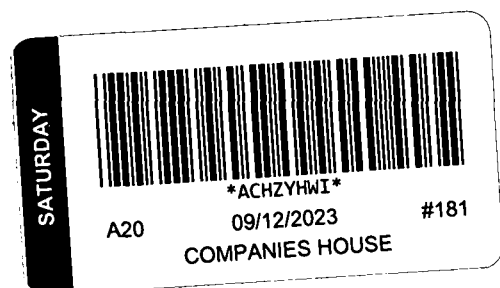


COMPANY REGISTRATION NUMBER: 04101324  
CHARITY REGISTRATION NUMBER: 1093556

**Zion Arts Centre Limited (T/A Z-Arts)**  
**Company Limited by Guarantee**  
**Consolidated Financial Statements**  
**31 March 2023**



**Zion Arts Centre Limited (T/A Z-Arts)**

**Company Limited by Guarantee**

**Financial Statements**

**Year Ended 31 March 2023**

	<b>Pages</b>
Trustees' Annual Report (Incorporating the Director's Report)	<b>1 to 8</b>
Independent Auditor's Report to the Members	<b>9 to 12</b>
Consolidated Statement of Financial Activities (Including Income and Expenditure Account)	<b>13</b>
Consolidated Statement of Financial Position	<b>14</b>
Statement of Cash Flows	<b>15</b>
Notes to the Financial Statements	<b>16 to 32</b>

# **Zion Arts Centre Limited (T/A Z-Arts)**

## **Company Limited by Guarantee**

### **Trustees' Annual Report (Incorporating the Director's Report)**

#### **Year Ended 31 March 2023**

The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the group for the year ended 31 March 2023.

#### **Reference and Administrative Details**

<b>Registered charity name</b>	Zion Arts Centre Limited (T/A Z-Arts)
<b>Charity registration number</b>	1093556
<b>Company registration number</b>	04101324
<b>Principal office and registered office</b>	335 Stretford Road Hulme Manchester M15 5ZA

#### **The Trustees**

S Arnitage  
A Lone (resigned 8 March 2023)  
A Gill  
G Lister (resigned 14 December 2022)  
E Ransome (Co-chair from 14 December 2022)  
E Rowles  
F Bennett-Nielsen  
L Green (resigned 8 March 2023)  
N Noor (Co-chair from 14 December 2022)  
A Barkatali  
R Kapoor  
L Wallwein  
E Kane (appointed 8 March 2023)  
M Kunda (appointed 8 March 2023)

<b>Company Secretary</b>	E O'Neill
<b>Auditor</b>	Beever and Struthers Chartered accountant & statutory auditor One Express 1 George Leigh St Manchester M4 5DL
<b>Bankers</b>	CAF Bank 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ
<b>Solicitors</b>	DWF LLP 5 Castle Street Liverpool L2 4XE

# **Zion Arts Centre Limited (T/A Z-Arts)**

## **Company Limited by Guarantee**

### **Trustees' Annual Report (Incorporating the Director's Report) *(continued)***

**Year ended 31 March 2023**

#### **Objectives and Activities**

Z-arts is the UK's only dedicated arts centre for children and families and is the cultural epicentre of the Hulme community. In 2022-23 we welcomed 66,349 visitors to the building, and delivered 70,205 creative interactions.

The Charity's objectives are: -

To promote, maintain, improve, develop and advance public education and training in the arts for the benefit of, but not limited to, young people, by operating a centre for the presentation for the public of music, opera, dance, drama, the visual arts, films, video, multimedia, sound, exhibitions of all kinds as are conducive to the promotion, maintenance, improvement and participation in and advancement of education or to the encouragement of the arts, whether on premises owned or leased by the Company or elsewhere.

- Z-arts uses creativity to inspire, enrich and enable children, young people and families to reach their potential and be the agents of change in their own lives.
- In Our Arts Centre in Hulme, in education, in communities, at home and across networks
- Developing Children, Young People, Educators, Artists and Family-togetherness

The Charity's main activities are: -

'The promotion and facilitation of arts events and activities for children, young people and families.'

#### **Achievements and Performance**

Z-arts mission to make a difference to the lives of some of the most disadvantaged children in Manchester, thereby improving their lives through increasing their mental and physical health and well-being. We do this through:

#### **Participation:**

In 2022/23 we returned close to pre-pandemic numbers, with 27,017 participation engagements in the following programmes:

- **Bright Sparks** After-school, weekend, holiday activities across all artforms for ages 5-12+, plus pre-school and family activities – 821 sessions with 591 individual members
- **School** creative curriculum and enrichment activities in schools, including via MADE partnership. We work closely with the 5 primary schools and nursery schools in the ward, as well as local secondary schools, NHS schools programmes and Manchester Metropolitan University, on our doorstep; in a total of 63 schools across Greater Manchester and 3, 856 engagements.
- **Children's library** new library with representative diverse books and events programme to support literacy and a love of reading / stories: 171 members withdrawing 1,554 books since opening in October 2022.

# **Zion Arts Centre Limited (T/A Z-Arts)**

## **Company Limited by Guarantee**

### **Trustees' Annual Report (Incorporating the Director's Report) *(continued)***

**Year ended 31 March 2023**

#### **Performance:**

- **Children's Theatre** a high quality diverse, representative programme for children and families in Z-arts theatre ages 0-12+, plus supporting and a facilitating a children's theatre programme across some of the most remote areas in the North West through our role in managing the Big Imaginations Children's Theatre Network, which will celebrate its ten year anniversary in 2023. 6,285 audiences in Z-arts, with a further 6,088 across Big Imaginations venues.
- **Discover exhibition** immersive, interactive exhibition based on children's literature, changing annually ages 0-8+. This year has been Fairytales, with 19,996 public and school visitors.

#### **Community engagement:**

- **Consultation groups** The Z-arts Fan Club and Friends of Z-arts influencing activities.
- **Community Events** e.g. Hulme is Where The Art is and the Winter Festival each with an estimated 500 people attending.
- **Community networks:** re-engaging with diverse community networks in the area

#### **Artist Development:**

- **Performers development programme** supporting artists making work for young audiences with a focus on diverse artists, this year we invested in 8 new pieces of work, working with 85 artists or companies and offering 345 days of artist development support.
- **Creative Facilitator Training programme** nurturing 13 entry level artists to gain skills and begin employment as an artist through supporting our participation programme.

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance on public benefit and fee charging. The charity relies on the voluntary services of the trustees, and on grants and the income from fees and charges to cover its operating costs. In setting the level of fees and charges the trustees give consideration to the accessibility to activities for those on low incomes.

Based in Hulme, we are committed to supporting our local communities as well as reaching out across Greater Manchester and the North West. We operate from a large Edwardian building which includes a 230-seat theatre, gallery, recording studio, music room, dance studio, café and numerous other rehearsal / meeting rooms. But there is much more to what we do that is outside of the building.

#### **We lead networks:**

- **Big Imaginations children's theatre network**, bringing brilliant children's theatre to all areas of the North West
- **MADE (Manchester Cultural Education partnership)** with a vision to make Manchester a beacon for creative education, where the arts add magic to life experiences and learning for everyone.
- **Manchester Family Arts Network**, improving family provision across cultural venues in Manchester.

#### **We engage with communities:**

- **School communities** across greater Manchester, bringing creativity into education in both creative subjects and STEM subjects
- **In our community**, with large scale outdoor events like Hulme Is Where The Art is and the Winter Festival in Hulme Park

# **Zion Arts Centre Limited (T/A Z-Arts)**

## **Company Limited by Guarantee**

### **Trustees' Annual Report (Incorporating the Director's Report) *(continued)***

**Year ended 31 March 2023**

Our values cut through everything that we do, with our children, young people, families, visitors and staff team: Welcoming, Inclusive, Vibrant, Forward-thinking, Engaging and Fun.

#### **Our Five Aims**

##### **Primary Aim: Children**

Children, young people and families across Greater Manchester and the wider North will have greater influence over, and gain more creative skills through a wide-reaching multi-art-form enrichment programme.

##### **Secondary aims:**

##### **Performances**

More, excellent performances for children and families will be available for audiences across the North

##### **Audiences and participants**

We will rebuild and grow existing audiences, with a greater number of diverse audiences engaging with and benefiting from our wide-ranging programme

##### **Artists**

More diverse artists will be nurtured and supported to make excellent contemporary theatre, performance and arts activities for children and families, with more opportunities to share the work and learning regionally, nationally and internationally.

##### **Organisation**

To grow as a resilient, nationally respected, strategic lead delivering best practice in performance and participatory arts activities and events for children and families

##### **Terms of occupation and sub-letting of premises**

The company occupies premises owned by Manchester City Council. The company has benefited from its occupation through its own use of the premises and through sub-letting part of the premises. We provide an affordable base for emerging artists and Creative SME's to base themselves and produce new work. Our primary tenant is Sustained Theatre Up North (STUN) who inhabit our studio theatre on a ten-year sub-lease, supported by Arts Council England, until 1st November 2023.

#### **Financial Review**

The Company has experienced a satisfactory year financially in line with budgets set out at the start of the year. Total funds decreased by £21,820. Restricted funds increased by £41,088 but this is largely due to unspent capital grants at year end with the amounts remaining in restricted project grants decreasing as projects were completed within the year. Unrestricted funds decreased by £62,908 in the year. £26,438 of this was depreciation of capital improvements and the remaining £36,470 was due to a budgeted increase in spending on charitable activities, utilising free reserves built up in the previous year.

Total income increased by 19.6% to £1,444,793 (2022 : £1,208,164) Donations and legacies increased as a result of an Arts Council capital grant. Earned income from box office, room hire and tenant income increased by 55.5% to £303,379 (2022: £195,184) reflecting greater activity as audiences returned after the pandemic. Increased footfall in the building contributed to an increase of 48% in income from the trading subsidiary which operates the Z-arts café and merchandising. Income rose from £54,114 in 2022 to £80,217 this year.

# **Zion Arts Centre Limited (T/A Z-Arts)**

## **Company Limited by Guarantee**

### **Trustees' Annual Report (Incorporating the Director's Report) *(continued)***

#### **Year ended 31 March 2023**

Expenditure increased by just over 18% to £1,466,613 (2022: £1,241,460). The two main drivers of the increase were increased property costs due to an increase in gas and electricity bills and an increase in staffing costs. Gas and electricity bills increased by 121.5% in the year (£51,138 in 2022, £113,634 in 2023) despite a decrease in actual energy usage from environmental improvements and upgrades. Staffing costs rose by 23% (£574,233 in 2022, £705,382 in 2023) partially as a result of returning to a full complement of staff after the pandemic but also upward pressure on wages from inflation and a commitment to paying all staff the living wage.

Gas and electricity prices have moderated significantly post year end and look set to fall further as the electricity fixed contract ends in October 23.

#### **Principle Risks and Uncertainties**

The trustees have a risk management strategy which comprises a regular review of the risks the Company may face, the establishment of systems and processes designed to mitigate those risks and the implementation of procedures intended to minimise the impact on the Company should those risks materialise. This risk strategy is reviewed on a quarterly basis at board level.

The latest review highlighted:

- a) Loss of funding, recession and reduced earned income – mitigated by protecting reserves where possible; focus fundraising on core costs; operate project budgets at full cost recovery; maintain affordability options for those facing socio-economic disadvantage.
- b) The building still has some areas which are high risk - such as collapsed drains and damp ingress causing damage to walls and floors, and occasional power outages, but these risks are mitigated by close liaison with Corporate Property and having an MCC Exec on the board of trustees.

#### **Going Concern**

The trustees have considered, inflationary pressures on both wages and utilities, and the effect the ongoing cost of living crisis could have on future audiences, when considering whether the Company is able to operate as a going concern. After carefully considering the Company's financial position and forecasts, the trustees have concluded that it is appropriate to adopt the going concern basis of preparation.

This position has been informed by a number of factors, including:

- The continued support of Arts Council England through NPO funding, MCC through its revenue grant funding and continued GMCA funding.
- The ongoing partnership with Mountview theatre school which is increasing in size this year.
- The new children's library which opened in October and a family friendly escape room which opened on the first of April this year which has increased both footfall and visibility.
- A reserves policy which has enabled reserves to increase to allow for any short term downturns in income or support.
- A considerable reduction in energy usage following environmental upgrades including solar panels installed in 2022 and new LED theatre lighting installed in February 23 alongside a sizeable reduction in energy costs.

## **Zion Arts Centre Limited (T/A Z-Arts)**

### **Company Limited by Guarantee**

#### **Trustees' Annual Report (Incorporating the Director's Report) *(continued)***

**Year ended 31 March 2023**

##### **Reserves Policy**

Z-arts free reserves target figure should fall between 8 and 12 weeks of pre-pandemic annual turnover. The target figure and this policy will be reviewed annually at board level. Free reserves are calculated as unrestricted reserves minus Unrestricted fixed assets book value minus any other stated designated reserves.

Z-arts Reserve Policy prioritises the closure contingency of £215,516 ringfencing this amount first. A further reserve contingency of £50,000 should be held as a) a contingency in case of unforeseen loss or reduction of any revenue stream, b) funding being lost for any key projects to allow that project to continue for 6 months whilst alternative funding is sought and c) a sum to be used as match funding to advantage of any funding opportunities that may arise that would allow future creative projects. These figures give a total reserve target of £265,516.

It is deemed necessary to hold a closure contingency to allow for the winding down of the charity should the organisation be forced to close for unseen circumstances. The closure contingency figure is recalculated each year but follows the same methodology. Wind down staff calculations have been calculated at x3 months commitment to senior management staff salaries and statutory redundancy payments for other staff. A further figure accounts for 3 months of the annual overheads budget (excluding salaries) to allow the building to remain open to facilitate an orderly wind down.

Any reserves held over the target figure will allow for a negative budget to be set for the following year allowing more spend on key creative projects which further the charities charitable aims.

Z-arts continue to diversify their funding streams through earned income, public bodies and private sponsorship to reduce reliance on any single source of income.

Our free reserves now stand at £250,577, £14,979 under the reserves target figure. A balanced budget has been set for 2023/2024 however any surplus achieved in the year will be used to bring the reserves back to the target figure.

##### **Plans for Future Periods**

Z-arts enters a new three year plan for 2023-2026, which is forecast as period of stability for Z-arts, with confirmed funding from three core funders Arts Council England, Manchester City Council and Greater Manchester Combined Authorities.

We receive strategic funding from Manchester City Council, to lead on best practice for engaging children and young people in arts and culture. We are an Arts Council England National Portfolio Organisation, leading and delivering the Big Imaginations regional network of children's theatre, programming and commissioning relevant, diverse theatre for the modern family. Our GMCA funding enables us to contribute to the GM Cultural Strategy.

Activities, audiences and participants have returned to numbers that are comparable to pre-pandemic, so we are aiming for only slight annual increases in our KPI targets. Our total interactions in 2022/23 were 44k, and we intend to increase these to 70k by 2026.



# **Zion Arts Centre Limited (T/A Z-Arts)**

## **Company Limited by Guarantee**

### **Trustees' Annual Report (Incorporating the Director's Report) *(continued)***

#### **Year ended 31 March 2023**

Our priorities are to offer creative opportunities to children and families who need it most, including reflecting and representing the diverse communities that surround us.

New models which were explored during and post-pandemic will be integrated into core delivery, including a children's library, a family escape room and more flexible opening times.

Specific areas of development will be:

- **Family Escape Room** children's literature-themed immersive challenge activity for families from aged 6+
- **A children's library programme** to encourage young readers and support local diverse authors
- **Artists Development Programme**, thanks to increased investment from ACE NPO to support diverse artists making performance or participatory work for young audiences.

Z-arts will continue to play a role as a major contributor to the cultural sector, by facilitating creative and cultural networks and partnership models; and by providing training and development for children, young people, and artists at the start of their career. 2023 - 2026 will see us continue to build this recognition both within Manchester, and nationally.

#### **Structure, Governance, and Management**

Z-arts is governed by a board of voluntary trustees, who employ a Chief Executive. There is a Senior Management Team of four. Decisions are made at Executive level, with decisions that have an impact on the business or a financial cost of over £2,000 being taken to trustee level. The CEO Reports to the trustees on a quarterly basis, in addition there is a quarterly finance sub-committee and focus groups reporting to the trustees on specific initiatives as required. All trustee and staff roles follow safe and inclusive recruitment procedures. All salaries have been benchmarked against other Arts organisations to ensure that they are comparable and appropriate for the organisation. There is a thorough Terms of Reference for trustees and an induction procedure which was updated in August 2020.

#### **Related Parties**

None of the trustees receive remuneration or any other benefits from their trusteeship. Each year trustees complete a *Conflict of Interest Statement* and a *Declaration of Commitment Statement*. Any connection between a trustee or a senior manager and a company, institution or artist that Z-arts engages with must be stated in this form, or at a meeting if it occurs during the year.

Cllr Emily Rowles is a trustee appointed by Manchester City Council. Manchester City council lease the building to Z-arts, and also provide strategic core funding. Cllr Rowles also sits on the board of One Manchester.

#### **Trustees' Responsibilities Statement**

The trustees, who are also directors 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 charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the 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;

# Zion Arts Centre Limited (T/A Z-Arts)

## Company Limited by Guarantee

### Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2023

- ☐ observe the methods and principles in the applicable Charities SORP;
- ☐ make judgments and accounting estimates that are reasonable and prudent;
- ☐ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### Auditor

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

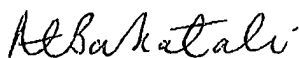
- ☐ so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- ☐ they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

#### Small Company Provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

The trustees' annual report was approved on 11/10/23 and signed on behalf of the board of trustees by:



Amy Barkatali  
Treasurer



Elizabeth O'Neill  
Company Secretary

# **Zion Arts Centre Limited (T/A Z-Arts)**

## **Company Limited by Guarantee**

### **Independent Auditor's Report to the Members of Zion Arts Centre Limited (T/A Z-Arts)**

**Year ended 31 March 2023**

#### **Opinion**

We have audited the group and the parent charity group financial statements of Zion Arts Centre Limited (T/A Z-Arts) (the 'charity') for the year ended 31 March 2023 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, statement of cash flows 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 FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2023 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;
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for 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 financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements 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**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent charitable company's ability to continue as a going concern for a period of least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

# **Zion Arts Centre Limited (T/A Z-Arts)**

## **Company Limited by Guarantee**

### **Independent Auditor's Report to the Members of Zion Arts Centre Limited (T/A Z-Arts) (continued)**

**Year ended 31 March 2023**

#### **Other Information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements 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 conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements 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 financial statements 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.

#### **Opinions on Other Matters Prescribed by the Companies Act 2006**

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

#### **Matters on Which We are Required to Report by Exception**

In the 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 Companies Act 2006 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 financial statements 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 financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

# **Zion Arts Centre Limited (T/A Z-Arts)**

## **Company Limited by Guarantee**

### **Independent Auditor's Report to the Members of Zion Arts Centre Limited (T/A Z-Arts) (continued)**

**Year ended 31 March 2023**

#### **Responsibilities of Trustees**

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the financial statements 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity'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 charity or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements 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 financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

# **Zion Arts Centre Limited (T/A Z-Arts)**


## **Company Limited by Guarantee**

### **Independent Auditor's Report to the Members of Zion Arts Centre Limited (T/A Z-Arts) (continued)**

**Year ended 31 March 2023**

#### **Use of Our Report**

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members 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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.



Sue Hutchinson FCCA  
SENIOR STATUTORY AUDITOR

For and on behalf of Beever and Struthers, Statutory Auditor  
One Express  
1 George Leigh Street  
Manchester  
M4 5DL

Dated: 05 December 2023

# Zion Arts Centre Limited (T/A Z-Arts)

## Company Limited by Guarantee

### Consolidated Statement of Financial Activities (including income and expenditure account)

31 March 2023

		Unrestricted funds	Restricted funds	Total funds 2023	Total funds 2022
	Note	£	£	£	£
<b>Income and endowments</b>					
Donations and legacies	5	510,760	127,549	638,309	525,513
Charitable activities	6	378,829	334,489	713,318	627,353
Investment income	7	6,145	-	6,145	608
Trading activities					
Commercial trading operations	8	80,217	-	80,217	54,114
Other Income	9	6,804	-	6,804	576
		<u>982,755</u>	<u>462,038</u>	<u>1,444,793</u>	<u>1,208,164</u>
<b>Expenditure</b>					
Expenditure on charitable activities	10,11	965,550	420,950	1,386,500	1,188,155
Expenditure on raising funds:					
Commercial trading operations	8	80,113	-	80,113	53,305
<b>Total expenditure</b>		<u>1,045,663</u>	<u>420,950</u>	<u>1,466,613</u>	<u>1,241,460</u>
<b>Net (expenditure)/Income and net movement in funds</b>		(62,908)	41,088	(21,820)	(33,296)
<b>Transfers between funds</b>		-	-	-	-
<b>Net movement in funds</b>		<u>(62,908)</u>	<u>41,088</u>	<u>(21,820)</u>	<u>(33,296)</u>
<b>Reconciliation of funds</b>					
Total funds brought forward		515,366	266,346	781,712	815,008
<b>Total funds carried forward</b>		<u>452,459</u>	<u>307,434</u>	<u>759,893</u>	<u>781,712</u>

The statement of financial activities includes all gains and losses recognised in the year.  
All income and expenditure derive from continuing activities.

# Zion Arts Centre Limited (T/A Z-Arts)

## Company Limited by Guarantee

### Consolidated and Charity Statement of Financial Position

31 March 2023

		Group		Charity	
		2023	2022	2023	2022
		£	£	£	£
<b>Fixed assets</b>					
Tangible fixed assets	16	514,166	258,913	514,116	258,629
Investments	17	-	-	100	100
		<u>514,166</u>	<u>258,913</u>	<u>514,216</u>	<u>258,729</u>
<b>Current assets</b>					
Stocks	18	4,814	6,580	-	-
Debtors	19	78,418	86,106	88,989	92,819
Investments	20	306,824	593,808	306,824	593,808
Cash at bank and in hand	20	53,112	155,419	40,298	150,891
		<u>443,168</u>	<u>841,913</u>	<u>436,111</u>	<u>837,518</u>
<b>Creditors: amounts falling due within one year</b>	21	<u>197,441</u>	<u>319,114</u>	<u>192,044</u>	<u>316,040</u>
<b>Net current assets</b>		<u>245,727</u>	<u>522,799</u>	<u>244,067</u>	<u>521,478</u>
<b>Total assets less current liabilities</b>		<u>759,891</u>	<u>781,712</u>	<u>758,283</u>	<u>780,207</u>
<b>Net assets</b>		<u>759,893</u>	<u>781,712</u>	<u>758,283</u>	<u>780,207</u>
<b>Funds of the charity</b>					
Restricted funds		307,434	266,346	307,434	266,346
Unrestricted funds:					
General funds		259,727	300,567	258,117	299,062
Designated fund		192,732	214,799	192,732	214,799
<b>Total charity funds</b>	22	<u>759,893</u>	<u>781,712</u>	<u>758,283</u>	<u>780,207</u>

The Trustees have prepared group accounts in accordance with Section 398 of the Companies Act 2006 and Section 138 of the Charities Act 2011. These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

These financial statements were approved by the board of trustees and authorised for issue on 11 October 2023 and are signed on behalf of the board by:

*A Barkatali*

A Barkatali  
Trustee



# Zion Arts Centre Limited (T/A Z-Arts)

## Company Limited by Guarantee

### Statement of Cash Flows and Consolidated Statement of Cash Flows

Year ended 31 March 2023

	Group 2023 £	2022 £	Charity 2023 £	2022 £
<b>Cash flows from operating activities</b>				
Net income/(expenditure)	(21,820)	(33,296)	(21,924)	(33,414)
<i>Adjustments for:</i>				
Depreciation of tangible fixed assets	75,894	66,919	75,657	66,228
Other interest receivable and similar income	(6,145)	(608)	(6,145)	(608)
Profit on sale of assets	-	(158)	-	(158)
<i>Changes in:</i>				
Stocks	1,766	(4,725)	-	-
Trade and other debtors	7,688	28,879	3,830	37,736
Trade and other creditors	(121,669)	54,210	(123,991)	44,132
Cash generated from operations	(64,286)	111,222	(72,573)	113,917
Interest received	6,145	608	6,145	608
Proceeds from fixed asset disposals	-	158	-	158
Net cash used in operating activities	<u>(58,141)</u>	<u>111,988</u>	<u>(66,428)</u>	<u>114,683</u>
<b>Cash flows from investing activities</b>				
Purchase of tangible assets	(331,148)	(93,629)	(331,148)	(93,629)
Net cash used in investing activities	<u>(331,148)</u>	<u>(93,629)</u>	<u>(331,148)</u>	<u>(93,629)</u>
Net decrease in cash and cash equivalents	(389,289)	18,358	(397,576)	21,053
Cash and cash equivalents at beginning of year	749,227	730,869	744,699	723,646
Cash and cash equivalents at end of year	20 <u>359,938</u>	<u>749,227</u>	<u>347,123</u>	<u>744,699</u>

# **Zion Arts Centre Limited (T/A Z-Arts)**

## **Company Limited by Guarantee**

### **Notes to the Financial Statements**

**Year ended 31 March 2023**

#### **1. General Information**

The charity is a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is 335 Stretford Road, Hulme, Manchester, M15 5ZA.

#### **2. Statement of Compliance**

The financial statements have been prepared in accordance 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 2019) - (Charities SORP (FRS 102)), the Charities Act 2011, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

#### **3. Accounting Policies**

##### **Basis of Preparation**

Zion Arts Centre Limited (T/A Z-Arts) meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

##### **Preparation of the accounts on a going concern basis**

There are no material uncertainties about the charity's ability to continue, therefore, the accounts have been prepared on a going concern basis.

##### **Basis of Consolidation**

The Statement of Financial Activities (SOFA) and balance sheet consolidate the financial statements of the Charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line-by-line basis.

The Charity has availed itself of Paragraph 4(1) of Schedule 1 of the Small Companies and Groups (Accounts and Directors' Report) Regulations 2008 and adapted the Companies Act formats to reflect the special nature of the Charity's activities. A separate Statement of Financial Activities and income and expenditure account for the Charity has not been presented because the Trust has taken advantage of the exemption afforded by Section 408 of the Companies Act 2006.

# **Zion Arts Centre Limited (T/A Z-Arts)**

## **Company Limited by Guarantee**

### **Notes to the Financial Statements *(continued)***

**Year ended 31 March 2023**

#### **3. Accounting Policies *(continued)***

##### **Fund Accounting**

The charity has a number of restricted funds to account for in situations where a donor requires that a grant or donation must be spent on a particular purpose. All other funds are unrestricted income funds.

Designated funds are funds which have been allocated or designated for specific purposes by the company out of the unrestricted funds.

The funds held in each of these categories are disclosed in note 22.

##### **Stock**

Stocks are valued at the lower of cost or net realisable value, after making due allowance for obsolete or slow moving items.

##### **Incoming Resources**

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable, and its amount can be measured reliably.
- legacy income is recognised when receipt is probable, and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

##### **Resources Expended**

Expenditure is recognised when a liability is incurred.

Charitable activities include the expenditure associated with the operation of the charity and include both the direct costs and support costs relating to these activities.

Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

Support costs include the central functions that are not attributable to a single activity, rather providing the infrastructure that enables the activities to take place.

# **Zion Arts Centre Limited (T/A Z-Arts)**

## **Company Limited by Guarantee**

### **Notes to the Financial Statements *(continued)***

**Year ended 31 March 2023**

#### **3. Accounting Policies *(continued)***

##### **Tangible Assets**

All fixed assets are initially recorded at cost. Any fixed assets costing less than £500 are not capitalised but written off to revenue in the year of acquisition.

Depreciation is provided on the cost of tangible fixed assets in order to write off the over the expected useful life of the asset's life on a straight-line basis.

##### **Depreciation**

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Major capital improvements and theatre seats	-	10% straight line
Computer equipment	-	33% straight line
All other fixed assets/ escape room	-	25% straight line

##### **Investments**

Unlisted equity investments are initially recorded at cost, and subsequently measured at fair value. If fair value cannot be reliably measured, assets are measured at cost less impairment.

##### **Financial Instruments**

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

##### **Significant Accounting Estimates and Judgements**

In the application of the entity's accounting policies the Trustees are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects the current and future periods.

In the view of the Trustees no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year

# Zion Arts Centre Limited (T/A Z-Arts)

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

**Year ended 31 March 2023**

#### 4. Limited by Guarantee

The charity is a company limited by guarantee and is governed by its Memorandum and Articles of Association dated 2nd November 2000 and as amended by two special resolutions dated 5th August 2010 and 15th March 2016. It is registered as a charity with the Charity Commission.

Persons are admitted to membership by the unanimous approval of the existing members. Members may cease to be members of the company by serving notice of their intention to resign.

There are currently eleven members of the company, each of whom agrees to contribute a sum not exceeding £1 in the event of the charity being wound up.

#### 5. Donations and Legacies - Charity

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
<b>Donations</b>			
Monetary donations	12,630	-	12,630
Donation from Trading Subsidiary	4,200	-	4,200
	<u>16,830</u>	<u>-</u>	<u>16,830</u>
<b>Grants</b>			
Manchester City Council	184,488	-	184,488
Greater Manchester Combined Authority	49,750	-	49,750
Arts Council	259,692	127,549	387,241
	<u>493,930</u>	<u>127,549</u>	<u>621,479</u>
<b>Total</b>	<u>510,760</u>	<u>127,549</u>	<u>638,309</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
<b>Donations</b>			
Monetary donations	10,186	-	10,186
Donation from Trading Subsidiary	3,000	-	3,000
	<u>13,186</u>	<u>-</u>	<u>13,186</u>
<b>Grants</b>			
Manchester City Council	184,488	-	184,488
Greater Manchester Combined Authority	49,750	-	49,750
Arts Council	259,692	-	259,692
Covid-19 furlough grant	18,397	-	18,397
	<u>512,327</u>	<u>-</u>	<u>512,327</u>
<b>Total</b>	<u>525,513</u>	<u>-</u>	<u>525,513</u>

# Zion Arts Centre Limited (T/A Z-Arts)

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

#### 6. Charitable Activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Venue hire, shared BO and gallery	222,066	-	222,066
Project grants	75,450	334,489	409,939
Rents receivable	81,313	-	81,313
	<u>378,829</u>	<u>334,489</u>	<u>713,318</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Venue hire, shared BO and gallery	146,817	-	146,817
Project grants	108,948	323,221	432,169
Rents receivable	48,367	-	48,367
	<u>304,132</u>	<u>323,221</u>	<u>627,353</u>

#### 7. Investment Income - Charity

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Bank interest receivable	<u>6,145</u>	<u>6,145</u>	<u>608</u>	<u>608</u>

#### 8. Commercial Trading Operations

Commercial trading operations relates to the trading subsidiary company Z-Arts Trading Limited, company number 8468095. The profit during the year ended 31 March 2023 was £104 (2022: £118).

#### 9. Other Income - Charity

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Profit on Sale of fixed asset	-	-	158	158
Trading Income – Presentation fee	-	-	418	418
Covid insurance claim	3,500	3,500	-	-
Consultancy	<u>3,304</u>	<u>3,304</u>	<u>-</u>	<u>-</u>

# Zion Arts Centre Limited (T/A Z-Arts)

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

#### 10. Expenditure on Charitable Activities by Fund Type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Salaries and employer's NIC	488,530	143,657	632,187
Activities costs	196,466	147,253	343,719
Other direct costs	11,104	4,466	15,570
Promotional costs	36,709	13,278	49,987
Training, recruitment, travel, and motor	7,303	833	8,136
Professional fees	8,362	-	8,362
Bank charges and subscriptions	8,178	-	8,178
Property costs	160,764	70,182	230,946
Depreciation	35,375	40,281	75,656
Support costs	12,759	1,000	13,759
	<u>965,550</u>	<u>420,950</u>	<u>1,386,500</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Salaries and employer's NIC	420,728	111,194	531,922
Activities costs	167,339	183,575	350,914
Other direct costs	9,500	100	9,600
Promotional costs	14,360	6,967	21,327
Training, recruitment, travel and motor	8,525	1,238	9,763
Professional fees	20,988	-	20,988
Bank charges and subscriptions	6,715	-	6,715
Property costs	101,947	56,854	158,801
Depreciation	26,673	40,246	66,919
Support costs	11,206	-	11,206
	<u>787,981</u>	<u>400,174</u>	<u>1,188,155</u>

#### 11. Expenditure on Charitable Activities by Activity Type

	Activities undertaken directly £	Support costs £	Total funds 2023 £	Total funds 2022 £
Salaries and employer's NIC	632,187	-	632,187	531,922
Activities costs	343,719	-	343,719	350,914
Other direct costs	15,570	-	15,570	9,600
Promotional costs	49,986	-	49,986	21,327
Training, recruitment, travel and motor	8,136	-	8,136	9,763
Professional fees	8,362	-	8,362	20,988
Bank charges and subscriptions	8,178	-	8,178	6,715
Property costs	230,946	-	230,946	158,801
Depreciation	75,657	-	75,657	66,919
Governance costs	-	13,759	13,759	11,206
	<u>1,372,741</u>	<u>13,759</u>	<u>1,386,500</u>	<u>1,188,155</u>

# Zion Arts Centre Limited (T/A Z-Arts)

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year ended 31 March 2023

#### 12. Net Income/(Expenditure)

Net (expenditure)/Income:

	2023	2022
	£	£
Depreciation of tangible fixed assets	75,894	66,919
Gains on disposal of tangible fixed assets	-	158
Operating Lease rentals	<u>45,790</u>	<u>43,331</u>

#### 13. Auditors Remuneration

	2023	2022
	£	£
Fees payable to the external auditors for the audit of the financial statements	7,625	6,625
Fees payable to the external auditors for other services – accounts preparation	<u>2,065</u>	<u>1,875</u>
	<u>9,690-</u>	<u>8,500</u>

#### 14. Staff Costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2023	2022
	£	£
Wages and salaries	643,275	523,230
Social security costs	51,174	41,752
Pension costs	<u>10,933</u>	<u>9,250</u>
	<u>705,382</u>	<u>574,233</u>

The average head count of employees during the year was 45 (2022: 32). The average number of full-time equivalent employees during the year is analysed as follows:

	2023	2022
	No.	No.
Number of operational staff	11	10
Number of creative staff	<u>6</u>	<u>5</u>
Number of management staff	5	6
Number of administration staff	<u>3</u>	<u>-</u>
	<u>25</u>	<u>21</u>

No employee received employee benefits of more than £60,000 during the year 2023 (2022: Nil).

During the year there were settlement payments of £nil (2022 - £4,320). There was £nil (2022 - £4,320) outstanding at the year end.

#### Key Management Personnel

Key management personnel are the Chief Executive, Head of Finance & Operations, Head of Premises & Technical, Head of Programming and Head of Creative Development. The total compensation paid to key management personnel for services provided to the charity was £226,354 (2022: £214,374).



# Zion Arts Centre Limited (T/A Z-Arts)

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

#### 15. Trustee Remuneration and Expenses

No remuneration or other benefits from employment with the charity or a related entity were received by the trustees.

#### 16. Tangible Fixed Assets – Group

	Stun Studio £	Static Equipment £	Portable Equipment £	Theatre Improvements £	Fixtures & Fittings £	Plant & Machinery £	Total £
<b>Cost</b>							
At 1 April 2022	227,866	55,932	163,538	120,201	4,020	110,599	682,156
Additions	-	-	3,186	323,623	-	4,339	331,148
Disposals	-	-	-	-	-	-	-
<b>At 31 March 2023</b>	<b>227,866</b>	<b>55,932</b>	<b>166,724</b>	<b>443,824</b>	<b>4,020</b>	<b>114,938</b>	<b>1,013,304</b>
<b>Depreciation</b>							
At 1 April 2022	188,678	52,247	142,582	24,541	3,736	11,460	423,244
Charge for the year	22,787	1,580	13,357	22,310	237	15,623	75,894
Release on disposals	-	-	-	-	-	-	-
<b>At 31 March 2023</b>	<b>211,465</b>	<b>53,827</b>	<b>155,939</b>	<b>46,851</b>	<b>3,973</b>	<b>27,083</b>	<b>499,138</b>
<b>Carrying amount</b>							
At 31 March 2023	16,401	2,105	10,785	396,973	47	87,855	514,166
At 31 March 2022	39,188	3,685	20,956	95,660	284	99,139	258,912

# Zion Arts Centre Limited (T/A Z-Arts)

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

#### 16. Tangible Fixed Assets – Charity

	Stun Studio £	Static Equipment £	Portable Equipment £	Theatre Improvement £	Plant & Machinery £	Total £
<b>Cost</b>						
At 1 April 2022	227,866	55,932	163,538	120,201	110,599	678,136
Additions	-	-	3,186	323,623	4,339	331,148
Disposals	-	-	-	-	-	-
<b>At 31 March 2023</b>	<b>227,866</b>	<b>55,932</b>	<b>166,724</b>	<b>443,824</b>	<b>114,938</b>	<b>1,009,284</b>
<b>Depreciation</b>						
At 1 April 2022	188,678	52,247	142,582	24,541	11,460	419,508
Charge for the year	22,787	1,580	13,357	22,310	15,623	75,657
Release on disposals	-	-	-	-	-	-
<b>At 31 March 2023</b>	<b>211,465</b>	<b>53,827</b>	<b>155,939</b>	<b>46,851</b>	<b>27,083</b>	<b>495,165</b>
<b>Carrying amount</b>						
At 31 March 2023	16,401	2,105	10,785	396,973	87,855	514,119
At 31 March 2022	39,188	3,685	20,956	95,660	99,139	258,628

#### 17. Investments - Charity

Analysis of investments at 31 March 2023 between funds

	Unrestricted Funds £	Restricted Funds £	Total funds 2023 £	Total funds 2022 £
UK Group undertakings	100	-	100	100

The investment represents 100% of the Ordinary Share Capital of 100 shares of £1 each of Z-Arts Trading Limited. Z-Arts Trading Limited is a wholly owned subsidiary of Zion Arts Centre Limited. The subsidiary company is incorporated in England and Wales. The principal activities during the year were the operation of a café bar.

#### 18. Stock

	Group 2023 £	2022 £	Charity 2023 £	2022 £
Stock in hand	4,814	6,580	-	-

# Zion Arts Centre Limited (T/A Z-Arts)

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

#### 19. Debtors

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Trade debtors	53,679	64,965	53,679	64,724
Amounts owed by group undertakings	-	-	10,574	7,054
Other debtors	24,739	21,141	24,736	21,041
	<u>78,418</u>	<u>86,106</u>	<u>88,989</u>	<u>92,819</u>

#### 20. Cash and Cash Equivalents

Cash and cash equivalents comprise the following:

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Cash at bank and in hand	53,112	155,419	40,298	150,891
Short-term deposits	306,824	593,808	306,824	593,808
	<u>359,936</u>	<u>749,228</u>	<u>347,123</u>	<u>744,699</u>

#### 21. Creditors: amounts falling due within one year

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Trade creditors	38,878	73,836	37,518	72,481
Social security and other taxes	7,283	91,458	5,515	16,485
Accruals and deferred income	151,280	153,821	149,011	227,074
	<u>197,441</u>	<u>319,114</u>	<u>192,044</u>	<u>316,040</u>

#### Deferred income

	£
Balance b/fwd at 1st April 2022	157,891
Released in the year	121,110
Deferred in the year	33,344
Balance c/fwd at 31 March 2023	<u>70,125</u>

#### 22. Analysis of Charitable Funds

##### Unrestricted funds- Group and Charity

	At 1 April 2022	Income	Expenditure	Transfer	At 31 March 2023
	£	£	£	£	£
General funds	300,568	982,755	(1,019,225)	(4,371)	259,727
Theatre seating	-	-	-	-	-
Designated funds:					
Family friendly escape room	20,000	-	-	(20,000)	-
Major capital depreciation reserve	194,799	-	(26,438)	24,371	192,732
	<u>515,367</u>	<u>982,755</u>	<u>(1,045,663)</u>	<u>-</u>	<u>452,459</u>

# Zion Arts Centre Limited (T/A Z-Arts)

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

#### Restricted funds – Group and Charity

	At 1 April 2022	Income	Expenditure	Transfers	At 31 March 2023
	£	£	£	£	£
ACE Artist development fund	57,059	11,715	(68,774)	-	-
ACE Capital	-	127,549	(24,609)	-	102,940
BIMM	-	1,600	(1,600)	-	-
Boshier Hinton	-	1,000	(1,000)	-	-
Creative Scotland 4 nations project	3,943	-	(2,923)	-	1,020
Curious Minds MCEP	4,800	10,000	(14,800)	-	-
D'oyly Carte	3,500	3,000	(3,500)	-	3,000
ERF Danish Cities	26,828	2,500	(15,700)	-	13,628
Esme Fairburn	-	15,000	(12,000)	-	3,000
Family Arts Network	2,348	5,904	(2,273)	-	5,979
Foyle Capital	-	40,000	-	-	40,000
Ground Works Tesco Community Fund	500	-	(500)	-	-
HAF Mcr active	4,452	16,510	(20,962)	-	-
Harold Hyam Wingate fund	2,770	-	(2,770)	-	-
John Thaw	-	1,000	(100)	-	900
Levi's Music Project	22,034	29,413	(51,447)	-	-
MCC MADE Fund	-	65,000	(36,400)	-	28,600
Manc Literature	-	1,000	(1,000)	-	-
MCC Hiwtai	-	2,170	(2,170)	-	-
MCEP	11,946	-	(11,946)	-	-
MCEP Manchester Venues Recovery	49,708	-	(2,519)	-	47,189
Mind the gap access	500	-	(500)	-	-
MCC Play day	-	2,000	(2,000)	-	-
One Mcr – Family Jam	1,950	-	(1,950)	-	-
One Mcr – Tiger School	2,999	-	(2,999)	-	-
Paul Hamlyn	-	115,000	(80,530)	-	34,470
Stun Capital	48,926	-	(28,786)	-	20,140
UK Theatres Trust	1,635	-	-	-	1,635
Uni Aberystwyth Placement	-	1,139	(1,139)	-	-
Torevell Partners	-	5,000	(400)	-	4,600
Thrive (Young Manchester)	11,233	-	(11,233)	-	-
Youth Music	9,213	2,836	(11,717)	-	332
Winter Festival	-	2,702	(2,702)	-	-
	<u>266,346</u>	<u>462,038</u>	<u>(420,950)</u>	<u>-</u>	<u>307,434</u>

# Zion Arts Centre Limited (T/A Z-Arts)

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

#### 22. Analysis of Charitable Funds *(continued)*

##### Unrestricted funds- Group and Charity

	At 1 April 2021 £	Income £	Expenditure £	Transfer £	At 31 March 2022 £
General funds	294,584	884,943	(841,285)	(37,674)	300,568
Theatre seating	-	-	-	-	-
Designated funds:					
Family friendly escape room	-	-	-	20,000	20,000
Major capital depreciation reserve	109,498	-	-	85,301	194,799
	<u>404,082</u>	<u>884,943</u>	<u>(841,285)</u>	<u>67,627</u>	<u>515,367</u>

##### Restricted funds – Group and Charity

	At 1 April 2021 £	Income £	Expenditure £	Transfers £	At 31 March 2022 £
A4A Summer of play	-	9,750	(9,750)	-	-
ABRSM Generation Z	5,907	-	(5,907)	-	-
ACE Artist development fund	-	83,055	(25,996)	-	57,059
Children in Need	18,920	-	(18,920)	-	-
Creative Scotland 4 nations project	-	4,860	(917)	-	3,943
Curious Minds MCEP	20,000	5,000	(20,200)	-	4,800
DCMS Recovery Fund	55,409	82,471	(100,253)	(37,627)	-
D'oyley Carte	3,500	-	-	-	3,500
Duchy of Lancashire Summer Grant	-	500	(500)	-	-
DWF Foundation	-	2,000	(2,000)	-	-
ERF Danish Cities	-	27,229	(401)	-	26,828
Esme Fairburn	-	5,000	(5,000)	-	-
Family Arts Network	2,570	6,121	(6,343)	-	2,348
FAC Here and Now	2,600	7,000	(9,600)	-	-
GMCA MADE Grant	-	1,000	(1,000)	-	-
Granada Foundation	3,000	-	(3,000)	-	-
Greater Sport Dance Project	-	6,864	(6,864)	-	-
Ground Works Tesco	-	-	-	-	-
Community Fund	-	500	-	-	500
HAF Mcr active	-	4,792	(339)	-	4,452
Harold Hyam Wingate fund	-	3,975	(1,205)	-	2,770
John Thaw	10	1,000	(1,010)	-	-
Levi's Music Project	52,019	9,805	(39,790)	-	22,034
MCC Contribution to toilets	-	30,000	-	(30,000)	-
MCEP	14,812	-	(2,866)	-	11,946
MCEP Manchester Venues	-	-	-	-	-
Recovery	44,258	22,500	(17,050)	-	49,708
Mind the gap access	-	500	-	-	500

# Zion Arts Centre Limited (T/A Z-Arts)

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 March 2023

## Restricted funds – Group and Charity (continued)

Mind the gap engage	-	2,000	(2,000)	-	-
NIF Global families	-	1,200	(1,200)	-	-
NIF Summer of Play	-	830	(830)	-	-
One Mcr – Family Jam	3,400	-	(1,450)	-	1,950
One Mcr – Tiger School	4,880	-	(1,881)	-	2,999
Paul Hamlyn	60,601	-	(60,601)	-	-
Stun Capital	77,712	-	(28,786)	-	48,926
UK Theatres Trust	1,635	-	-	-	1,635
Young Manchester SEND Project	-	5,270	(5,270)	-	-
Thrive (Young Manchester)	14,769	-	(3,536)	-	11,233
Youth Music	24,922	-	(15,709)	-	9,213
	<u>410,926</u>	<u>323,221</u>	<u>(400,174)</u>	<u>(67,627)</u>	<u>266,346</u>

### A4A Summer of play

*Grant to facilitate programme of outdoor activities*

### ABRSM Generation Z

*To run Generation -Z music project for young people from Manchester.*

### ACE Artist development fund

*Fund to support the development of artists working in children's theatre and to run a trainee creative facilitator programme*

### ACE Capital

*Capital grant from Arts Council to upgrade theatre lighting to digital and build a new childrens library*

### BIMM

*Contribution to Z-arts Music programme*

### Boshier Hinton

*Grant towards Z-arts access provision*

### Creative Scotland 4 nations project

*Fund to support digital performance research*

### Curious Minds MCEP

*To facilitate the Manchester Creative Education Partnership. (MADE)*

### DCMS Recovery Fund

*Grant to support the organisation through the pandemic.*

### D'oyly Carte

*Grant to support the delivery of Z-arts Young Performers participatory arts activities.*

# **Zion Arts Centre Limited (T/A Z-Arts)**

## **Company Limited by Guarantee**

### **Notes to the Financial Statements**

**Year ended 31 March 2023**

#### **Restricted funds – Group and Charity (*continued*)**

##### **Duchy of Lancashire Summer Grant**

*Grant to support summer programme*

##### **DWF Foundation**

*Grant to support Bright sparks programme access facilitation*

##### **ERF Danish Cities**

*MCC grant to facilitate cultural exchange between Manchester and Denmark*

##### **Esme Fairburn**

*Grant for the development of "Artichoke hearts" and a contribution to the childrens library*

##### **Family Arts Network**

*Grant to facilitate the running of a network of family arts organisations.*

##### **FAC Here and Now**

*To fund a project with Company Chameleon in celebration of 25 years of the national lottery.*

##### **Foyle Capital**

*Capital grant to upgrade theatre lighting to digital and build a new childrens library*

##### **GMCA MADE Grant**

*To facilitate the Manchester Creative Education Partnership.(MADE)*

##### **Granada Foundation**

*Grant to support Big imaginations summer programme*

##### **Greater Sport Dance Project**

*Grant to support the running of after school dance clubs*

##### **Ground Works Tesco Community Fund**

*Grant to facilitate the Bright sparks after school activities*

##### **HAF Mcr active**

*To provide Holiday activities to Manchester school children*

##### **Harold Hyam Wingate fund**

*To support Bright sparks and ZYP dance and drama activities*

##### **John Thaw**

*Contribution towards little reads sessions in the library*

##### **Levi's Music Project**

*To support the running of the Levis music studio.*

##### **MCC Contribution to toilets**

*Contribution to a new covid secure toilet block*

##### **MCEP**

*A Grant from MCC to facilitate the Manchester Creative Education Partnership (MADE)*

# **Zion Arts Centre Limited (T/A Z-Arts)**

**Company Limited by Guarantee**

**Notes to the Financial Statements**

**Year ended 31 March 2023**

## **Restricted funds – Group and Charity (continued)**

### **MCEP Manchester Venues Recovery**

*Manchester venues contributions to fund Manchester Creative Education partnership (MADE)*

### **Mind the gap access**

*Grant to support access projects at Z-arts*

### **Mind the gap engage**

*Grant to support access projects at Z-arts*

### **NIF Global families**

*Grant to support family half term activities*

### **MCC MADE Fund**

*MCC contribution towards the MADE project*

### **Manc Literature**

*Contribution towards Aliens, Zombies & Monsters! Exhibition*

### **MCC Hiwtai**

*Neighbourhood investment grant towards Hulme is where the Arts is summer festival*

### **MCC Play day**

*Neighbourhood investment grant towards outside summer play day*

### **NIF Summer of Play**

*Grant to support the Summer activities in Hulme park*

### **One Mcr – Family Jam**

*To enable family music events in the café.*

### **One Mcr – Tiger School**

*To enable local school children to visit the Tiger who came to tea exhibition.*

### **Paul Hamlyn**

*3-year grant for Terri and the Time machine schools project*

### **Stun Capital**

*To redevelop the studio into a fully equipped theatre studio and refurbish the associated offices*

### **Thrive (Young Manchester)**

*Grant to fund a schools mental health project*

### **Torevell Partners**

*Grant to support the childrens library*

### **UK Theatres Trust**

*To provide access and environmental improvements.*

### **Uni Aberystwyth Placement**

*Grant to facilitate student placement*



# Zion Arts Centre Limited (T/A Z-Arts)

## Company Limited by Guarantee

### Notes to the Financial Statements

Year ended 31 March 2023

#### Restricted funds – Group and Charity (continued)

##### Winter Festival Nif

*Neighbourhood investment fund grant towards Hulme winter festival at Z-arts*

##### Young Manchester SEND Project

*Grant to provide SEND Easter activities*

##### Youth Music

*Grant to facilitate young people music project.*

##### Winter Festival Nif

*Neighbourhood investment fund grant towards Hulme winter festival at Z-arts*

#### 23. Analysis of Group Net Assets between Funds

	Restricted Funds	Unrestricted Funds	Total Funds 2023	Total Funds 2022
	£	£	£	£
Tangible fixed assets	163,080	351,083	514,163	258,912
Current assets	144,354	101,374	245,728	522,800
Net assets	<u>307,434</u>	<u>452,457</u>	<u>759,891</u>	<u>781,712</u>

	Restricted Funds	Unrestricted Funds	Total Funds 2022	Total Funds 2021
	£	£	£	£
Tangible fixed assets	48,926	209,986	258,912	232,202
Current assets	217,420	305,380	522,800	582,806
Net assets	<u>266,346</u>	<u>515,366</u>	<u>781,712</u>	<u>815,008</u>

#### 24. Operating Lease Commitments – Group and Charity

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2023	2022
	£	£
Equipment	843	843
Not later than 1 year	632	1,476
Later than 1 year and not later than 5 years	<u>1,476</u>	<u>2,319</u>

#### 25. Related Parties

The charity has a close working relationship with Manchester City Council: this body nominates directors (see trustees annual report) and provides funding to enable the charity to carry out its charitable objectives. Income totalling £278,007 (2022: £252,163) has been received during the year. Expenditure totalling £52,307 (2022: £45,295) has been incurred with the related party during the year. The balance outstanding at the year-end was £46,122 (2022: £36,000).

# Zion Arts Centre Limited (T/A Z-Arts)

## Company Limited by Guarantee

### Notes to the Financial Statements

Year ended 31 March 2023

#### Related parties (*continued*)

All the above fundraising was received either as core or grant funding. This income has been included in the financial statements under voluntary income and incoming resources from charitable activities. The above expenditure reflects invoiced costs in the year; it has been included in the financial statements under charitable expenditure.

The charity trustees were not paid or reimbursed expenses during the year in their capacity as trustees. One trustee was paid £300 for performance as a poet (2022: £nil). No other charity trustee received any emolument or payment for professional or other services.

#### 26. Capital commitments

The total amount contracted for but not provided in the financial statements was £Nil (2022 - £Nil)

#### 27. Analysis of changes in Net Debt

	At 1 April 2022	Cashflow	At 31 March 2023
	£	£	£
Cash at bank	155,419	(102,305)	53,114
Short-term deposits	593,808	(286,984)	306,824
<b>Total Funds</b>	<u>749,227</u>	<u>(389,289)</u>	<u>359,938</u>