



Stockton Arts Centre Ltd

Annual Report and Consolidated Financial Statements

For the year ended 31 March 2024

Company Number: 04591795

Charity Number: 1095460

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Stockton Arts Centre

Trustees' report

For the year ended 31 March 2024

The Trustees present their annual report together with the audited financial statements of the Charity for the year 1 April 2023 to 31 March 2024. The annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Reference and administrative details

Company number: 04591795 (England and Wales)
Charity Number: 1095460
Registered office: Dovecote Street, Stockton on Tees, TS18 1LL

Advisors

Bankers: HSBC, 136 High Street, Stockton on Tees, Cleveland, TS18 1LR
Yorkshire Bank, 56 High Street, Stockton on Tees TS18 1SB

Auditors: CLA Evelyn Partners Limited, 17 Queens Lane, Newcastle upon Tyne, NE1 1RN

1. Structure, governance and management

Stockton Arts Centre is a registered charity number 1095460 governed by its memorandum and articles of association and a company limited by guarantee.

2023/2024 saw significant changes to personnel involved in the governance and management of ARC with Lynne Snowball stepping down as Chair in June to be succeeded by Kate Craddock. Chief Executive and Artistic Director, Annabel Turpin stood down in October with staff acting up to cover for an interim period. In January 2024, following an intensive recruitment process, Alexander Ferris took up the new post of Chief Executive and Creative Director.

The number of trustees, who are also the directors for the purpose of company law, reduced to 8 during the year following some planned resignations with individuals completing their tenure. The Trustees were:

	Board meetings attended
Aaron Bowman	4 out of 4
Kate Craddock (appointed Chair June 2023)	1 out of 1
Maria Crocker	1 out of 4
Arfan Hussain (appointed March 2023)	4 out of 4
Dan Mallaghan	4 out of 4
Patrick Masheder (resigned June 2023)	3 out of 3
John McCann	4 out of 4
Jane Robinson (resigned March 2024)	2 out of 2
Sharuna Sagar	2 out of 4
Lynne Snowball (Chair, resigned June 2023)	3 out of 3
Nine White	4 out of 4

Trustees' report (*continued*)

For the year ended 31 March 2024

ARC's Board of Trustees is responsible for ensuring ARC's aims and objectives are achieved. It is responsible for forward strategy and direction, approving the annual business plan and budget, and monitoring performance and delivery, supporting the Chief Executive and the ARC team. Board Trustees have a diverse range of skills, experience and backgrounds, bringing a broad range of perspectives to board discussions and decisions.

ARC is committed to continuing to increase the diversity of the Board and advertises widely to identify prospective trustees. The recruitment processes were reviewed and changed in 2021 to support this aim. Following an open application process, suitable candidates are invited to meet the Chair, Chief Executive and other trustees to discuss the opportunity of joining ARC's Board. If it is decided to proceed with the appointment, prospective trustees are invited to observe a Board meeting before a final decision – by both parties – is made.

New trustees have a full induction process and are provided with an extensive package of information relating to the charity including job description, current and historical financial information, minutes of Board meetings, and the current business plan.

The Board of Trustees meets quarterly to administer the charity and formally considers ARC's mission, aims and objectives at least once a year. Ad hoc working groups or advisory groups are convened from time to time.

The Finance Sub-committee meets a minimum of three times during the year to discuss in detail the annual budget forecast outturn and annual financial reporting to inform the Board's considerations and decision-making process. Monthly management accounts are circulated to the nominated Finance sub-committee representatives, who include the Chair of the Board, to ensure prompt review of performance. Terms of Reference were reviewed by the Board in March 2022.

None of the trustees have any beneficial interest in the company. All the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

An executive director is appointed by the Trustees to manage the day-to-day operations of the charity. The Chief Executive and Creative Director is supported by a deputy, Operations Manager and a management team of seven.

2. Objectives and activities

The objects of the Charity are to promote, maintain, improve and advance the knowledge, understanding and appreciation of the arts and popular culture, primarily among the inhabitants of the Tees Valley.

To achieve its objects the charity has defined its mission as follows:

ARC is an organisation working from its venue to enhance the wellbeing of the whole community of Stockton and the Tees Valley, through arts and creative activity, through widening opportunities to experience and participate in the arts, and through partnership with other organisations.

Trustees' report (*continued*)

For the year ended 31 March 2024

To deliver this mission the charity has undertaken to achieve the following aims:

- To make an important contribution to the social and economic regeneration of Stockton and the Tees Valley
- To present an outstanding creative programme that is contemporary and relevant to our communities
- To increase the number and range of people engaging with ARC
- To support and develop artists and creative practitioners to create excellent work relevant to our communities
- To support and develop a cultural workforce to support our ambitions
- To realise the creative potential of our local communities
- To increase our financial and organisational resilience and ability to adapt to economic, environmental and societal change
- To act as a national and international leader in organisational sustainability, sector development, artistic practice and social impact
- To act as a catalyst for partnership and collaboration between public, private and voluntary sector organisations

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

During 2023/24, ARC continued to follow our Business Plan 2023 - 2026, which builds on post-COVID recovery plans and was produced in conjunction with the staff, Board and funding partners in response to the current context. It remains focussed on delivery of the above mission and aims, setting out a clear route map for the future of the charity as it seeks to return to a positive trading position.

The Business Plan is used by the Management Team to inform and steer activity and monitor progress against the aims and objectives. The Board of Trustees monitors the delivery of the Business Plan at its quarterly meetings.

3. Achievements and performance

During 2023/24, ARC presented 116 professional performances, 36 community performances, 440 film screenings and live broadcasts, as well as delivering more than 937 workshops and classes. Audience figures exceeded 54,000, with c 10,000 attendances at creative arts activities.

Live programme

ARC has continued to deliver an exciting and diverse programme of activity, engaging and connecting people to each other and to new ideas.

Theatre, dance and multi-disciplinary work

We continued to support theatre, dance and multi-disciplinary artists to develop new work in partnership with ARC, to strengthen relationships and help us build deeper connections with our communities.

Examples include ARC's first commissioned show for 2023/24, Guest House by Displace Yourself Theatre and Creating Together, which explored the power of kindness, featuring many of the regular participants from our local refugee and asylum seeker communities; a new piece from Unfolding Theatre called Night Classes, co-created with communities and featuring a strong BSL element; Stockton's first Pop-up Pride, curated by Curious Arts with support from ARC and other partners, featuring a re-staging of Audrey Cook's show, Ricky the Itch which was first commissioned in 2022 by SIRF via the Tees Valley New Creatives programme.

Stockton Arts Centre

Trustees' report (*continued*)

For the year ended 31 March 2024

ARC's produced work included a national tour of Luca Rutherford's *You Heard Me* with performances at ARC, a three week run at BAC in London followed by three weeks national touring and a performance and regional tour of Umar Butt's *Welcome to the Jungle*.

This year also saw the launch of a new community co-commissioning programme, *Make New Work* supported by Paul Hamlyn Foundation and Arts Council England. This enabled us to offer a number of seed commissions to artists as well as full commissions to develop new work inspired by provocations from the community.

Comedy & Music

We continued to attract high profile comedians to ARC, including Jenni Eclair, Ed Byrne, Reginald D Hunter and Josh Pugh, while our music programme continues to attract well-established bands and artists, such as Fairport Convention and PP Arnold with sellouts including Neville Staple, The Zombies and local band The Wildcats of Kilkenny. In January, we supported KU Promotions to bring *The Libertines* to ARC which sold out and brought profile to the programme.

Due to Easter dates, *Stockton Calling* had 2 outings in this year, each attracting c2,000 to a day-long music festival delivered in partnership with Tees Music Alliance and KU, featuring nine stages and more than 70 bands each time.

Family

ARC's family programme presented some of the best companies in the UK, including Fidget Theatre, Associate Company Kitchen Zoo and Full House Theatre, with shows for 3–7-year-olds throughout the year as well as a Christmas show for this age range. We continue to support and co-commission family work in order to ensure we can present work that is relevant to, and reflective of, our local community.

In 2023/24 this included our sixth co-commissioned Christmas show with *The Albany* in Deptford, *Well Done*, *Mummy Penguin* by *Can't Sit Still*.

Creative learning

We have continued to develop our creative learning programme, focussing on the quality of provision and a user-led ethos in terms of activity.

We work with a number of strategic partners to ensure we are reaching children and young people who have the least opportunity to engage in cultural activity. These include relationships with Cornerhouse Youth Project (*We Are TS18* – a dance group of young people from deprived backgrounds) and Stockton on Tees Borough Council, around our *More Stuff Like This Please!* programme of activity for children and young people in care.

ARC's programme of daytime activity continued to offer a range of regular workshops and classes including creative art, ballet pilates and music, supplemented by occasional workshops in activities as varied as needlefelt, glass and calligraphy.

We continued to deliver *Staying Out*, an opportunity for older people either at risk of admission to or recently discharged from hospital. Funded by Stockton Borough Council through the Better Care Fund, its aim is to reduce hospital admissions/re-admissions through improving people's social interaction and sense of wellbeing. *Staying Out* operates as an alternative to day care, providing a day long programme of creative activities such as arts and crafts, music and singing, creative use of technologies and creative writing.

We also continued to provide activity, space and events for the Holiday Activities and Food (HAF) programmes, welcoming young people from across the borough to ARC.

Trustees' report (*continued*)

For the year ended 31 March 2024

Community-led programme

ARC's community-led programme continues to make an important contribution to the overall life of the centre, enabling us to reach a wider cross-section of our local community, helping to realise their creative ambitions. During 2023/24 we supported more than 40 community performances, featuring more than 1,000 young people performing and attracting audiences of c10,000.

Other community-led activity included Festival of Light and Colour (Diwali) and Pizza and Pitches, our community commissioning programme which invites local people to share their ideas for creative activity, which are voted on by an audience.

Cinema

Our cinema programme continued to show a range of mainstream and arthouse films supplemented by a number of live broadcasts from the National Theatre. ARC also hosted the second annual Tees Valley International Film Festival with over 1500 attendees across the 4 days.

We have continued regular screenings of family films, providing opportunities for families to see films together every Saturday morning and during school holidays.

Exhibitions

We use our top floor foyer Gallery space to help reflect our local community, through exhibitions that are either locally curated or feature locally produced artworks. With a more coherent and consistent programme, we have been able to increase visitors as well as host a number of successful preview and launch events. Exhibitions included work created or curated by Adam McLean, Staying Out and Arts & Minds Participants, The Northern School of Arts graduates and IN/Visible Disabled Women's National Arts Collective.

Supporting artists

ARC's programme of support for performance-based artists continues to make a positive impact and become further integrated within our core-programme, audience development and creative learning activity. Across 2023/24, ARC supported the development of more than 50 new performances by some of the UK's most exciting artists, including Tommy the Queer Historian, Akeim Toussaint Buck and Divija Melally. We also endeavoured to support a diverse range of North East based artists Vici Wreford-Sinnott, Scott Turnbull, Joseph Caslin, Eppie Brilliant, Saya Naruse and Audrey Cook.

ARC's continued rental of a house in Stockton enabled us to offer free workspace and accommodation to artists across the year.

ARCADE, the performance artist network, consists of c100 active members from across the North of England. During the year, artists benefited from 2,000 hours of free space for R&D and rehearsals, and 150+ one-to-one surgery sessions.

During 2023/24, we continued to deliver Tees Valley New Creatives, a career starting programme of free support to help people completing further and higher education creative courses secure employment in the cultural industries and unlock new opportunities in their fields.

Trustees' report (*continued*)

For the year ended 31 March 2024

Partnerships

ARC works both locally and nationally. Partnership working has remained key to ARC's activity, as we continued to lead on initiatives including Venues North, a network committed to supporting new and emerging artists from the North to get their work more widely seen regionally, nationally and internationally, and until October 2023 co-led Future Arts Centres (FAC), a network of more than 100 arts centres across the UK.

Venues North continued to build its paid membership providing a financial contribution towards time and travel costs for artists presenting at the meetings.

Future Arts Centres successfully applied to join Arts Council England's National Portfolio as an Investment Principles Support Organisation. In April 2023, FAC became an independent company with its own board of directors but retains its virtual base at ARC.

Equality and diversity

ARC is committed to achieving equality and diversity in all aspects of our work and activities. Through our equality policy and action plan, approved by the Board, we have continued to embed diversity throughout our work.

We have built on our experience around disability through the Cultural Shift programme, which officially concluded in March 2018. The programme made a significant long-term impact on the organisation, in terms of our artistic programme, practice, workforce and audiences. Legacy work has continued including support for our resident learning-disabled theatre company, Full Circle, disabled-led club nights and an ongoing commitment to supporting and presenting disabled artists. Vici Wreford-Sinnott, who led our Cultural Shift programme, remains an Associate Artist, supported to make new work at ARC.

We continued to improve access facilities and communication, offering relaxed performances and screenings, BSL interpreted performances, subtitled films and audio description on all film screenings where available.

Inspired by the North East initiative Culture Against Racism, we developed and published our first Anti-Racism plan in 2021. Board and staff members were involved in identifying ways we could better educate ourselves, diversify our workforce, continue to ensure our programme is representative and hold ourselves accountable. We have continued to develop and regularly monitor an annual plan as well as make a public report on progress in June each year.

We continue to work closely with Curious Arts to shift our practice in relation to those identifying as LGBTQIA+, and with support from Film Hub North, delivered the second year of Bigger Picture, an initiative to increase South Asian representation amongst both our film programme and audiences. We have continued to work with Displace Yourself to engage local refugees and asylum seekers through a monthly creative session.

We published our diversity statistics for 2023-24 as part of our commitment to transparency:

Workforce (staff/Board)	2023/2024
Disabled	14%
LGBTQIA+	15%
Global Majority	12%
Working class backgrounds	28%

Global Majority artists are generally under-represented in our programmes and we will seek to address this in the years to come through pro-active programming and relationship building with key local partners.

Strategic development

ARC continues to play an important role in strategic cultural development locally and nationally. Outgoing Chief Executive & Artistic Director Annabel Turpin was Deputy Chair of the Local Enterprise Partnership (LEP) and Theme Lead for Creative Place and led an independent Cultural Industries and Visitor Economy Task Force, which oversaw the Tees Valley Combined Authority's £1m cultural recovery programme. Incoming Chief Executive Alexander Ferris will play an active part on the Tees Valley Creative Place Advisory Group, which informs the Combined Authority's strategy and investment plans and has helped to design a number of the Combined Authority's key strategic projects such as Tees Valley Artist of the Year. Members of the Creative Learning team also contribute to Tees Valley Creative Education Partnership.

Audiences and participants

More than 54,000 watched live performance and film screenings at ARC in 2023/24, with c10,000 attendances at creative learning activities.

We have continued to employ dynamic pricing (budget airline style), as well as the innovative 'Pay What You Decide' model, first introduced in 2015, to ensure we are maximising both audiences and income. PWYD has been phenomenally successful, leading to significant increases in audience and income for new work. We published a free toolkit in May 2016, updated in 2019, and continue to offer advice and support to venues around the world adopting our approach.

We continue to use our comedy and music programme to maintain our cross-subsidy model, enabling us to support the development of a significant amount of new theatre and dance work.

We have maintained the breadth of our audience reach. Analysis of our audience data for 2023/24 has shown that 29.1% fall into the least engaged Audience Spectrum categories (compared to 28.3% in 2023/24), against a target of 20%:

- 8.9% - Up our Street
- 12.8% - Frontline Families
- 3.7% - Kaleidoscope Creativity
- 4.7% - Heydays

This achievement in terms of the breadth of our audiences has been underpinned by strong and consistent programming as well as high quality, targeted marketing and development activity.

All our marketing and promotion is highly targeted and supported by excellent data capture, fully compliant with GDPR. We continue to develop our marketing and audience development activity, with a drive to entice previous audiences back, post pandemic, increase frequency of attendance and attract new audiences.

We monitor feedback from audiences and artists via post-show talks, both formal/informal; social media; weekly discussions at staff meetings; Arts Council assessments and online surveys. Our annual survey for 2023/24 shows 96.7% of customers rated their overall enjoyment as Good or Excellent; 97% rated the quality of the event as Good or Excellent and 95.6% rated value for money as Good or Excellent.

No 60 – food and drink

ARC wholly owned trading subsidiary company (Stockton Arts Centre (Trading) Ltd) which provides ARC's catering service under the brand 'No 60'.

ARC recognises that No 60 makes an important contribution to the way customers perceive the organisation, playing a key part in providing a safe, welcoming place where people enjoy positive, social interaction alongside creative activities and cultural experiences. In addition, No 60 makes a financial contribution, which amounted to c£75,000 paid to the parent company at the end of the year, over and above management charges.

Trustees' report (*continued*)

For the year ended 31 March 2024

Fundraising

ARC's fundraising activity is led by the Chief Executive, supported by other staff. ARC operates outside of the voluntary fundraising regulator scheme, as the organisation's fundraising expenditure is well below the limit of £100,000 that requires registration. However, we are aware of the code and ensure that we operate in accordance with it at all times. Our fundraising activity targeting individuals is almost exclusively carried out at the point of ticket sale, minimising the risk of any individual being approached in a persistent or intrusive way.

4. Financial review

Following a number of years achieving a trading surplus and building reserves, ARC went into the pandemic in a reasonably strong financial position. This position was maintained through effective use of the Job Retention Scheme alongside successful fundraising from sources including Arts Council England's Culture Recovery Fund, Stockton Borough Council's Small Business Support scheme, trusts and foundations such as the Weston Culture Fund and Esme Fairbairn, and sector-specific support from Film Hub North.

ARC's Statement of Financial Activities show a turnover of £2.7m in 2023/24, in line with last year (£2.2m) and a return to pre-pandemic levels.

In June 2020, in light of the pandemic, the Trustees agreed an increase to the level of reserves set in our reserves policy from £210k (equivalent of three months operational costs) to £250k.

The Trustees agreed to use part of the reserves over two years to aid the post Covid 19 recovery.. The reserves are therefore expected to drop below the target level of £250k during 2024/25. They are £316,332 as at 31 March 2024. ARC plans to begin to rebuild them from 2025/26, at which point the target level will be revisited, taking inflation into account.

Financial plans and forecasts have been revised on the basis of expected scenarios going forward and Trustees are satisfied that ARC has adequate resources to continue as a going concern for the coming year.

ARC's forward plans are focussed on continuing to rebuild our income from all sources, particularly our earned income which was reduced to zero during the closure. We will continue to seek funding from other sources, including charitable trusts and foundations, and invite the public to make donations to support our ongoing charitable activity.

ARC is currently part of Arts Council England's National Portfolio and has secured funding for a further two years through to 2025/26, and has also agreed continued funding with Stockton on Tees Borough Council (SBC) for the same period, under an ongoing service level agreement. Both SBC and ACE nominate observers to monitor the charitable objectives through attendance at the quarterly Board meetings.

Pay and remuneration for staff is approved as part of the annual budget review. The Chief Executive recommends any organisation-wide increase, taking into account current trends and levels of inflation, which is discussed and approved by the Board. The Chief Executive's pay sits outside of this process and is discussed and approved by the Board following an annual performance review. ARC regularly benchmarks salaries with other UK arts centres which feeds into these processes.

Trustees' report (*continued*)

For the year ended 31 March 2024

Risk management

The trustees monitor progress against ARC's Business Plan and have risk management processes in place. There is a comprehensive review of risks annually, as part of the business planning process, with ongoing review at each board meeting. As part of this process, the trustees have further improved the risk management strategy and process, categorising across four areas – governance and management, physical, financial and artistic. The likelihood and possible impact of risks are graded as high, medium or low. Specific action, systems, controls and procedures are in place to mitigate identified risks. There were three risks categorised as high during 2023/2024.

The most significant risk was the impact of increasing inflation levels. To mitigate this, monthly monitoring of impact of increasing costs and box office income on budget, with proactive management including quarterly EOY projections, to allow for rescoping of activity and spending as necessary is in place. This risk has been downgraded in 2024.

Reduced availability of funding from foundations, trusts etc as competition for funds increases has also been flagged as a high risk. Actions in place include maintaining ARC's strong track record of delivery, credibility and profile with grant-awarding bodies; developing impactful grant applications, based on clear strategy and well-developed outcomes, relevant to current circumstances; and monitoring applications regularly and taking early action to cut expenditure if grants not secured.

Physical risks include failure of essential plant and equipment. To mitigate this risk ARC has successfully fundraised and invested more than £1m since 2013 in capital improvements, replacements and renewals. Alongside this, a proactive repairs and maintenance programme is in place.

5. Plans for future periods

Despite the challenges posed by COVID-19 recovery and the current economic situation, ARC is positive about its future. The Business Plan for 2023-2026 sets out our longer-term recovery plans as well as ambitions for the future. We are carefully considering our operational and financial capacity, to ensure ARC remains agile and well placed for the future.

Our close monitoring and robust financial management will ensure that we continue to react to changes in time to make necessary interventions.

Objectives - Creative Programme

- Continue to develop a collaborative approach to presenting outstanding live performances, film screenings, exhibitions, digital work, artist-led and creative learning activities that reflect our vision and artistic policy and excite our audiences
- Deliver activities which enable a diverse range of artists and creative practitioners to develop their ideas, practice and networks to support sustainable careers
- Involve our communities meaningfully and deeply in all aspects of ARC's work, increasing support for community-led creative activity
- Influence within and beyond the sector, leading regional and national networks contributing to national and international debates and driving outstanding practice and outcomes

Trustees' report (*continued*)

For the year ended 31 March 2024

Objectives - Audiences and Communities

- Provide the best vibrant, creative and social spaces where our communities can feel safe and welcome, and enjoy a sense of ownership
- Better listen, understand and reflect the needs and interests of local people in our programme and behaviours, through innovative and purposeful engagement both at ARC and by reaching into our communities
- Deploy creative and cost-effective multi-channel and targeted approaches to increase the number of people engaging with ARC
- Proactively identify and take positive action to remove barriers to participating in and experiencing cultural activity for all under-represented and disenfranchised groups

Objectives - Organisation

- Drive activity to reduce our environmental impact in all areas of our work, including programme, behaviours, building and café bar
- Continue our commitment to recruit and develop diverse, skilled and visionary staff, creative practitioners and Board members who are committed to positive organisational and societal change through arts and culture
- Optimise existing partnerships and forge new collaborations within and outside the cultural sector to improve outcomes for local people by working together
- Maintain a flexible and adaptable approach to delivery to ensure we can be genuinely artist and community-led, opportunistic and entrepreneurial, continuing to seek ways of diversifying decision-making within the organisation
- Maximise ARC's earned income, grants and donations and achieve efficiency targets as set out in our annual budgets, to contribute to our overall financial resilience

Trustees' report (*continued*)

For the year ended 31 March 2024

Statement of trustees' responsibilities

The trustees, who are also the directors of Stockton Arts Centre for the purposes of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Executive Committee to prepare financial statements for each financial year which give a true and fair view of both the charitable company's and the group's state of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. In preparing these financial statements, the Executive Committee is required to:

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make adjustments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts 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.


So far as each of the trustees is aware at the time the report is approved:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditors

CLA Evelyn Partners Limited have indicated their willingness to continue in office, and a resolution concerning their reappointment will be put forward at the Annual General Meeting.

Approved by the board on 18th December 2024 and signed on their behalf by:


.....
K C Craddock
Chair

**Independent Auditors' Report to the members of Stockton Arts Centre
For the year ended 31 March 2024**

Opinion

We have audited the financial statements of Stockton Arts Centre (the 'charitable company') and its subsidiary (the 'group') for the year ended 31 March 2024 which comprise the Statement of Financial Activities, the Consolidated Balance Sheet, the Charity Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and charitable company's affairs as at 31 March 2024, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 charitable company 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 at least twelve 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.

Independent Auditors' Report to the members of Stockton Arts Centre (Continued)
For the year ended 31 March 2024

Other information

The other information comprises the information included in the trustees 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.

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 (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' 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 by the parent charitable company, 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 directors' 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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 11 the trustees (who are also the directors of the charitable company 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 group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Independent Auditors' Report to the members of Stockton Arts Centre (*Continued*)
For the year ended 31 March 2024

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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.

We obtained an understanding of the legal and regulatory framework applicable to both the company itself and the industry in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the directors and other management. The most significant were identified as the Companies Act 2006, UK GAAP (FRS102) and relevant tax legislation. We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statements. Our audit procedures included:

- confirming with the directors and management whether they have any knowledge or suspicion of fraud;
- obtaining an understanding of the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- assessing the risk of management override including identifying and testing a sample of journal entries;
- confirmation received from the bank to verify the balance as on the last day of the accounting year; and
- review of minutes of meetings of those charged with governance.

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our audit report.

Independent Auditors' Report to the members of Stockton Arts Centre (*Continued*)
For the year ended 31 March 2024

Use of our report

This report is made solely to the charitable company'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 charitable company'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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Craig Henderson (Senior Statutory Auditor)
For and on behalf of CLA Evelyn Partners Limited

.....18 December 2024.....

Statutory Auditors

17 Queens Lane
Newcastle upon Tyne
NE1 1RN

Consolidated Statement of Financial Activities (Including Income and Expenditure Account)
For the year ended 31 March 2024

	Notes	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2024 £	Total 2023 £
Income from:						
Donations	4	550,404	-	-	550,404	466,775
Charitable activities	5	926,786	-	793,588	1,720,374	1,347,592
Other trading activities	6	386,517	-	-	386,517	337,338
Investments	7	10,768	-	-	10,768	3,423
Total income		<u>1,874,475</u>	<u>-</u>	<u>793,588</u>	<u>2,668,063</u>	<u>2,155,128</u>
Expenditure on:						
Raising funds	8	355,522	-	-	355,522	306,363
Charitable activities	9	1,664,172	26,178	917,434	2,607,784	2,063,078
Total expenditure		<u>2,019,694</u>	<u>26,178</u>	<u>917,434</u>	<u>2,963,306</u>	<u>2,369,441</u>
Net expenditure		(145,219)	(26,178)	(123,846)	(295,243)	(214,313)
Transfers	17	96,755	(96,755)	-	-	-
Net movement in funds		<u>(48,464)</u>	<u>(122,933)</u>	<u>(123,846)</u>	<u>(295,243)</u>	<u>(214,313)</u>
Reconciliation of funds						
Fund balances brought forward		364,796	232,515	699,790	1,297,101	1,511,414
Fund balances carried forward		<u>316,332</u>	<u>109,582</u>	<u>575,944</u>	<u>1,001,858</u>	<u>1,297,101</u>

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

All income and expenditure derive from continuing activities.

Stockton Arts Centre

Consolidated Balance Sheet As at 31 March 2024

	Notes	£	2024 £	£	2023 £
Fixed assets					
Tangible assets	13		506,185		530,242
Current assets					
Stocks		13,311		11,986	
Debtors	15	273,638		261,207	
Cash at bank and in hand		791,046		936,794	
			1,077,995	1,209,987	
Creditors: amounts falling due within one year	16	(582,322)		(443,128)	
Net current assets			495,673		766,859
			1,001,858		1,297,101
The funds of the charity:					
Restricted funds			575,944		699,790
Unrestricted funds:					
General fund			316,332		364,796
Designated funds			109,582		232,515
	17		1,001,858		1,297,101

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the Board of Trustees on 18th December 2024 and are signed on their behalf by:

Kate Craddock

K C Craddock
Chair

Company Registration Number: 04591795

The notes on pages 20 to 36 form part of these financial statements

Stockton Arts Centre

Charity Balance Sheet As at 31 March 2024

	Notes	£	2024 £	£	2023 £
Fixed assets					
Tangible assets	13		506,185		530,242
Investments	14		1		1
			<u>506,186</u>		<u>530,243</u>
Current assets					
Debtors	15	282,804		305,709	
Cash at bank and in hand		703,041		891,547	
		<u>985,845</u>		<u>1,197,256</u>	
Creditors: amounts falling due within one year	16	(565,551)		(460,439)	
Net current assets			420,294		736,817
			<u>926,480</u>		<u>1,267,060</u>
The funds of the charity:					
Restricted funds			575,944		699,790
Unrestricted funds:					
General fund			240,954		334,755
Designated funds			109,582		232,515
	17		<u>926,480</u>		<u>1,267,060</u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the Board of Trustees on 18th December... 2024 and are signed on their behalf by:

Kate Craddock

K C Craddock
Chair

Company Registration Number: 04591795

The notes on pages 20 to 36 form part of these financial statements

Consolidated Statement of Cash Flows
For the year ended 31 March 2024

	Notes	2024 £	2023 £
Cash flows from operating activities			
<i>Net cash used in operating activities</i>	24	(142,637)	(134,006)
Cash flows from investing activities			
Interest received		10,768	3,423
Purchase of tangible fixed assets		(13,879)	(11,812)
<i>Net cash used in investing activities</i>		(3,111)	(8,389)
Change in cash and cash equivalents		(145,748)	(142,395)
Cash and cash equivalents at the beginning of the year		936,794	1,079,189
Cash and cash equivalents at the end of the year		791,046	936,794
Breakdown of cash and cash equivalents			
Cash at bank and in hand		791,046	936,794

**Notes to the financial statements
for the year ended 31 March 2024**

1. Accounting Policies

Charity information

Stockton Arts Centre is a private company limited by guarantee incorporated in England and Wales. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the charitable company.

1.1. Accounting convention

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) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

Stockton Arts Centre meets the definition of a public benefit under FRS 102. The financial statements are prepared under the historical cost convention or transaction value unless otherwise stated in the relevant accounting policy note(s). The financial statements are prepared in Sterling which is the functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

1.2. Going concern

The financial statements have been prepared on a going concern basis. The Trustees have reviewed and considered relevant information, including the annual budget and future cash flows in making their assessment over the next 12 months.

1.3 Basis of consolidation

The group financial statements consolidate the financial statements of the charitable company and its subsidiary undertaking. Stockton Arts Centre (Trading) Limited, drawn up to 31 March each year on a line-by-line basis. No income and expenditure account is presented for Stockton Arts Centre as permitted by section 408 of the Companies Act 2006.

**Notes to the financial statements (*Continued*)
for the year ended 31 March 2024**

1.4 Fund structure

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purpose and uses of the designated funds are set out in the notes to the accounts.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

1.5 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Income from grants, including government grants is recognised when the performance conditions of the grant are met and when the charity becomes entitled to the income.

When donors specify that donations and grants given to the charity must be used in future accounting periods, the income is deferred until those periods.

When donors specify that donations and grants are for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, this income is included in restricted funds income when receivable.

Other trading activities income is recognised when receivable by the charity.

Investment income is recognised when receivable by the charity.

1.6 Resources expended

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is possible that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered.

Expenditure which is directly attributable to specific activities has been included in these cost categories.

Expenditure on raising funds represents those costs associated with generating the trading income.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries

**Notes to the financial statements (*Continued*)
for the year ended 31 March 2024**

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost of valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following basis:

Land and buildings	Nil
Equipment	2 – 10 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/ (expenditure) for the year.

The trustees consider that the freehold building is maintained in such a state of repair that its residual value is at least equal to its net book value. As a result the corresponding depreciation would not be material and is therefore not charged in the Statement of Financial Activities.

1.8 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/ (expenditure) for the year. Transaction costs are expensed as incurred.

A subsidiary is an entity controlled by the charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.9 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.10 Stock

Stock is stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is comprised of direct materials.

1.11 Debtors

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

1.12 Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.13 Creditors and provisions

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

**Notes to the financial statements (*Continued*)
for the year ended 31 March 2024**

1.14 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors are initially recognised at transaction. Financial liabilities classified as payable within one year are not amortised.

1.15 Pensions

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.16 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease.

1.17 Corporation tax

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. The group companies relieve their tax liability by making Gift Aid payments to the parent charity within nine months of the year end.

2. Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated 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 ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

There are no significant estimates.

Notes to the financial statements (*Continued*)
for the year ended 31 March 2024

3. Comparatives for the Statement of Financial Activities

	Notes	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2023 £
Income from:					
Donations	4	466,775	-	-	466,775
Charitable activities	5	487,071	7,184	853,337	1,347,592
Other trading activities	6	337,338	-	-	337,338
Investments	7	3,423	-	-	3,423
Total income		1,294,607	7,184	853,337	2,155,128
Expenditure on:					
Raising funds	8	306,363	-	-	306,363
Charitable activities	9	1,163,677	26,178	873,223	2,063,078
Total expenditure		1,470,040	26,178	873,223	2,369,441
Net income/expenditure		(175,433)	(18,994)	(19,886)	(214,313)
Transfers		203,245	(203,245)	-	-
Net movement in funds		27,812	(222,239)	(19,886)	(214,313)
Reconciliation of funds					
Fund balances brought forward		336,984	454,754	719,676	1,511,414
Fund balances carried forward		364,796	232,515	699,790	1,297,101

4. Donations

	2024 £	2023 £
Donations and gifts	17,377	13,748
Core grants	533,027	453,027
	550,404	466,775
Core grants analysis		
Arts Council England	371,723	311,723
Stockton Borough Council	161,304	141,304
	533,027	453,027

Notes to the financial statements (Continued)
for the year ended 31 March 2024

5. Income from charitable activities

	2024	2023
	£	£
Core Programme	726,368	674,541
Live Programme	574,574	397,093
Cinema	50,887	48,680
Creative Programme	362,592	257,107
Strategic Programme	5,953	212
	<u>1,720,374</u>	<u>1,377,633</u>

6. Other trading activities

	2024	2023
	£	£
Catering income	295,803	225,456
Services and retail	6,746	17,978
Room hire	74,802	79,278
Box office charges	9,166	14,626
	<u>386,517</u>	<u>337,338</u>

7. Investments

	2024	2023
	£	£
Interest receivable	10,768	3,423
	<u>10,768</u>	<u>3,423</u>

8. Raising funds

	2024	2023
	£	£
Catering expenditure	132,071	103,302
Catering staff costs	95,100	84,066
Marketing	55,337	54,197
Wages and salaries	73,014	65,071
	<u>355,522</u>	<u>306,636</u>

Notes to the financial statements (*Continued*)
for the year ended 31 March 2024

9. Expenditure on charitable activities

	Directly attributable costs £	Support costs £	2024 £	2023 £
Core Programme	1,387,385	400,616	1,788,001	1,411,919
Live Programme	397,520	114,787	512,307	373,442
Cinema	29,432	8,499	37,931	45,056
Creative Programme	185,834	53,661	239,495	252,907
Strategic Programme	23,317	6,733	30,050	37,334
	<u>2,023,488</u>	<u>584,296</u>	<u>2,607,784</u>	<u>2,120,658</u>

Analysis of support costs

	Core Programme £	Live Programme £	Cinema £	Creative Programme £
Staff costs	84,103	24,098	1,784	11,265
Depreciation	26,010	7,453	552	3,484
Property costs	134,478	38,531	2,853	18,013
Other costs	42,192	12,089	895	5,651
Administrative costs	93,736	26,858	1,989	12,556
Governance costs	20,097	5,758	426	2,692
	<u>400,616</u>	<u>114,787</u>	<u>8,499</u>	<u>53,661</u>

	Strategic Programme £	Total 2024 £	Total 2023 £
Staff costs	1,413	122,663	149,646
Depreciation	437	37,936	43,125
Property costs	2,260	196,135	197,382
Other costs	710	61,537	45,071
Administrative costs	1,575	136,714	104,227
Governance costs	338	29,311	20,665
	<u>6,733</u>	<u>584,296</u>	<u>560,116</u>

Support costs have been split based on direct costs, 69% core programme, 20% live programme, 1% cinema, 9% creative and 1% strategic. Prior year split was 66% core programme, 18% live programme, 2% cinema, 12% creative and 2% strategic.

Notes to the financial statements (Continued)
for the year ended 31 March 2024

10. Governance costs

	2024	2023
	£	£
Auditors' remuneration	11,000	6,200
	<u> </u>	<u> </u>

11. Net income/(expenditure) for the year

	2024	2023
	£	£
This is stated after charging:		
Depreciation	37,936	43,125
Fees payment to the auditors'		
Audit fees for the charitable company's accounts	9,000	6,200
Accounts fees for the subsidiary	2,000	1,500
Taxation compliance for the subsidiary	500	-
	<u> </u>	<u> </u>

12. Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

The total staff costs and employees benefits is as follows:

	2024	2023
	£	£
Wages and salaries	843,213	755,701
Social security costs	61,241	53,786
Pension costs	13,994	12,856
	<u> </u>	<u> </u>
	918,448	822,343
	<u> </u>	<u> </u>

**Notes to the financial statements (*Continued*)
for the year ended 31 March 2024**

12. Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel (*Continued*)

The average monthly number of employees during the year was:

	2024	2023
	Number	Number
Administration, marketing and commercial staff	29	29
Operational staff	24	27
Catering staff	17	17
	<hr/> 70	<hr/> 73
	<hr/> <hr/>	<hr/> <hr/>

The number of employees who received total employee benefits (excluding employer pension costs) of more than £60,000 is as follows:

	2024	2023
	No.	No.
£60,001 - £70,000	1	1
	<hr/>	<hr/>

The key management personnel of the charity comprise the trustees, the Chief Executive Officer and Operations Director. The total employee benefits of the key management personnel of the charity were £108,944 (2023 - £135,690).

Trustees' remuneration and expenses

The trustees were not paid, nor waived, any remuneration during the year (2023 - £nil). No trustees were reimbursed travel expenses during the year (2023 - £nil). No charity trustee received payment for professional services supplied by the charity (2023 - £nil).

Notes to the financial statements (Continued)
for the year ended 31 March 2024

13. Tangible fixed assets
Group and Company

	Land and Buildings	Equipment	Total
	£	£	£
Cost			
At 1 April 2023	350,000	850,782	1,200,782
Additions	-	13,879	13,879
At 31 March 2024	350,000	864,661	1,214,661
Depreciation and impairment			
At 1 April 2023	-	670,540	670,540
Depreciation charged in the year	-	37,936	37,936
At 31 March 2024	-	708,476	708,476
Carrying amount			
At 31 March 2024	350,000	156,185	506,185
At 31 March 2023	350,000	180,242	530,242

The freehold and buildings is included in the financial statements at the amount paid to the liquidators of ARC Trust Limited. The professional valuation obtained by the liquidators reflected the market value of the facility, at March 2005, as adjusted for the covenants as detailed in note 20.

14. Fixed asset investment

	Group 2024	Group 2023	Charity 2024	Charity 2023
	£	£	£	£
Shares in subsidiary undertaking	-	-	1	1

Investments held by the charity represent a £1 investment in the subsidiary company which represents 1 £1 ordinary share being 100% of the issued share capital of Stockton Arts Centre (Trading) Limited (company number 09490242). The subsidiary is used for non-primary purpose trading activities. The principal activity of this company is the provision of a food and drink service at ARC. A summary of the trading results are shown below:-

Notes to the financial statements (Continued)
for the year ended 31 March 2024

14. Fixed asset investment (Continued)

	2024	2023
	£	£
Turnover	302,549	225,456
Costs of sales	(111,170)	(88,356)
Administrative expenses	(116,001)	(106,915)
Profits	<u>75,378</u>	<u>30,297</u>
Assets	101,316	57,462
Liabilities	(25,938)	(27,420)
Net assets	<u>75,378</u>	<u>30,042</u>

Results of parent company

As permitted by section 408 of the Companies Act 2006, the results of the parent company are not presented as part of these financial statements. As required by the Charity SORP, the results of the parent company are as follows:

	2024	2023
	£	£
Total incoming resources	2,395,555	1,959,713
Net movement in funds	(340,580)	(211,828)

15. Debtors

	Group	Group	Charity	Charity
	2024	2023	2024	2023
	£	£	£	£
Trade debtors	38,579	115,266	38,579	115,266
Prepayments and accrued income	235,059	144,428	235,059	144,428
Other debtors	-	1,513	-	1,284
Amounts owed by group undertakings	-	-	9,166	44,731
	<u>273,638</u>	<u>261,207</u>	<u>282,804</u>	<u>305,709</u>

16. Creditors: amounts falling due within one year

	Group	Group	Charity	Charity
	2024	2023	2024	2023
	£	£	£	£
Trade creditors	179,818	124,876	167,544	118,589
Taxes and social security costs	26,257	22,112	26,257	22,112
Other creditors	46,646	19,654	46,646	19,654
Accruals and deferred income	329,601	276,486	325,104	300,084
	<u>582,322</u>	<u>443,128</u>	<u>565,551</u>	<u>460,439</u>

Notes to the financial statements (*Continued*)
for the year ended 31 March 2024

16. Creditors: amounts falling due within one year (*Continued*)

Deferred income

Deferred income relates to income received for events held post year end.

	£
At 1 April 2023	210,330
Amounts released to income	(210,330)
Additions during the year	158,666
	<hr/>
At 31 March 2024	158,666
	<hr/>

Notes to the financial statements (*Continued*)
for the year ended 31 March 2024

17. Statement of funds

For the year ended 31 March 2024

	Balance at 1 April 2023 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2024 £
Unrestricted funds					
General fund	364,796	1,874,475	(2,019,694)	96,755	316,332
Designated funds					
COVID Recovery Fund	96,755	-	-	(96,755)	-
Capital fund (2017)	96,096	-	(20,505)	-	75,591
Capital fund (2020)	26,326	-	(4,079)	-	22,247
Capital fund (2021)	6,872	-	(876)	-	5,996
Capital fund (2023)	6,466	-	(718)	-	5,748
	232,515	-	(26,178)	(96,755)	109,582
Total unrestricted funds	597,311	1,874,475	(2,045,872)	-	425,914
Restricted funds					
Arts Council England	350,000	-	-	-	350,000
Young People's projects	11,753	29,650	(36,603)	-	4,800
Staying Out project	8,047	26,750	(29,746)	-	5,051
SIRF Projects	49,564	-	(36,764)	-	12,800
Associate Artist & Company Projects	96,037	534,804	(520,959)	-	109,882
Venues North	5,101	9,713	(7,676)	-	7,138
Tees Valley Combined Authority	70,989	62,931	(133,920)	-	-
Future Arts Centre	5,876	77	(5,953)	-	-
Arts and Minds	39,712	72,123	(38,597)	-	73,238
Rix Thompson Rotherburg Foundation	19,140	5,100	(24,240)	-	-
Collaborative Artistic Projects	43,571	38,190	(72,976)	-	8,785
North East Exchange	-	1,500	-	-	1,500
Wellington Square Shopping Centre	-	2,750	-	-	2,750
Film Hub North – Bigger Picture	-	10,000	(10,000)	-	-
Total restricted funds	699,790	793,588	(917,434)	-	575,944
	1,297,101	2,668,063	(2,963,306)	-	1,001,858

Stockton Arts Centre

Notes to the financial statements (*Continued*) for the year ended 31 March 2024

For the year ended 31 March 2023

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2023 £
Unrestricted funds					
General fund	336,984	1,294,607	(1,470,040)	203,245	364,796
Designated funds					
COVID Recovery Fund	300,000	-	-	(203,245)	96,755
Capital fund (2017)	116,601	-	(20,505)	-	96,096
Capital fund (2020)	30,405	-	(4,079)	-	26,326
Capital fund (2021)	7,748	-	(876)	-	6,872
Capital fund (2023)	-	7,184	(718)	-	6,466
	454,754	7,184	(26,178)	(203,245)	232,515
Total unrestricted funds	791,738	1,301,791	(1,496,218)	-	597,311
Restricted funds					
Arts Council England	350,000	-	-	-	350,000
Young People's projects	38,878	38,300	(65,425)	-	11,753
Staying Out project	23,751	26,750	(42,454)	-	8,047
Training	500	-	(500)	-	-
SIRF Projects	30,900	82,000	(63,336)	-	49,564
Associate Artist & Company Projects	149,153	397,273	(450,389)	-	96,037
Venues North	7,000	1,817	(3,716)	-	5,101
Tees Valley Combined Authority	47,671	118,033	(94,715)	-	70,989
Access Fund North	7,791	1,300	(9,091)	-	-
Film Hub North – Bigger Picture	7,829	13,452	(21,281)	-	-
Thirteen Housing	3,840	8,000	(11,840)	-	-
Wellington Square Shopping Centre	1,188	-	(1,188)	-	-
Wide Open Community Fund	3,000	-	(3,000)	-	-
Future Arts Centre	48,175	212	(42,511)	-	5,876
Arts and Minds	-	71,910	(32,198)	-	39,712
Rix Thompson Rotherburg Foundation	-	19,790	(650)	-	19,140
Collaborative Artistic Projects	-	74,500	(30,929)	-	43,571
Total restricted funds	719,676	853,337	(873,223)	-	699,790
	1,511,414	2,155,128	(2,369,411)	-	1,297,101

**Notes to the financial statements (*Continued*)
for the year ended 31 March 2024**

Designated funds

COVID Recovery Fund – reserves have been designated to support against future deficits and costs impacted by the COVID pandemic.

Capital fund – relates to other fixed assets which are shown as designated funds. Depreciation is charged against this fund so that it equals the net book value of these assets.

Restricted funds

Arts Council England – this equals the value of the property, further details of the valuation are in note 13 and 20.

Young People's projects – relates to funding received from Stockton on Tees Borough Council for various youth projects, including targeted work with care-experienced children and young people.

Staying Out – related to funding from Stockton on Tees Borough Council for an ongoing programme of weekly creative arts sessions aimed at people aged 65+ who are socially isolated.

SIRF projects – relates to funding received from Stockton International Riverside Festival for artistic projects for the festival 2023.

Associate Artist & Company Projects – relates to monies received from artists for staffing and touring productions. The balance carried forward relates to productions which are not yet complete.

Venues North – relates to membership fees for this network managed by ARC, which is committed to supporting artists making new performance work in the North of England.

Tees Valley Combined Authority – relates to funding received to deliver strategic projects supporting cultural development in the Tees Valley.

Access Fund North – relates to a strategic grant received from Arts Council England to pilot a support scheme for disabled artists to access professional development opportunities.

Film Hub North – Bigger Picture – relates to funding received to increase the number of South Asian films within our cinema programme, and develop South Asian audiences.

Thirteen Housing – relates to funding received to support creative community engagement work with residents.

Wellington Square Shopping Centre – relates to funding received to support a series of artist commissions for the shopping centre.

Wide Open Community Fund – relates to funding received for Creating Together, a group of asylum seekers and refugees, to support a creative residency in June 2022.

Future Arts Centre – relates to funding received to support Future Arts Centres, a national network co-led by ARC and the Albany, and associated project activity.

Arts and Minds – relates to funding received from the Comic Relief SMILES fund via Middlesbrough & Stockton Mind, to deliver creative activity for adults with mild to moderate mental health conditions.

**Notes to the financial statements (*Continued*)
for the year ended 31 March 2024**

17. Statement of funds (*Continued*)

Rix Thompson Rotherburg Foundation – relates to funding received to support the delivery of learning disabled-led club nights in 2023/2024.

Collaborative Artistic Projects – relates to monies for collaborative projects delivered in conjunction with other partners.

North East Exchange - relates to membership fees for this network managed by ARC, which is committed to supporting artists across the North East.

18. Analysis of net assets between funds

For the year ended 31 March 2024

	Unrestricted Funds £	Designated funds £	Restricted funds £	Total £
Tangible assets	46,603	109,582	350,000	506,185
Net current assets	269,729	-	225,944	495,673
	<u>316,332</u>	<u>109,582</u>	<u>575,944</u>	<u>1,001,858</u>

For the year ended 31 March 2023

	Unrestricted Funds £	Designated funds £	Restricted funds £	Total £
Tangible assets	44,482	135,760	350,000	530,242
Net current assets	320,314	96,755	349,790	766,859
	<u>364,796</u>	<u>232,515</u>	<u>699,790</u>	<u>1,297,101</u>

**Notes to the financial statements (*Continued*)
for the year ended 31 March 2024**

19. Defined contribution retirement benefit scheme

The group operates a defined contribution pension plan for its employees. The amount recognised as an expense in the period was £13,994 (2023 - £12,856).

The defined contribution liability is allocated to unrestricted funds.

20. Financial commitments, guarantees and contingent liabilities

In the event of Stockton Arts Centre property at Dovecot Street, Stockton on Tees being sold and the net proceeds of sale not being used for the furtherance of the company's charitable purposes, then an amount of £200,000 (which is to be index linked from February 1997) would have to be paid to the Young Men's Christian Association and £81,000 (which is to be index linked from January 2004) to the Stockton Borough Council.

There is also a chattel mortgage on the property and certain equipment between Stockton Arts Centre and The Arts Council of England which states that a novated debt, equipment to the purchase price of the land and freehold property would have to be repaid to The Arts Council of England on the occurrence of certain events, such as the organisation ceasing to be a charity.

21. Related party transactions

There have been no related party transactions during the year (2023 – none).

Stockton Arts Centre

Notes to the financial statements *(Continued)* for the year ended 31 March 2024

24. Cash generated from operations

	2024	2023
	£	£
Deficit for the year	(295,243)	(242,125)
Adjustments for:		
Investment income	(10,768)	(3,423)
Depreciation of tangible fixed assets	37,936	43,125
Movements in working capital:		
Increase in stocks	(1,325)	(1,239)
Increase in debtors	(12,431)	21,400
Increase in creditors	139,194	48,256
Cash outflow from operations	(142,637)	(134,006)

25. Analysis of changes in net funds

The charity has no debt during the year.