

Company Registration Number: NI615954

Charity Number: NI00285

Strand Arts Centre

(A company limited by guarantee, not having a share capital)

Annual Report and Audited Financial Statements

for the financial year ended 31 March 2023

DNTCA Limited
Chartered Accountants and Senior Statutory Auditor
Ormeau House
91-97 Ormeau Road
Belfast
BT7 1SH

Strand Arts Centre

(A company limited by guarantee, not having a share capital)

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Strand Arts Centre

(A company limited by guarantee, not having a share capital)

TRUSTEES' AND OTHER INFORMATION

Trustees

Brian Gaffney
Jenna Hall
Claire Ritchie
David Price (Resigned 5 September 2022)
Rachel McGuickin (Appointed 14 September 2022)
Paula McKay (Appointed 3 May 2022)
Mary Neely (Appointed 19 January 2023)
James Morton
Stephanie Vaughan (Appointed 19 January 2023)
Michelle Turtle (Appointed 14 December 2022)
Mark Compston (Appointed 19 January 2023)

Chairperson

Jonathan Hegan

Charity Number in Northern Ireland

NI00285

Company Registration Number

NI615954

Registered Office and Principal Address

156 High Street
Holywood
BT4 1NY
United Kingdom

Auditors

DNTCA Limited
Chartered Accountants and Senior Statutory Auditor
Ormeau House
91-97 Ormeau Road
Belfast
BT7 1SH

Strand Arts Centre

(A company limited by guarantee, not having a share capital)

TRUSTEES' ANNUAL REPORT

for the financial year ended 31 March 2023

The trustees present their Trustees' Annual Report, combining the Directors' Report and Trustees' Report, and the audited financial statements for the financial year ended 31 March 2023.

The financial statements are prepared in accordance with the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The charity is a registered charity and hence the report and results are presented in a form which complies with the requirements of the Companies Act 2006 and, although not obliged to comply with the Statement of Recommended Practice applicable in the UK and Republic of Ireland FRS 102, the organisation has implemented its recommendations where relevant in these financial statements.

Financial Review

The results for the financial year are set out on page 10 and additional notes are provided showing income and expenditure in greater detail.

Financial Results

At the end of the financial year the charity has assets of £587,014 (2022 - £461,818) and liabilities of £394,608 (2022 - £267,582). The net assets of the charity have decreased by £(1,830).

Trustees

The trustees who served throughout the financial year, except as noted, were as follows:

Brian Gaffney
Jenna Hall
Claire Ritchie
David Price (Resigned 5 September 2022)
Rachel McGuickin (Appointed 14 September 2022)
Paula McKay (Appointed 3 May 2022)
Mary Neely (Appointed 19 January 2023)
James Morton
Stephanie Vaughan (Appointed 19 January 2023)
Michelle Turtle (Appointed 14 December 2022)
Mark Compston (Appointed 19 January 2023)

Compliance with Sector-Wide Legislation and Standards

The charity engages pro-actively with legislation, standards and codes which are developed for the sector. Strand Arts Centre subscribes to and is compliant with the following:

- The Companies Act 2006
- The Charities SORP (FRS 102)

Structure and Governance

The charity is a company limited by guarantee, not-for-profit and not having a share capital, governed by its Memorandum and Articles of Association. It is a company incorporated under the charities act 2006 (NI615954). The company is a charity recognised by the Northern Ireland Charity Commission (NI00285).

A Management Team of 6 manage the day-to-day running of the charity, reporting to the board of trustees and ensuring the company is adhering to its core values listed below;

- Through creativity we will create opportunities for individual and community development stimulating social change;
- Our programme shall be curated with respect empathy and integrity for others our building shall be a shared space welcoming to all;
- We shall strive for excellence in all that we do;
- We shall regularly reflect on what we have done with a desire to refining and improving on the service we offer

Core Aims and Objectives

Strand Arts Centre

(A company limited by guarantee, not having a share capital)

TRUSTEES' ANNUAL REPORT

for the financial year ended 31 March 2023

The main purpose of Strand Arts Centre is "to provide an inclusive and inspiring arts venue where heritage creativity and community come together". In order to fulfil this purpose and stay true to the charity's core values the trustees have identified the following core aims:

- enhance the arts, cultural and heritage offer in east Belfast;
- deliver a diverse programme of creative and cultural activity to improve social mobility and quality of life;
- create a popular creative arts hub which is a shared space for all communities;
- preserve the heritage of the building (the oldest cinema in Northern Ireland);
- ensure the long-term sustainability of Strand Arts Centre

Strand Arts Centre sits within and draws a significant proportion of its audience from the East Belfast Neighbourhood Renewal Area. Truly a shared venue, our patrons vary in religious cultural and economic backgrounds.

Achievement and performance

2022/23 is the first financial year since 2018/19 without any covid closures or disruptions. This year Strand Arts Centre (SAC) placed a keen focus on re-establishing its key programme features, its community engagement activity and its audiences. The scale of its outputs across these three areas display considerable resilience after a prolonged period of disruption. This year has also been significant in terms of securing funding which guarantees the delivery of our essential capital project.

The following summaries the scale of activity delivered over this period:

- SAC attracted over 66,000 audience members and participants, 17,310 of which attended arts events or activities
- SAC took part in 15 festivals bringing national and international artists and events to east Belfast which would not otherwise have visited
- SAC delivered a total of 442 live events, workshops and classes and worked with 517 artists to deliver our annual programme
- SAC partnered with over 90 community groups care homes schools charities and churches to ensure our activity reached those who would benefit most

Highlights throughout this year include:

- 32 free creative educational workshops targeting low income families;
- 38 outreach heritage events
- 1,755 education packs used by local schools
- Re-establishing our "Stranded" scratch nights with 13 live events across the year
- Taking part in Future Arts Centres UK-wide initiative 'People's Plan for Nature'
- 40+ weekly dementia friendly 'Silver Screenings' for a total audience of 902
- Supporting the delivery of the East Belfast Lantern parade by hosting 15 workshops for 1,075 participants and coordinating 1,500 participants on the day
- Securing a new 25 year lease for the Strand building
- Securing £250k funding from National Lottery heritage fund towards our capital refurbishment and community engagement activity
- Securing £4.1m funding from UK levelling up fund towards our capital refurbishment

The Auditors

The auditors, DNTCA Limited, (Chartered Accountants) have indicated their willingness to continue in office in accordance with the provisions of Section 485 of the Companies Act 2006.

Approved by the Board of Trustees on _____ and signed on its behalf by:

Jonathan Hegan
Chairperson

Claire Ritchie
Trustee

Strand Arts Centre

(A company limited by guarantee, not having a share capital)

STATEMENT OF TRUSTEES' RESPONSIBILITIES

for the financial year ended 31 March 2023

The trustees, who are also directors of Strand Arts Centre for the purposes of company law, are responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the trustees as the directors to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the net income or expenditure of the charity for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP
- make judgements and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

As explained in note 3, the financial statements have been prepared on a going concern basis.

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 and. 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.

In so far as the trustees are aware:

- there is no relevant audit information (information needed by the charity's auditor in connection with preparing the auditor's report) of which the charity's auditor is unaware, and
- the trustees have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Approved by the Board of Trustees on _____ and signed on its behalf by:

Jonathan Hegan
Chairperson

Claire Ritchie
Trustee

INDEPENDENT AUDITOR'S REPORT

to the Members of Strand Arts Centre

(A company limited by guarantee, not having a share capital)

Report on the audit of the financial statements

Opinion

We have audited the charity financial statements of Strand Arts Centre ('the charity') for the financial year ended 31 March 2023 which comprise the Statement of Financial Activities (incorporating an Income and Expenditure Account), the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including the summary of significant accounting policies set out in note 2. 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" and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS 102.

In our opinion, when reporting in accordance with a fair presentation framework 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 deficit for the financial 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 Companies Act 2006 and the Charities Act (Northern Ireland) 2008.

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 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 charity's ability to continue as a going concern for a period of at least twelve months from the date 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.

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 contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 matter 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' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report has been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT

to the Members of Strand Arts Centre

(A company limited by guarantee, not having a share capital)

Matters on which we are required to report by exception

In the light of our 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' Annual Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept; 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
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Trustees' Annual Report.

Responsibilities of trustees for the financial statements

As explained more fully in the Statement of Trustees' Responsibilities set out on page 6, the trustees 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 they 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 management either intends to liquidate the charity or to cease operations, or has 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.

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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non compliance with laws and regulations, was as follows:

1. The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
2. We identified the laws and regulations applicable to the company through discussions with directors and other management,
3. We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company,

To address the risk of fraud through management bias and override of controls, we:

1. Performed analytical procedures to identify any unusual or unexpected relationships;
2. Investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

1. Agreeing financial statement disclosures to underlying supporting documentation;
2. Reading the minutes of meetings of those charged with governance;
3. Enquiring of management as to actual and potential litigation and claims;
4. Reviewing correspondence with HMRC, Companies House and the company's legal advisors.

INDEPENDENT AUDITOR'S REPORT

to the Members of Strand Arts Centre

(A company limited by guarantee, not having a share capital)

Further information regarding the scope of our responsibilities as auditor

As part of an audit in accordance with ISAs (UK), we exercise professional judgement 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 charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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.

The purpose of our audit work and to whom we owe our responsibilities

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.

Mr Mike Nangle (Senior Statutory Auditor)

for and on behalf of

DNTCA LIMITED

Chartered Accountants and Senior Statutory Auditor

Ormeau House

91-97 Ormeau Road

Belfast

BT7 1SH

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Strand Arts Centre

(A company limited by guarantee, not having a share capital)

STATEMENT OF FINANCIAL ACTIVITIES

(Incorporating an Income and Expenditure Account)

for the financial year ended 31 March 2023

		Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £
Income	Notes						
Donations and legacies	5.1	517,865	207,960	725,825	609,965	22,442	632,407
Expenditure							
Charitable activities	6.1	519,695	207,960	727,655	461,431	22,442	483,873
Net income/(expenditure)		(1,830)	-	(1,830)	148,534	-	148,534
Transfers between funds		-	-	-	-	-	-
Net movement in funds for the financial year		(1,830)	-	(1,830)	148,534	-	148,534
Reconciliation of funds:							
Total funds beginning of the year	18	194,282	(46)	194,236	45,748	(46)	45,702
Total funds at the end of the year		192,452	(46)	192,406	194,282	(46)	194,236

The Statement of Financial Activities includes all gains and losses recognised in the financial year. All income and expenditure relate to continuing activities.

Strand Arts Centre

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Company Number: NI615954

BALANCE SHEET

as at 31 March 2023

		2023	2022
	Notes	£	£
Fixed Assets			
Tangible assets	11	<u>103,218</u>	<u>125,208</u>
Current Assets			
Stocks	12	3,570	3,783
Debtors	13	332,550	115,184
Cash at bank and in hand	14	<u>147,676</u>	<u>217,643</u>
		<u>483,796</u>	<u>336,610</u>
Creditors: Amounts falling due within one year	15	<u>(394,608)</u>	<u>(261,183)</u>
Net Current Assets		<u>89,188</u>	<u>75,427</u>
Total Assets less Current Liabilities		<u>192,406</u>	<u>200,635</u>
Creditors			
Amounts falling due after more than one year	16	-	<u>(6,399)</u>
Total Net Assets		<u>192,406</u>	<u>194,236</u>
Funds			
Restricted trust funds		(46)	(46)
General fund (unrestricted)		<u>192,452</u>	<u>194,282</u>
Total funds	18	<u>192,406</u>	<u>194,236</u>

These financial statements have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Approved by the Board of Trustees and authorised for issue on _____ and signed on its behalf by

Jonathan Hegan
Chairperson

Claire Ritchie
Trustee

Strand Arts Centre

STATEMENT OF CASH FLOWS

for the financial year ended 31 March 2023

	Notes	2023 £	2022 £
Cash flows from operating activities			
Net movement in funds		(1,830)	148,534
Adjustments for:			
Depreciation		24,164	13,271
Interest payable and similar expenses		10,502	9,102
		<u>32,836</u>	<u>170,907</u>
Movements in working capital:			
Movement in stocks		213	(3,100)
Movement in debtors		(217,366)	(9,511)
Movement in creditors		132,025	(14,975)
		<u>(52,292)</u>	<u>143,321</u>
Cash (used in)/generated from operations		(52,292)	143,321
Interest paid		(9,102)	(2,421)
		<u>(61,394)</u>	<u>140,900</u>
Cash flows from investing activities			
Payments to acquire tangible assets		(2,174)	(94,040)
Cash flows from financing activities			
Repayment of long term loan		(6,399)	(8,895)
		<u>(69,967)</u>	<u>37,965</u>
Net (decrease)/increase in cash and cash equivalents		(69,967)	37,965
Cash and cash equivalents at the beginning of the year		217,643	179,678
		<u>217,643</u>	<u>179,678</u>
Cash and cash equivalents at the end of the year	14	147,676	217,643
		<u>147,676</u>	<u>217,643</u>

Strand Arts Centre

(A company limited by guarantee, not having a share capital)

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2023

1. GENERAL INFORMATION

Strand Arts Centre is a company limited by guarantee incorporated in Northern Ireland. The registered office of the charity is 156 High Street, Holywood, BT4 1NY, United Kingdom which is also the principal place of business of the charity. The financial statements have been presented in Pound (£) which is also the functional currency of the charity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the charity's financial statements.

Basis of preparation

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland FRS 102".

As permitted by the Companies Act 2006, the charity has varied the standard formats in that act for the Statement of Financial Activities and the Balance Sheet. Departures from the standard formats are to comply with the requirements of the Charities SORP and are in compliance with section 4.7, 10.6 and 15.2 of that SORP.

Statement of compliance

The financial statements of the charity for the financial year ended 31 March 2023 have been prepared on the going concern basis and in accordance with the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland FRS 102".

Fund accounting

The following are the categories of funds maintained:

Restricted funds

Restricted funds represent income received which can only be used for particular purposes, as specified by the donors. Such purposes are within the overall objectives of the charity.

Unrestricted funds

Unrestricted funds consist of General and Designated funds.

- General funds represent amounts which are expendable at the discretion of the board, in furtherance of the objectives of the charity.
- Designated funds comprise unrestricted funds that the board has, at its discretion, set aside for particular purposes. These designations have an administrative purpose only, and do not legally restrict the board's discretion to apply the fund.

Income

Income is recognised by inclusion in the Statement of Financial Activities only when the charity is legally entitled to the income, performance conditions attached to the item(s) of income have been met, the amounts involved can be measured with sufficient reliability and it is probable that the income will be received by the charity.

Income from charitable activities

Income from charitable activities include income earned from the supply of services under contractual arrangements and from performance related grants which have conditions that specify the provision of particular services to be provided by the charity. Income from government and other co-funders is recognised when the charity is legally entitled to the income because it is fulfilling the conditions contained in the related funding agreements. Where a grant is received in advance, its recognition is deferred and included in creditors. Where entitlement occurs before income is received, it is accrued in debtors.

Grants from governments and other co-funders typically include one of the following types of conditions:

- Performance based conditions: whereby the charity is contractually entitled to funding only to the extent that the core objectives of the grant agreement are achieved. Where the charity is meeting the core objectives of a grant agreement, it recognises the related expenditure, to the extent that it is reimbursable by the donor, as income.

Strand Arts Centre

(A company limited by guarantee, not having a share capital)

NOTES TO THE FINANCIAL STATEMENTS

continued

for the financial year ended 31 March 2023

■ Time based conditions: whereby the charity is contractually entitled to funding on the condition that it is utilised in a particular period. In these cases the charity recognises the income to the extent it is utilised within the period specified in the agreement.

In the absence of such conditions, assuming that receipt is probable and the amount can be reliably measured, grant income is recognised once the charity is notified of entitlement.

Grants received towards capital expenditure are credited to the Statement of Financial Activities when received or receivable, whichever is earlier.

Expenditure

Expenditure is analysed between costs of charitable activities and raising funds. The costs of each activity are separately accumulated and disclosed, and analysed according to their major components. Expenditure is recognised when a legal or constructive obligation exists as a result of a past event, a transfer of economic benefits is required in settlement and the amount of the obligation can be reliably measured. Support costs are those functions that assist the work of the charity but cannot be attributed to one activity. Such costs are allocated to activities in proportion to staff time spent or other suitable measure for each activity.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or at valuation, less accumulated depreciation. The charge to depreciation is calculated to write off the original cost or valuation of tangible fixed assets, less their estimated residual value, over their expected useful lives as follows:

Plant and machinery	-	20%
Fixtures, fittings and equipment	-	20%

Inventories

Inventories are stated at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost includes all costs incurred in the normal course of business in bringing them to their present location and condition. Inventories comprise fundraising materials. It is not considered practicable to value inventories of unsold donated goods at the financial year end.

Debtors

Debtors are recognised at the settlement amount due after any discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Income recognised by the charity from government agencies and other co-funders, but not yet received at financial year end, is included in debtors.

Cash at bank and in hand

Cash at bank and in hand comprises cash on deposit at banks requiring less than three months notice of withdrawal.

Taxation and deferred taxation

No current or deferred taxation arises as the charity has been granted charitable exemption. Irrecoverable valued added tax is expensed as incurred.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more tax in the future, or a right to pay less tax in the future. Timing differences are temporary differences between the charity's taxable income and its results as stated in the financial statements.

Deferred tax is measured on an undiscounted basis at the tax rates that are anticipated to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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.

Strand Arts Centre

(A company limited by guarantee, not having a share capital)

NOTES TO THE FINANCIAL STATEMENTS

continued

for the financial year ended 31 March 2023

Debt instruments are subsequently measured at amortised cost.

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

3. GOING CONCERN

There are no material uncertainties about the entity's ability to continue operating and the financial statements have been prepared on a Going Concern basis.

4. CRITICAL ACCOUNTING JUDGEMENT AND ESTIMATES

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under circumstances.

5. INCOME

5.1	DONATIONS AND LEGACIES	Unrestricted Funds £	Restricted Funds £	2023 £	2022 £
	Cinema Revenue	180,521	-	180,521	179,251
	Shop Revenue	102,214	-	102,214	104,118
	Screen Advertising Revenue	9,173	-	9,173	8,387
	Live Shows Revenue	34,341	-	34,341	8,322
	Private Screen Hire	39,347	-	39,347	50,123
	Grant and Subsidies Received	133,682	207,960	341,642	257,564
	Coronavirus Job Retention Scheme	-	-	-	24,642
	Other Income	18,587	-	18,587	-
		<u>517,865</u>	<u>207,960</u>	<u>725,825</u>	<u>632,407</u>

6. EXPENDITURE

6.1	CHARITABLE ACTIVITIES	Direct Costs £	Other Costs £	Support Costs £	2023 £	2022 £
	Expenditure on charitable activities	343,579	24,164	359,912	727,655	483,873

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NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2023

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6.2	SUPPORT COSTS	Charitable Activities £	2023 £	2022 £
	Staff Costs	252,222	252,222	238,481
	Bank and Finance Charegs	10,502	10,502	9,102
	Office Administration Costs	24,149	24,149	18,238
	Premises Costs	73,039	73,039	64,934
		<u>359,912</u>	<u>359,912</u>	<u>330,755</u>

7. ANALYSIS OF SUPPORT COSTS

	2023 £	2022 £
Staff Costs	252,222	238,481
Bank and Finance Charegs	10,502	9,102
Office Administration Costs	24,149	18,238
Premises Costs	73,039	64,934
	<u>359,912</u>	<u>330,755</u>

8. NET INCOME

	2023 £	2022 £
Net Income is stated after charging/(crediting):		
Depreciation of tangible assets	24,164	13,271
Auditor's remuneration: - audit services	<u>3,500</u>	<u>-</u>

The audit fee amount of £3,500 in the current financial year is made up of an under accrued amount of £1,750 in respect of year ending 31 March 2022 and a current year fee of £1,750.

9. INTEREST PAYABLE AND SIMILAR CHARGES

	2023 £	2022 £
On bank loans and overdrafts	<u>10,502</u>	<u>9,102</u>

10. EMPLOYEES AND REMUNERATION

The staff costs comprise:	2023 £	2022 £
Wages and salaries	227,705	219,199
Social security costs	16,033	14,466
Pension costs	3,931	3,744
	<u>247,669</u>	<u>237,409</u>

The average head count of employees during the year was 18 (2022: 25).

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

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NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2023

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11. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures, fittings and equipment £	Total £
Cost			
At 1 April 2022	162,909	86,008	248,917
Additions	2,174	-	2,174
At 31 March 2023	165,083	86,008	251,091
Depreciation			
At 1 April 2022	103,927	19,782	123,709
Charge for the financial year	17,541	6,623	24,164
At 31 March 2023	121,468	26,405	147,873
Net book value			
At 31 March 2023	43,615	59,603	103,218
At 31 March 2022	58,982	66,226	125,208
12. STOCKS		2023	2022
		£	£
Finished goods and goods for resale		3,570	3,783
13. DEBTORS		2023	2022
		£	£
Trade debtors		327,243	104,137
Taxation and social security costs		-	6,432
Prepayments and accrued income		5,307	4,615
		332,550	115,184
14. CASH AND CASH EQUIVALENTS		2023	2022
		£	£
Cash and bank balances		147,676	217,643
15. CREDITORS		2023	2022
Amounts falling due within one year		£	£
Trade creditors		32,017	29,359
Taxation and social security costs		8,840	3,291
Other creditors		-	1,619
Accruals and deferred income		353,751	226,914
		394,608	261,183
16. CREDITORS		2023	2022
Amounts falling due after more than one year		£	£
Bank loan		-	6,399
Repayable between one and two years		-	6,399

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NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2023

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17. RESERVES

	2023 £	2022 £
At the beginning of the year	194,236	45,702
(Deficit)/Surplus for the financial year	(1,830)	148,534
At the end of the year	<u>192,406</u>	<u>194,236</u>

18. FUNDS

18.1 RECONCILIATION OF MOVEMENT IN FUNDS

	Unrestricted Funds £	Restricted Funds £	Total Funds £
At 1 April 2021	45,748	(46)	45,702
Movement during the financial year	148,534	-	148,534
At 31 March 2022	194,282	(46)	194,236
Movement during the financial year	(1,830)	-	(1,830)
At 31 March 2023	<u>192,452</u>	<u>(46)</u>	<u>192,406</u>

18.2 ANALYSIS OF MOVEMENTS ON FUNDS

	Balance 1 April 2022 £	Income £	Expenditure £	Transfers between funds £	Balance 31 March 2023 £
Restricted funds					
Restricted	(46)	207,960	207,960	-	(46)
Unrestricted funds					
Unrestricted General	194,282	517,865	519,695	-	192,452
Total funds	<u>194,236</u>	<u>725,825</u>	<u>727,655</u>	<u>-</u>	<u>192,406</u>

19. STATUS

The charity is a company limited by guarantee not having a share capital.

The liability of the members is limited.

Every member of the company undertakes to contribute to the assets of the company in the event of its being wound up while they are members, or within one financial year thereafter, for the payment of the debts and liabilities of the company contracted before they ceased to be members, and the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributors among themselves, such amount as may be required, not exceeding £ 1.

20. TRUSTEE REMUNERATION AND EXPENSES

There were no trustees' remuneration or other benefits paid during the year.

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for the financial year ended 31 March 2023

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21 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	Opening balance	Cash flows	Other changes	Closing balance
	£	£	£	£
Long-term borrowings	(6,399)	-	6,399	-
Short-term borrowings	-	6,399	(6,399)	-
Total liabilities from financing activities	<u>(6,399)</u>	<u>6,399</u>	<u>-</u>	<u>-</u>
Total Cash at bank and in hand (Note 14)				<u>147,676</u>
Total net debt				<u>147,676</u>

22. POST-BALANCE SHEET EVENTS

There have been no significant events affecting the Charity since the financial year-end.