date. Phoenix directly procured circa £1M of fixtures and fittings, mostly during the financial year, with some deferred to 2023/24, in particular the fit-out of the roof terrace garden. The development achieved the Research Establishment Environmental Assessment Method (BREEAM) rating of Very Good.

The new venue was opened to the public on 20th January 2023 to overwhelmingly positive approval of our customers and stakeholders.

The project successfully delivered a high quality arts building within the final agreed budget to the expected specification. Visitor and stakeholder feedback on the quality of the building has been excellent. The initial concept and application were formulated in October 2016 and it is a significant achievement to deliver this outcome in just over 6 years. Clearly it could only have been achieved with the financial contributions of ACE, LCC and other funders. LCC was also instrumental in providing significant in-kind support including land and expertise.

The final ACE grant claim was completed and final instalment paid in September 2023. The fund is now consolidated and depreciation of the assets created by the project will be charged to it.

**ERDF CAPITAL & REVENUE FUND**

A European Regional Development Fund (ERDF) grant was confirmed in January 2021 subject to contract, which was finalised in November 2021. The maximum amount payable is £665,638 comprising £493,394 capital and £172,244 revenue grant.

The grant was awarded to Phoenix to develop dedicated spaces and a programme to support digital creatives, specifically film makers and digital artists in Leicester and Leicestershire. The aim of the programme is to promote business growth, productivity and resilience and encourage new start-ups.

**LEICESTER ARTS CENTRE LIMITED TRADING AS PHOENIX**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

The grant was 50% matched funded by Phoenix revenue expenditure and Phoenix 2020 capital expenditure giving a total project value of £1,331,276. The grant was accounted for as two restricted funds to cover the capital and revenue parts. The grant started on 1 August 2020 and it had an activity end date of 30<sup>th</sup> June 2023. Claims were made quarterly against matched income, activity and output reports. The final claim was made in September 2023 and was in review at the time these accounts were prepared.

The capital grant co-funded 3 new spaces and associated infrastructure to support enterprises including: the Learning Suite; the Co-working Space and the Exhibition and Gallery Space. The Learning Suite is equipped with video conferencing, lap-tops and furniture and is a flexible space for mentoring, industry events and training. The Co-working space is equipped with computer and filmmaking equipment and furniture and is used as a space where delegates can develop film and digital creative media in a well- equipped and supported environment. The Gallery is a high-quality environment for the exhibition of a range of digital media content and is equipped with a media server, video screens, projectors and immersive technologies.

The Learning Suite and Co-working space were brought into use in April 2022 and the Gallery followed in January 2023.

The revenue grant co-funded a business support programme called the Real Initiative including staffing, business support contractors, event costs and a contribution to overheads. Project managers were appointed in October 2021 and the business support programme started in April 2022. The programme had 4 business support strands designed exclusively for micro-businesses and sole traders specialising in film and digital arts, including one to inspire young people into a career in the sector. By May 2023 the project had supported over 150 businesses and individuals using the dedicated spaces created by the capital project. The final evaluation by specialist consultants gives a strong endorsement of the programme and demonstrates a significant impact on the local economy in just 12 months.

The final grant claim was completed in October 2023.

**12. DESIGNATED FUNDS (Charity and Group)**

	At 1 April 2024	Net Incoming/ Outgoing Resources	Designations in year	At 31 March 2025
	£	£	£	£
Creative and Development Reserve	363	7,373	-	7,736
Premises Maintenance Reserve	5,019	(5,019)	-	-
	<u>5,382</u>	<u>2,354</u>	<u>-</u>	<u>7,736</u>

**LEICESTER ARTS CENTRE LIMITED TRADING AS PHOENIX**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

**CREATIVE AND DEVELOPMENT RESERVE**

The Trustees previously approved this designated fund to support the capital project. The aim is to have a designated development reserve that enables the consolidation of miscellaneous donations and grant contributions towards the Charity's development without over restricting purpose.

The fund was used to reserve unrestricted donations and grants given to help fund the capital project. Over 300 individuals and small businesses made donations towards the project, mostly through the Be Part of It fundraising campaign.

All individual and small business contributors were recognised in a roll of donors shown before film events. Donors are permanently acknowledged on cinema seat plaques, at the main entrance and at the entrances to the 2 new screens depending on the level of donation received.

**PREMISES MAINTENANCE RESERVE**

The fund was established to reserve a regular monthly amount to build up a reserve to cover more significant premises maintenance that might be needed in the future. The reserve is usually funded by monthly charges to the profit and loss account throughout the year.

**13. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	<b>General Fund £</b>	<b>Designated Funds £</b>	<b>Restricted Funds £</b>	<b>CHARITY Total £</b>
Fixed assets	493,125	-	7,572,354	8,065,479
Cash at bank and in hand	167,952	7,736	-	175,688
Other net (liabilities)/assets	(255,692)	-	-	(255,979)
	<b>405,385</b>	<b>7,736</b>	<b>7,572,354</b>	<b>7,985,475</b>

	<b>General Fund £</b>	<b>Designated Funds £</b>	<b>Restricted Funds £</b>	<b>GROUP Total £</b>
Fixed assets	494,222	-	7,572,354	8,066,576
Cash at bank and in hand	190,186	7,736	-	197,922
Other net assets/(liabilities)	(277,924)	-	-	(277,924)
	<b>406,484</b>	<b>7,736</b>	<b>7,572,354</b>	<b>7,986,574</b>

**14. CAPITAL**

Leicester Arts Centre Limited is limited by guarantee and accordingly does not have a share capital. The maximum liability of each member is £1.00.

**LEICESTER ARTS CENTRE LIMITED TRADING AS PHOENIX**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

**15. GOING CONCERN**

Following completion of the capital expansion project during the financial year, management focus centred on stabilising the product and delivery, and driving attendance, income and profitability. Significant progress has been made, with trading income rising to above pre-pandemic levels for the first time. Trading growth continues to be a key focus. There are increased initiatives to differentiate Phoenix from our competitors, broaden the organisation's reach and raise Phoenix's profile within the business communities in order to further drive commercial trading revenue and new avenues for funding are being sought.

Nonetheless, the charity is encountering a number of issues that are largely outside of its control and that negatively affect its financial projections to a material degree. They include:

- A slower recovery in cinema audiences after the pandemic at Phoenix and across the UK.
- An 18-month project to replace the cladding on the venue and building works in the surrounding area that could have an impact on visitor numbers and earned income, and which will require management resource.
- Ongoing uncertainty in local authority funding that will not be clarified by the time these accounts are filed.

Cinema audiences - Phoenix (and UK) cinema audiences have recovered post-pandemic more slowly than anticipated, however are now growing steadily. At the date of signing, audiences have recently passed pre-pandemic levels for the first time, although are significantly below the original projections for the capital expansion project. The charity will nonetheless continue to adjust to demand and reprioritise other types of earned income and management focus. The expansion is a platform for growth and development of earned income.

Cladding replacement project - This began in January 2024 and is scheduled to finish in September 2025. The work is necessary for fire safety and is being undertaken by the landlord. Phoenix worked to influence the programme and method, the temporary building and wayfinding signage, and the design of the temporary customer access to the venue to mitigate its potential impact. There are also significant and unexpected building works in the surrounding area. There is an impact on customer experience and perception of our business, although consumer behaviour is uncertain and difficult to predict with any degree of confidence. At a time when we are trying to increase trading income through business hires, the largest impact from the cladding is the noise disruption in our meeting rooms, which is making it difficult to confidently hire out the spaces during construction periods.

Local authority funding - This contributes directly to the general operating costs of the charity and have been maintained for 2024/25 despite earlier indications that it could be withdrawn. However, the trustees once again recognise a significant likelihood that the funding will be reduced or discontinued in 2025/26. This will be difficult to mitigate, in the short term at least, within the existing operating model by cost reductions, trading growth and/or alternative sources of income, given the significance of the funding and the collective impact of the other issues above. New avenues for funding are being sought and Phoenix remains in cooperative discussions regarding any new national funding streams that may become available. At the time these accounts were filed, a formal decision on the local authority revenue grant for 2025/26 and interventions that could mitigate its reduction had not been taken.



**LEICESTER ARTS CENTRE LIMITED TRADING AS PHOENIX**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

Therefore a material uncertainty exists in our financial projections. If the decisions are unfavourable and the impact of the cladding project on consumer behaviour and the ability to hire and use spaces without disruption is high, the charity's financial forecast and operations will have to change radically. In this scenario, management time would refocus to reshape the charity to meet revised financial forecasts.

As a result of these matters, there is a material uncertainty that may cast significant doubt upon the group's ability to continue as a going concern and therefore whether the group will realise its assets and settle its liabilities in the ordinary course of business at the amounts recorded in the financial statements.

Although it is not certain that the efforts to mitigate the risks will be successful, management has determined that the actions that it is taking are sufficient to mitigate the uncertainty and has therefore prepared the financial reporting on a going concern basis.

**16. ANALYSIS OF CHANGES IN NET DEBT**

	At 1 April 2024	Cash flows	CHARITY Other non-cash changes	31 March 2025
	£	£	£	£
<b>Cash and cash equivalents</b>				
Cash	273,102	(97,414)	-	175,688
<b>Borrowings</b>				
Debt due within one year	(45,834)	(4,166)	-	(50,000)
Debt due after one year	(70,833)	58,333	-	(12,500)
	<u>(116,667)</u>	<u>54,167</u>	<u>-</u>	<u>(62,500)</u>
 Total net debt	 <u>156,435</u>	 <u>(43,247)</u>	 <u>-</u>	 <u>113,188</u>

LEICESTER ARTS CENTRE LIMITED TRADING AS PHOENIX  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

16. ANALYSIS OF CHANGES IN NET DEBT - Continued

	At 1 April 2024	Cash flows	GROUP Other non-cash changes	31 March 2025
	£	£	£	£
<b>Cash and cash equivalents</b>				
Cash	359,922	(162,000)	-	197,922
<b>Borrowings</b>				
Debt due within one year	(45,834)	(4,166)	-	(50,000)
Debt due after one year	(70,833)	58,333	-	(12,500)
	<u>(116,667)</u>	<u>54,167</u>	<u>-</u>	<u>(62,500)</u>
 Total net debt	 <u>243,255</u>	 <u>(107,833)</u>	 <u>-</u>	 <u>135,422</u>