CUSTOMS HOUSE TRUST LIMITED

England & Wales · Charity number 1032846

Details

Other names	THE CUSTOMS HOUSE
Status	Registered
Legal form	Charitable company
Company number	02848282
Registered	1994-02-08
Register	View on the Charity Commission register

Contact

Address	Mill Dam Theatre & Restaurant South Shields South Shields Tyne and Wear NE33 1ES
Phone	01914273749
Email	mail@customshouse.co.uk
Website	www.customshouse.co.uk

Activities

Objects: (1) TO PROMOTE, MAINTAIN, IMPROVE AND ADVANCE THE KNOWLEDGE, UNDERSTANDING AND APPRECIATION OF THE ARTS AND POPULAR CULTURE AMONG THE INHABITANTS OF THE BOROUGH OF SOUTH TYNESIDE AND ITS NEIGHBOURHOOD (2) TO ESTABLISH AND TO SECURE THE ESTABLISHMENT OF CENTRES FOR THE ARTS AND POPULAR CULTURE THROUGHOUT THE BOROUGH OF SOUTH TYNESIDE AND IN PARTICULAR AT THE OLD CUSTOM HOUSE BUILDING, MILL DAM, SOUTH SHIELDS AND TO EQUIP, MAINTAIN, MANAGE AND MARKET THE SAME, TOGETHER WITH RELATED CAPITAL PROJECTS WITHIN THE MILL DAM AREA OF SOUTH SHIELDS

Activities: Arts Centre offering Theatre, Cinema and Art Gallery. We deliver Arts in Education within South Tyneside and within the North East Region and are actively engaged in arts development as well as the use of the arts to promote social and economic regeneration.

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Classification

- **How:** Makes Grants To Organisations, Provides Human Resources, Provides Buildings/facilities/open Space, Provides Advocacy/advice/information, Sponsors Or Undertakes Research, Acts As An Umbrella Or Resource Body, Other Charitable Activities
- **What:** Education/training, Arts/culture/heritage/science
- **Who:** Children/young People, Elderly/old People, People With Disabilities, People Of A Particular Ethnic Or Racial Origin, The General Public/mankind

Geography

- **Area of benefit:** THE BOROUGH OF SOUTH TYNESIDE
- North Tyneside
- South Tyneside

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£3,117,161	£3,220,572	£656,254	61
2024-03-31	£2,980,960	£3,091,731	£759,665	57
2023-03-31	£2,505,140	£2,535,172	£870,196	54
2022-03-31	£2,057,029	£1,852,706	£899,995	39
2021-03-31	£1,520,910	£1,041,691	£698,211	46

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Trustees

Name	Role	Appointed
Adrian Jackson		2024-12-30
Arabella Plouviez		2023-03-27
David Cottam		2026-01-30
Desmond Young		2025-04-28
Eddie Czestochowski		2022-04-25
Jane Carter		2026-01-30
Ken Dawes		2022-06-13
Margaret Fay		2026-01-30
Raymond Spencer		2026-01-30
Richard Ord		2026-01-30
Tom Hall		2026-01-30

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CUSTOMS HOUSE TRUST LIMITED

England & Wales - Charity number 1032846

Accounts

Registered number: 02848282
Charity number: 1032846

THE CUSTOMS HOUSE TRUST LIMITED

(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

THE CUSTOMS HOUSE TRUST LIMITED
(A Company Limited by Guarantee)

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THE CUSTOMS HOUSE TRUST LIMITED
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITABLE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2025

Trustees	S J Mitchell, Chair (appointed as Chair 25 November 2024) M Fay (resigned 25 November 2024) S Anderson (appointed 30 December 2024, resigned 14 October 2025) L G Barrett (resigned 21 December 2025) S Corpe (appointed 30 December 2024, resigned 30 June 2025) E Czestochowski K C Dawes I Farrar (resigned 1 December 2025) S Finnon (resigned 25 November 2024) A Jackson (appointed 30 December 2024) J Laverick (appointed 30 December 2024, resigned 23 November 2025) M Patterson (resigned 6 September 2025) A Plouviez C N Simmons (resigned 25 November 2024) P G White (appointed 30 December 2024, resigned 19 December 2025) V C Wiggins (resigned 25 November 2024) D Young (appointed 28 April 2025)
Company registered number	02848282
Charity registered number	1032846
Registered office	The Customs House Mill Dam South Shields Tyne & Wear NE33 1ES
Company secretary	K Anders
Chief executive officer	K Anders (appointed as Joint CEO 1 April 2024, appointed as CEO 30 September 2024) F Martin (appointed as Joint CEO 1 April 2024, resigned as Joint CEO 30 September 2024)
Independent auditors	Clive Owen LLP Chartered Accountants and Statutory Auditors 140 Coniscliffe Road Darlington Co Durham DL3 7RT
Bankers	HSBC Bank Plc 110 Grey Street Newcastle upon Tyne NE1 4AD

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITABLE COMPANY, ITS TRUSTEES AND ADVISERS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

Solicitors	PGS Law Chambers 22 Denmark Centre Law Court, Fowler St South Shields NE33 2LR

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2025

The Trustees present their annual report together with the audited financial statements of the Charitable Company for the period 1 April 2024 to 31 March 2025. The Annual Report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the group and the Charitable Company qualify as small under section 383 of the Companies Act 2006, the Group Strategic Report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

Policies and objectives

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a Charity (PB2)'.

The Customs House Trust Limited relies on income from fees and charges from the public to cover its operating costs, together with grants from public and private trusts and organisations. The Trustees give careful consideration to the pricing structure of the fees for those on low incomes in the local and wider community.

The Customs House Trust Limited is a registered Charity and a company limited by guarantee. It has a wholly owned trading subsidiary, The Customs House Green Room Limited.

The Trust has two aims. The first relates to cultural activity, the second to managing cultural buildings and specifically the Customs House:

1. To promote, maintain, improve, and advance the knowledge, understanding, and appreciation of the arts and popular culture among the inhabitants of the borough of South Tyneside and its neighbourhood.

2. To establish and to secure the establishment of centres for the arts and popular culture throughout the borough of South Tyneside and, in particular, at the old Customs House building, Mill Dam, South Shields and to equip, maintain, manage, and market the same, together with related capital projects within the Mill Dam area of South Shields.

Objectives and activities (continued)

Strategies for achieving objectives

At The Customs House, we are proud to deliver a broad, balanced, and sustainable programme of high-quality arts and cultural activities that serve all members of our community. Over the past year, we have continued to deepen the reach and impact of our work, building stronger partnerships, expanding our audience base, and increasing awareness of our mission to make the arts accessible, relevant, and inclusive.

Our approach is rooted in the belief that great art should not only be for communities but created with them. Co-creation is central to our practice. By working closely with people from across South Tyneside, including those from some of the Borough's most marginalised and "left behind" neighbourhoods, we are helping to redefine what art means locally, and empowering communities to shape and share their own stories.

Addressing Inequality through Participation

Increasing engagement in arts participation remains one of our highest priorities, particularly in areas facing significant social and economic challenges. We understand the structural barriers that often prevent access to culture, and we actively design our programmes and pricing strategies to reduce these gaps.

Our Creative Engagement team plays a vital role in this work. With additional funding from the Sir James Knott Trust from February 2024, we've been able to enhance our capacity to engage more meaningfully with underrepresented communities. We continue to use audience data and local insights to ensure our offer is genuinely inclusive and relevant.

This year, we have expanded our outreach efforts in the most deprived wards of South Tyneside, working in schools, community centres, and with grassroots organisations to create pathways to engage in the arts for people of all ages and backgrounds.

Following successful delivery in 2022 and 2023, The Customs House has again been provided grant funding from South Tyneside Council to co-ordinate free holiday activity and food provision (HAF) for children and young people entitled to benefit-related free school meals. In 2024/2025 we provided 1440 places for young people and their families to attend our venue for a meal and access to physical activities and either a visit to our cinema, pantomime, non-verbal theatre show, or musical production. This is an increase of 300 places more than the previous year.

Equality, Diversity and Inclusion

EDI remains the foundation of our values and practices. Our EDI Strategy guides us in recognising, respecting, and celebrating difference. In 2024, we introduced several initiatives aimed at reaching underserved groups, including enhanced programming and partnerships that reflect the diversity of our local population.

We also worked closely with local organisation Tailored Leisure to carry out a full access audit of our building and services. The findings are already informing our future plans, ensuring that accessibility is embedded in both our physical infrastructure and programme delivery.

Objectives and activities (continued)

Creative Excellence Through Partnership

Our programming has been further strengthened by collaborations with leading national organisations such as Boundless Theatre, Northern Broadsides, Blackpool Grand, and Barnsley Civic theatres. These partnerships bring new creative energy to South Tyneside and provide local audiences and artists with access to nationally significant work.

We are also playing an active role in shaping the region's cultural future through the South Tyneside Cultural Partnership Group and the Local Cultural Education Partnership, ensuring that the voice of our community remains central to all decision-making.

In April 2023, we began the first year of our new National Portfolio Organisation funding programme under Arts Council England's Let's Create strategy. Our annual funding increased from £104,000 in 2023 to £204,000, enabling us to broaden our programme, deliver more ambitious community engagement, and invest in essential staff capacity.

Our business model is driven by a clear plan that aligns with both our charitable objectives and the goals of our major funders: Arts Council England and South Tyneside Council through their Let's Create and Making Waves strategies, respectively.

As a cultural cornerstone, The Customs House plays a pivotal role in South Tyneside's creative life. Our in-house and partnership-led work is designed not just to entertain, but to empower. We aim to create meaningful, shared experiences that reflect the hopes, identities, and creativity of the people who live here.

Together with our community, we are co-creating a richer cultural future, one where everyone can see themselves represented, heard, and celebrated through the arts.

Support for Emerging Talent

Nurturing emerging creatives is a strategic focus. We've introduced new policies to support sector entry and talent development, ensuring opportunities are accessible regardless of age, gender, or ethnicity.

Efforts to connect with younger and more diverse audiences have been increased. Our expanded family programming, especially in theatre and in-house pantomime productions, has resulted in notable growth in our family audiences.

Objectives and activities (continued)

Talent Development – Children and Young People

The Customs House Young Performers Company, established in January 2022 for young people aged 8-18, has grown year on year. From April 2024, we have delivered 34 training sessions within term time. The Young Performers Company offers training to young people in dance, drama and singing and they have produced two shows, performed in our main auditorium this year, one being a pantomime (Sleeping Beauty) and the other a Musical Theatre Gala Show (Something About This Night). To ensure this is a programme which is accessible for all, we offer 10% of total places as fully or part funded.

In September 2024, we introduced our Junior Young Performers Company for ages 5+. We also introduced LAMDA training sessions and group singing lessons to allow for further development and achievement of accredited qualifications.

Our Young people's work continued over the summer months with the Customs House Summer School, an annual 3-week intensive programme of musical theatre training, culminating in 6 performances in our main auditorium. The Production for summer 2024 was The Addams Family, involving 40 participants age 8-18 from across the northeast.

Our Youth Theatre continued to provide a Junior and Senior group, delivering 34 sessions over the year to 50 young people. The group delivered two productions within the year so students could showcase their talent in the main auditorium. In 2024-2025, Youth Theatre performed 'The Periodicals' through The National Theatre Connections Festival and 'We're Not Moving' through the Positive Stories Through Negative Times programme with Wonderfools.

Capital Investment

Thanks to grant funding from BIFFA award, received in 2022, we were able to install a fully retractable seating unit in our main auditorium in January 2024. This has given us greater flexibility in how we deliver our creative programme and events. In April 2024 we were able to offer our first music gig with standing capacity. Since that time, we have been able to offer more standing music events and a number of events with interchangeable seating arrangements such as dance conventions and awards evenings.

In 2022, we secured funding from SUEZ Communities Fund to restore the South Shields coat of arms to the original front of the Customs House building. The coat of arms displayed on the Customs House was the crest for the Borough of South Shields from 1850 up until the 1970s when the Borough of South Tyneside was established with its own crest. Designed by Shields poet and artist, Robinson Elliott, it features the motto of courage, humanity and commerce. We were able to complete this project in August 2024. Thanks to this funding, we have been able to maintain an important part of our town's heritage.

Environmental Responsibility

Our commitment to environmental sustainability has resulted in us building upon last years' bronze accreditation and this year achieving silver accreditation as part of the Investors in the Environment Award.

We were also fortunate to receive a sustainable transport award at the Investors in the Environment Awards 2024.

Objectives and activities (continued)

Community Support and Fundraising

We are very grateful to receive support from South Tyneside Council, Arts Council England, Hays Travel and Colmans.

In 2024/25, we have been supported by our 700 Friends Members, comprising of single, joint and family memberships. We also receive regular donations from our Custodians and players of Unity Lottery.

Funding from Trusts and Foundations received in the year stands at £78,426.

Diversification of income (Events and Hires)

During the year, there were 716 event hires for weddings, celebrations, conferences, community groups and rehearsals. This is a notable increase on the 233 from the previous year.

Objectives and activities (continued)

Activities undertaken to achieve objectives

THEATRE & CINEMA

In 2024-25, The Customs House presented shows in the main auditorium in a range of art forms such as children's theatre, music, comedy, tribute acts, new writing, musical theatre and dance.

The total number of tickets sold at TCH in 24/25 decreased from 110,327 to 95,187, with box office also decreasing from £1,603,905 to £1,493,402. It is important to note that the financial year 23/24 included two additional specific celebratory events which did not form part of the programme in 24/25. These events resulted in an additional income in 23/24 of £105,744.

Ticket yield has marginally increased from £14.53 to £15.45.

A notable trend was the continued drive towards online purchases which now accounts for 83% of our total ticket sales.

The Customs House presented 338 performances during 24/25. These include 130 performances from visiting production companies and 208 performances of our own shows, produced in house. Of our own theatre productions, 194 performances were directed toward Children and Young people and family audiences.

Ticket sales for our annual pantomime were lower than the previous year at 25,506 compared with 30,662 for Aladdin in 23/24, however this was a result of a reduction in school bookings which represented 4000 tickets as a result of significantly increased transport costs and pressure on school budgets.

The under-sevens Christmas show, produced by Tree Stump Theatre (The Sorcerer's Suitcase), had an audience of 3442 which was slightly down on the previous year of 4061.

Cinema programming has been a challenge, as it is across the sector, with a reduction in available product and changes in audience behaviours with the increased availability of home streaming.

While we have been able to increase the number of screenings available to 693 from 664 the previous year, ticket sales have declined slightly to 19,263 tickets sold during 2024/2025 which is a decline of 860 tickets across the year. This translates from an average of 30 tickets sold per screening the previous year to an average of 27 tickets per screening this year. While this this is only a small reduction in sales, in order to diversify, we are considering alternative strategies of utilisation of our studio space.

In February 2023, following a collaborative project with Beacon Films, we introduced our first relaxed cinema screenings. Relaxed screenings have continued throughout 2024-2025 and are now part of our monthly programme.

Continuing inflationary pressures throughout the period has created a challenging environment for maintaining consumer engagement and financial stability resulting in poorer trading conditions and slower growth than anticipated. Our focus for 25/26 lies within a comprehensive review of our programme together with robust audience development and marketing strategies, combined with further plans for diversification of income.

Objectives and activities (continued)

Volunteers

The Trust continues to be thankful to those who make a regular effort to support our work. This includes a range of teams who undertake litter picking, stewarding and our 'Takeover' delivery team, all of whom give so generously of their time.

We also provide a significant number of annual and weekly work experience placement opportunities to secondary schools and colleges across the northeast.

Main activities undertaken to further the Charitable Company's purposes for the public benefit

We have continued to offer a broad range of arts and cultural activities to the people of South Tyneside throughout the year.

The Customs House commissioned a piece of theatre without words for Under 7s, which was an adaption of The Owl and the Pussycat, which was performed at the venue, and across South Tyneside's schools.

The Trust has maintained The Customs House and its associated buildings which are of significant importance in the history of South Tyneside. It has continued to be available for engagement in cultural pursuits for 323 days of the year. The Trust programmed live theatre, cinema, gallery exhibitions and hosted many corporate and private event bookings.

The Trust worked to offer opportunities for residents to engage in the arts including Youth Theatre, Young Performers Company, Summer School, Community Choir, Big Band, Ukuleles, and weekly art classes. We worked in partnership with many organisations including Schools, Colleges, Young Carers Association, South Tyneside Participation Team, Compact for Racial Equality in South Tyneside (CREST), Hindu Nari Sangh, Bright Futures, Bilton Hall, Hebburn Helps, Hospitality and Hope, Happy at Home, The Cultural Spring and Age Concern South Tyneside to ensure our programme was accessible to all and enhanced the Trust's reach.

Achievements and performance

Main achievements of the Charitable Company

Creative Engagement

The Customs House delivers a dynamic, artistically rich programme that nurtures talent, champions new voices, and connects communities through meaningful cultural experiences. Rooted in our charitable aims and supported by Arts Council England and South Tyneside Council, our work is distinguished by artistic excellence, innovation, and commitment to inclusivity across South Tyneside.

Youth-Led Talent Development & Participation

We continue to be a leading incubator of emerging talent through structured pathways in theatre, writing and performance:

- Youth Theatre & Young Performers: 127 children and young people engaged regularly; 63% of YT Seniors and 51% of YT Juniors from protected characteristic groups. 18 high-quality performances delivered.
- Summer School & Bespoke Development: 36 participants immersed in intensive training, supported by emerging assistant facilitators aged 21 and under, including via the Holiday Activity Fund.
- Bursaries: Funded access for three young people with capacity for more, reinforcing our inclusive ethos.

Achievements and performance (continued)

Celebrating New Writing & Regional Stories

Our investment in new writing supports fresh, authentic voices from the Northeast and beyond:

- PLAY 4: Premiered in October 2024 with works from five regional writers, 60% new to The Customs House. Directed by early-career artist Natasha Haws and performed by first-time TCH actors.
- Peter Lathan Prize awarded to Owen Saunders, now developing work with local young people to embed lived experience into regional storytelling.
- Life in a Northern Town (LIANT): A regional new writing initiative amplifying under-represented voices with rehearsed readings, mentorship by Northern Broadsides and future programming opportunities.

The Takeover Festival 2024

Our flagship youth-led festival, planned and delivered by a diverse cohort of 13–18-year-olds, featured:

- A brand-new debut play from our Young Writer in Residence.
- Breakover (in partnership with Just Jam and Bad Taste Cru), Pay What You Decide workshops, and a large-scale Esports cinema tournament.
- Engagement of 281 young creatives (23% new to TCH); 18 paid opportunities for under-25s; and generous support from the Chloe and Liam Together Forever Trust.

Future Creatives Platform

This multi-strand programme champions emerging talent in four exciting formats:

- Grow With The Floor Vol. 3: The region's only all-styles hip-hop jam for under-25s, promoting crossover engagement through dance and urban culture.
- Customize (MC Nights): Co-curated Makina and electronic music open-mic events, providing a platform for local MCs and DJs.
- Monologue Slam: A high-profile performance opportunity judged by agents and Artistic Directors, spotlighting young acting talent from across the region.
- Only The Beginning...: A major co-production with Thick Skin Theatre Company based in Wigan, this physical theatre work celebrated the resilience of young women in football. Performed at The Customs House and toured to non-traditional venues across the borough, the piece received exceptional audience and critical acclaim: "A passionate, funny, and poignant tribute... ????" – Theatre and Tonic

First Play Club (FPC)

Building on the momentum of This is Makina!, FPC enables emerging creatives to earn their first professional theatre credit, fusing bold storytelling with authentic regional voices.

In 2024, we commissioned and co-produced A Class Feeling, the debut play by Christina Berriman Dawson (Writer of the Year, Northeast Culture Awards). This electrifying piece explores grief, masculinity and class identity through a hyperlocal lens, with Makina music at its heart.

Blending raw drama with high-energy gig-theatre, the play struck a powerful chord with audiences and critics alike:

"Punchy and defiant... A Class Feeling explores social deprivation and class warfare in an enthralling gig-theatre format, combining original tracks and local MC legends with deeply grounded drama... a splendid attack on the 'chav' label... layered with depth and complexity... Bold, loud and enthralling, A Class Feeling certainly delivered on its name."
— NARC Magazine

Set in South Shields and performed by an outstanding local cast, the production was praised for its emotional nuance, cultural authenticity, and radical empathy, a shining example of The Customs House's commitment to telling stories with and for the communities we serve.

Achievements and performance (continued)

Cultural Infrastructure & Regional Collaboration

We have strengthened our creative partnerships with nationally significant organisations including Northern Broadsides, Thick Skin, Barnsley Civic, Blackpool Grand, and Halifax Square Chapel, enabling regional work to reach broader audiences while supporting artist development.

Arts & Wellbeing

Our targeted arts-for-health initiatives identify and respond to unmet needs through creative engagement. Projects to date include:

- Weekly sessions for asylum-seeking men (Chill and Chat) including guitar tuition and photography.
- Creative activities for young women (Bright Futures), including choir, drama and visual arts.
- BAME and refugee family engagement in partnership with CREST, including subsidised access to theatre.
- February half-term HAF provision for 23 children and their mothers combining arts, food and theatre.

Widening Participation

Our inclusive co-production A World Away, created with Squiggle Productions, toured to five venues, including three schools with the highest levels of English as an Additional Language, offering a wordless performance tailored for early years, D/deaf children, and EAL families. The piece reached a combined audience of 950.

This year's work reflects our sustained commitment to high-quality arts programming that celebrates local culture, invests in future generations, and ensures everyone in South Tyneside has access to transformative creative experiences.

Financial review

Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charitable Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

Reserves policy

The Board of Trustees' aim is to maintain a balance of total reserves in excess of £500,000 and free reserves in excess of £150,000 to ensure the normal running of the business in adverse economic conditions.

At 31 March 2025 year end reserves totalled £656,254 (2024: £759,665), of which £130,000 is designated (2024: £130,000), £194,141 is restricted (2024: £92,718) and £332,113 is unrestricted (2024: £536,947).

After a number of loss making years in succession, current reserves values have fallen below the policy target levels, however, the Board is confident that The Customs House will improve performance sufficiently, after recovery from the pandemic to restore free reserves to the policy levels.

The amount of tangible fixed assets stood at £337,668 at 31 March 2025 (of which £337,668 was unrestricted).

Principal risks and uncertainties

The Trust maintains a risk register that identifies the major risks the charity faces. Monthly reviews monitor risks and controls used to mitigate them and suggests how the Trust would respond should any of the risks materialise.

In South Tyneside, a region with high levels of social and economic deprivation and a number of left-behind neighbourhoods, we face unique challenges in the current economic climate. The rise in cost of living, inflation, and the financial strain of global events have had a disproportionate impact on the area, where many households are living in poverty. For a large proportion of the local community, spending on discretionary activities such as arts engagement is often out of reach.

Inflation has driven up our operating costs, from production expenses and staffing to utilities and general overheads, forcing us to consider ticket price increases in an effort to cover these rising costs. However, given that South Tyneside is home to some of the most economically challenged areas in the country, raising ticket prices is not always a feasible option. Many people in our community are already facing the impact of reduced disposable income and may be unable to justify spending on cultural experiences.

Moreover, the rise in transport costs has compounded these difficulties, particularly for schools and community groups who traditionally engage with our programmes. In an area where engagement in the arts is typically low, schools have historically been a key source of audience development. Many schools in South Tyneside have utilised theatre visits as part of their educational offering, giving children the opportunity to experience live performance and foster an appreciation for the arts. However, as fuel prices increase and school budgets tighten, the cost of transport has become a major barrier to these trips.

This loss of school engagement, which traditionally represents a substantial portion of audiences (especially during the Christmas period), limits our ability to build early connections with younger audiences and reduces ticket sales, further hampering our financial sustainability. Additionally, it presents a long-term challenge: without fostering an early love for theatre and the arts in the younger generation, we risk a future where cultural participation continues to decline in these communities.

Given these challenges, The Customs House must balance the need to increase revenue through ticket sales with the responsibility of keeping the arts accessible to all, especially in an area where economic hardship and cultural disengagement are already prevalent. These conditions make it clear that simply raising prices to cover costs is not a sustainable solution. We must find innovative ways to engage with our community, increase participation, and maintain affordable access to the arts for South Tyneside residents while driving diversification of income to support our core activities.

Buying habits have changed since the pandemic and a reduction in available disposable income has resulted in a challenging trading environment. The Trust continues to monitor this situation and respond to changes in audiences through its audience development, pricing and marketing strategies.

The age of the building, its grade II listed status, the increasing maintenance and repairs required draws heavily on our resources. However, applications for capital funding have been made to several Trusts and Foundations to enable replacement and refurbishment of buildings and equipment and extensive works will be undertaken as part of South Tyneside Council's investment in our building and the redevelopment of the town centre.

Reduction of public sector funding remains a risk. However, our two main partners remain committed to the Trust.

Financial risk management objectives and policies

The Trust established a risk register that identifies the major risks the Charitable Company faces.

Monthly reviews monitor risks and controls used to mitigate them and suggests how the Trust would respond should any of the risks materialise.

The age of the building and its increasing maintenance and repairs draws heavily on our resources.

Loss of public sector funding has remained a risk. However, our two partners remain committed to the Trust.

Principal funding

The Customs House places great value on the financial support provided by Arts Council England and South Tyneside Council which enables us to deliver our strategic aims.

The Customs House has received further NPO Arts Council funding confirmed until 31 March 2026.

In March 2025, ACE shared that they are in discussions with Government about extending the current Portfolio to 31 March 2028. The outcome of those discussions is expected to be delivered after the ACE spending review which will take place on 11 June 2025 and will cover all Government spending from 2026. This means that ACE now expect to confirm our membership of the Portfolio for 2026/27, and continued funding for this period, as soon as possible after the Spending Review.

Following the conclusion of the Spending Review, ACE will have more detailed conversations with Government to confirm funding levels for 2026/27 and formalise plans for the proposed second year of the extension for 2027/28. The timeline for these discussions will be subject to the outcome of the settlement; we expect to be updated as these conversations develop after June 2025.

Structure, governance and management

Constitution

The Customs House Trust Limited is registered as a Charitable company limited by guarantee and was set up by a Trust deed and is governed by its Memorandum and Articles of Association dated 7 November 2006.

The directors of the charitable company (the Charity) are its trustees for the purposes of Charity law. The company is limited by guarantee. The trustees have no shareholding, but each undertake to subscribe an amount not exceeding £1 in the event of winding up.

Methods of appointment or election of Trustees

The management of the Group and the Charitable Company is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed.

Structure, governance and management (continued)

Organisational structure and decision-making policies

All strategic decisions are made at Board level. An annual budget is set and reviewed by the full Board. Day to day operational issues are delegated to the Chief Executive Officer. The Trust's terms allow for up to 15 Trustees with a minimum of 11. The current Board consists of 13 Trustees, of which 7 are to be formally appointed at the Board meeting on 30 January 2026 and actioned on Companies House. The maximum term for Trustees is six years, however they are eligible for reappointment at the end of the six years.

New Board Members to be formally appointed:
M Fay
R Spencer MBE
D Cottam
R Ord
Cllr J Carter
Cllr J Taylor
T Hall (Director of Public Health)

The Arts Council and South Tyneside Council are observers on the Board.

The Board meets every six weeks except in December and meetings are attended by the senior executive team.

There are currently four sub committees reporting to the Board:
Finance, Staffing and Audit
Marketing and Programming
Creative Engagement
Equality, Diversity and Inclusivity

A summary of the committee purposes are given below.

Finance, Staffing and Audit
Monitors and reviews the Trust's financial performance. Discusses staffing issues, audit findings and meets monthly. Membership comprises six Trustee members, the Chair of the Trust plus Chief Executive Officer, Head of Audiences, Communications & Development and Finance Manager. Minutes are circulated to the full Board and a verbal report is given each month. Monthly management accounts are also forwarded to key funding partners.

Marketing and Programming
Monitors, reviews, and informs the Trust's programmed events and develops and oversees delivery of a marketing strategy, meeting monthly. Membership comprises three Trustees together with the Head of Audiences, Communications & Development, Marketing Manager, Programming & Audience Development Manager, and Chief Executive Officer. Minutes are circulated to the full Board and a verbal update given at Board meetings.

Creative Engagement
Monitors, reviews and informs the Trust's cultural development programmes, meeting quarterly. Membership comprises three Trustees together with the Chief Executive Officer, Deputy Director of Creative Engagement, and members of the Creative Engagement team. Minutes are circulated to the full Board and a verbal update given at Board meetings.

Equality, Diversity and Inclusivity
Monitors, reviews and informs the Trust against the Trust policy and procedures. Membership comprises three Trustees together with, the Chief Executive Officer and the Operations Manager. Minutes are circulated to the full Board and a verbal update given at Board meetings.

Other subcommittees may be formed at the Board's discretion to oversee specific special projects.

Structure, governance and management (continued)

Policies adopted for the induction and training of Trustees

The Board of Trustees is composed of up to 15 members, with a minimum of 11, including one representative selected by the Local Authority. The charity's Terms of Reference clearly outline the roles, responsibilities, and tenure of all board members. Our goal is to maintain a diverse and skilled board that aligns with the charity's mission and objectives while also reflecting the community we serve.

Trustees are recruited through an open and transparent process, advertised across multiple channels to ensure broad accessibility. Prospective trustees are invited to meet with the Chair and other selected board members to discuss their potential contribution. Individuals who demonstrate the skills and experience aligned with the charity's needs are then invited to attend a full Board of Trustees meeting. Following this, new trustees are formally appointed through a majority vote.

The Board meets monthly to review the charity's operations, financial matters, and overall performance. Additionally, one or two Away Days are held annually. These Away Days provide valuable opportunities for trustee training, updates on the charity's work, and discussions on strategic policy decisions to guide the organisation's future direction.

Pay policy for key management personnel

The Board (who are the directors and Trustees of the Trust) determine the pay of senior staff. The Chief Executive Officer has delegated authority for the management of personnel and for directing, controlling, running and operating the charity on a day today basis within the framework established the Strategic Plan and the Articles of the Trust. All Trustees give their time freely and no Trustee received remuneration in the year. Details of trustees' expenses and related party transactions are disclosed in note 13 and 28 to the accounts. The pay of senior staff is reviewed on a timely basis.

Related party relationships

The charity has a wholly owned subsidiary: The Customs House Green Room Limited, a company registered in England and Wales. The principal activities of The Customs House Green Room Limited during the year were to run the restaurant and bar and to provide catering for events and conferences at or on behalf of the Customs House. Directors of this company are the Chair of the Finance and The Chief Executive Officer. See note 28 for details of transactions with related parties, including Trustees and Key Management Personnel.

Trustees' indemnities

The liability of the members (who are also trustees) is limited. Every member of the Trust has undertaken to contribute and amount not exceeding £1 to the assets of the Trust in the event of it being wound up while he/she is a member or within one year after he/she ceases to be a member.

The Charity has made third party indemnity provisions for the benefit of its Trustees during the year. The provisions remain in force at the reporting period end.

Plans for future periods

This year, we have elected a new Chair and Vice Chair and welcomed five new board members, each of whom has brought a wealth of expertise in key areas such as finance, capital projects, communications, business planning and strategy. Their diverse skill set has been an incredible addition to the team and has complemented the already extensive range of skills on the board. Our existing trustees bring significant experience in areas such as finance, marketing, equality, diversity and inclusion, and the arts and education. Together, this diverse expertise creates a powerful and well-rounded board, capable of providing strong leadership, guidance and governance, as we work towards fulfilling the charity's mission and objectives.

Strategic Development and Funding

The relocation of South Tyneside College to the town centre, coupled with the development of new student accommodation nearby, represents a significant opportunity for increased footfall and greater community engagement. Additionally, the ongoing Riverside housing development at Holborn, which will add 250 new homes over the next five years, and which will bring a riverside walkway to our venue, is set to further enhance the area. This growth is expected to significantly benefit The Customs House, attracting more visitors and fostering stronger connections with the local community...

In addition, we are delighted to receive funding from South Tyneside Council, through their successful bid to the Government's Levelling Up Fund, for the extensive refurbishment of The Customs House. This funding will allow us to upgrade our facilities, improving our ability to support existing operations while also enhancing our capacity to generate secondary income through a stronger food, beverage, and events offering. This renewal of our physical infrastructure will not only support our core activities as a combined Arts Centre but will also allow us to deliver a better overall experience for our visitors.

In addition, the investment from Arts Council England's Capital Investment Fund, will enable us to enhance our venue's facilities in a sustainable and inclusive way. Planned upgrades include replacing the stage lighting, main auditorium lighting and theatre rigging equipment, improving accessibility in public areas, and installing equipment to offer captioned performances, furthering our commitment to accessibility for all.

As an existing National Portfolio Organisation (NPO) with Arts Council England, The Customs House remains deeply committed to working with our communities to deliver co-created art that aligns with the Let's Create strategy. We will continue to collaborate closely with local residents, ensuring that our artistic offerings reflect their voices and aspirations, fostering a sense of ownership and connection to the work we create together.

The Trust is also an active member of the Steering Group within South Tyneside's Cultural Partnership. In the year ahead, we will continue to work alongside our partners to facilitate the delivery of South Tyneside's Cultural Strategy, Making Waves. Through this collaboration, we aim to enhance the cultural landscape of the Borough, creating opportunities for shared cultural experiences that resonate with diverse communities and support the sustainable growth of the local arts scene.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial . Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Charitable Company and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Charitable Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Charitable Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

Auditors

The auditors, Clive Owen LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees on 30/1/26 and signed on their behalf by:

S. J. Mitchell

S J Mitchell
Chair

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CUSTOMS HOUSE TRUST LIMITED

Opinion

We have audited the financial statements of The Customs House Trust Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2025 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charitable Company Balance Sheet, the Consolidated Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 of the parent charitable company's affairs as at 31 March 2025 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 and the Charities Act 2011.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 the 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 THE CUSTOMS HOUSE TRUST LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' 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 matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consisten with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- the parent charitable company has not kept sufficient accounting records; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement, 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 the 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 Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CUSTOMS HOUSE TRUST LIMITED (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 Auditors' 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 audit must be alert to the risk of manipulation of the financial statements and seek to understand the incentives and opportunities for management to achieve this.

We undertake the following procedures to identify and respond to these risks of non-compliance:

- Understanding the key legal and regulatory frameworks that are applicable to the Group. We communicated identified laws and regulations throughout the audit team and remained alert to any indicators of non-compliance throughout the audit. We determined the most significant of these to be Charity law, company law, taxation law, UK GAAP, health and safety, and GDPR.
- Enquiry of Trustees and management as to policies and procedures to ensure compliance and any known instances of non-compliance.
- Review of board minutes and correspondence with regulators.
- Enquiry of Trustees and management as to areas of the financial statements susceptible to fraud and how these risks are managed.
- Challenging management on key estimates, assumptions and judgements made in the preparation of the financial statements. These key areas of uncertainty are disclosed in the accounting policies.
- Identifying and testing unusual journal entries, with a particular focus on manual journal entries.

Through these procedures, we did not become aware of actual or suspected non-compliance. We planned and performed our audit in accordance with auditing standards but owing to the inherent limitations of procedures required in these areas, there is an unavoidable risk that we may not have detected a material misstatement in the accounts. The further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve concealment, collusion, forgery, misrepresentations, or override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CUSTOMS HOUSE TRUST LIMITED (CONTINUED)

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an Auditors' 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Christopher Beaumont BA(Hons) BFP FCA DChA (Senior Statutory Auditor)
for and on behalf of
Clive Owen LLP
Chartered Accountants and Statutory Auditors
140 Coniscliffe Road
Darlington
Co Durham
DL3 7RT

Date:

Clive Owen LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

THE CUSTOMS HOUSE TRUST LIMITED
(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	*Total funds 2024 £*
Income from:					
Donations and legacies	4	**507,605**	**141,820**	**649,425**	*688,992*
Charitable activities	5	**1,420,313**	**15,000**	**1,435,313**	*1,425,346*
Other trading activities	6	**1,009,809**	**-**	**1,009,809**	*849,790*
Investments	7	**5,380**	**-**	**5,380**	*521*
Other income	8	**17,234**	**-**	**17,234**	*16,311*
Total income		**2,960,341**	**156,820**	**3,117,161**	*2,980,960*
Expenditure on:					
Raising funds	9	**212,057**	**-**	**212,057**	*217,553*
Charitable activities	10	**2,952,311**	**55,397**	**3,007,708**	*2,874,178*
Total expenditure		**3,164,368**	**55,397**	**3,219,765**	*3,091,731*
Net (expenditure)/income before taxation		**(204,027)**	**101,423**	**(102,604)**	*(110,771)*
Taxation		**(807)**	**-**	**(807)**	*240*
Net movement in funds		**(204,834)**	**101,423**	**(103,411)**	*(110,531)*
Reconciliation of funds:					
Total funds brought forward		**666,947**	**92,718**	**759,665**	*870,196*
Net movement in funds		**(204,834)**	**101,423**	**(103,411)**	*(110,531)*
Total funds carried forward		**462,113**	**194,141**	**656,254**	*759,665*

THE CUSTOMS HOUSE TRUST LIMITED
(A Company Limited by Guarantee)
REGISTERED NUMBER: 02848282

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2025

	Note		2025 £		2024 £
Fixed assets					
Tangible assets	15		**337,668**		*358,076*
			337,668		*358,076*
Current assets					
Stocks	17	**12,065**		*11,998*	
Debtors	18	**220,282**		*231,330*	
Cash at bank and in hand		**809,273**		*803,276*	
		1,041,620		*1,046,604*	
Current liabilities					
Creditors: amounts falling due within one year	19	**(721,740)**		*(644,528)*	
Net current assets			**319,880**		*402,076*
Total assets less current liabilities			**657,548**		*760,152*
Provisions for liabilities			**(1,294)**		*(487)*
Total net assets			**656,254**		*759,665*
Charity funds					
Restricted funds	21		**194,141**		*92,718*
Unrestricted funds	21		**462,113**		*666,947*
Total funds			**656,254**		*759,665*

The Charitable Company was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

However, an audit is required in accordance with section 151 of the Charities Act 2011.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2025

The financial statements were approved and authorised for issue by the Trustees on 30/1/26 and signed on their behalf by:

S. J. Mitchell

S J Mitchell
Chair

The notes on pages 28 to 53 form part of these financial statements.

THE CUSTOMS HOUSE TRUST LIMITED
(A Company Limited by Guarantee)
REGISTERED NUMBER: 02848282

CHARITABLE COMPANY BALANCE SHEET
AS AT 31 MARCH 2025

	Note		2025 £		*2024 £*
Fixed assets					
Tangible assets	15		**332,492**		*356,129*
Investments	16		**100**		*100*
			332,592		*356,229*
Current assets					
Debtors	18	**205,172**		*490,506*	
Cash at bank and in hand		**760,004**		*489,376*	
		965,176		*979,882*	
Current liabilities					
Creditors: amounts falling due within one year	19	**(670,697)**		*(620,902)*	
Net current assets			**294,479**		*358,980*
Total assets less current liabilities			**627,071**		*715,209*
Total net assets			**627,071**		*715,209*
Charity funds					
Restricted funds	21		**194,141**		*92,718*
Unrestricted funds	21		**432,930**		*622,491*
Total funds			**627,071**		*715,209*

The Charitable Company's net movement in funds for the year was £(88,138) *(2024 - £(121,470)).*

The Charitable Company was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

However, an audit is required in accordance with section 151 of the Charities Act 2011.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

CHARITABLE COMPANY BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2025

The financial statements were approved and authorised for issue by the Trustees on 30/1/26 and signed on their behalf by:

S. J. Mitchell

S J Mitchell
Chair

The notes on pages 28 to 53 form part of these financial statements.

THE CUSTOMS HOUSE TRUST LIMITED
(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2025

	2025 £	2024 £
Cash flows from operating activities		
Net cash used in operating activities (note 23)	**41,830**	*(208,239)*
Cash flows from investing activities		
Purchase of tangible fixed assets	**(35,833)**	*(47,053)*
Net cash used in investing activities	**(35,833)**	**(47,053)**
Cash flows from financing activities		
Net cash provided by financing activities	**-**	**-**
Change in cash and cash equivalents in the year	**5,997**	**(255,292)**
Cash and cash equivalents at the beginning of the year	**803,276**	*1,058,568*
Cash and cash equivalents at the end of the year	**809,273**	*803,276*

The notes on pages 28 to 53 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

1. General information

The Customs House Trust Limited is a private company limited by guarantee incorporated in Engaldn and Wales. The registered office is The Customs House, Mill Dam, South Shields, Tyne and Wear, NE33 1ES.

The charitable company's principal activities are disclosed in the Trustees' Report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Customs House Trust Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

In accordance with FRS 102, the Charity has taken advantage of the expemptions from the following disclosure requirements in relation to the Charity's own accounts. Disclosure is still presented on a consolidated basis.

- Section 11 'Basic Financial Instruments' - Interest income/expense and net gain/losses for each category of financial instrument
- Section 33 'Related Party Disclosures' - Compensation for key management personnel.

The Charitable Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements.

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the Charitable Company and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

2.2 Going concern

FRS 102 requires that, if appropriate, the charitable company's financial statements are prepared on the going concern basis, which means that the organisation is able to operate for the foreseeable future on the basis of known and porjected resources. Budgets and cash flow forecasts have been prepared to March 2027 based on prudent assumptions which show the group will have sufficient funds and cash to continue to operate for the next 12 months. On that basis, the Trustees believe that the Charitable Copmany is well placed to manage its risks successfully and thus have adopted the going concern basis of accounting.

2. Accounting policies (continued)

2.3 Income

All income is recognised once the Charitable Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Consolidated Statement of Financial Activities based on when performance obligations have been met. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Income from trading activities is recognised as earned as the related goods and services are provided.

Income from charitable activities relating to events is recognised on delivery of the performance. Income is deferred when theatre or cinema sales are received or invoiced in advance of the performances or event to which they relate. Grant income included in this category provides funding to support performance activities as is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Other income from charitable activities is recognised as earned, as the related services are provided. Grant income included in this category provides funding to support education activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

Resources expended are included in the Statement of Financial Activities on an accruals basis inclusive of irrecoverable VAT.

Governance costs include audit and accountancy fees, along with professional indemnity insurance.

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2. Accounting policies (continued)

2.6 Taxation

The Charitable Company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charitable Company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2.7 Tangible fixed assets and depreciation

Tangible fixed assets costing £100 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Long-term leasehold property	- 50 years' straight line
Fixtures and fittings	- 3 or 10 years' straight line

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Financial Activities.

2.8 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated Statement of Financial Activities.

Investments in subsidiaries are valued at cost less provision for impairment.

2.9 Stocks

Stocks are valued on a first in first out basis and stated at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

2.10 Debtors

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

2.11 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.

2. Accounting policies (continued)

2.12 Liabilities

Liabilities and provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charitable Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated Statement of Financial Activities as a finance cost.

2.13 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable surpluses from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

2.14 Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.15 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless these costs are required to be capitalised as an intangible or tangible fixed asset.

Employees are only entitled to carry forward unused holiday entitlement in exceptional circumstances, and only by agreement with management. The cost of any unused entitlement is recognised in the period in which the employee's services are required.

Termination benefits
Termination benefits are accounted for when the Group terminates employment. Amounts are recognised when the Group has communicated its plan of termination to the affected employees.

2.16 Operating leases

Rentals paid under operating leases are charged to the Consolidated Statement of Financial Activities on a straight-line basis over the lease term.

2. Accounting policies (continued)

2.17 Pensions

The Charitable Company operates a defined contribution pension scheme. Contributions payable to the Charitable Company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate. Differences between contributions payable in the year and actually paid are shown in other creditors. The assets of the scheme are held separately from those of the Charitable Company.

2.18 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

3. Critical accounting estimates and areas of judgement

In the application of the Charitable Company's and group's accounting policies the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of certain assets and liabilities. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

4. Income from donations and legacies

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £
Grants			
South Tyneside Council	177,400	-	**177,400**
Arts Council England (NPO)	204,000	-	**204,000**
Arts Council England (Capital)	-	130,674	**130,674**
Other grants	67,280	11,146	**78,426**
	448,680	141,820	**590,500**
Donations	58,925	-	**58,925**
	507,605	141,820	**649,425**

	Unrestricted funds 2024 £	*Restricted funds 2024 £*	*Total funds 2024 £*
Grants			
South Tyneside Council	*177,400*	-	*177,400*
Arts Council England (NPO)	*204,000*	-	*204,000*
Biffa	-	*214,585*	*214,585*
Other grants	-	-	-
	10,507	*11,520*	*22,027*
	391,907	*226,105*	*618,012*
Donations	*70,980*	-	*70,980*
	462,887	*226,105*	*688,992*

5. Income from charitable activities

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £
Theatre	1,255,097	-	**1,255,097**
Cinema	83,933	-	**83,933**
Learning and Participation	81,283	15,000	**96,283**
	1,420,313	15,000	**1,435,313**

	Unrestricted funds 2024 £	*Restricted funds 2024 £*	*Total funds 2024 £*
Theatre	*1,256,101*	-	*1,256,101*
Cinema	*89,028*	-	*89,028*
Learning and Participation	*47,475*	*32,742*	*80,217*
	1,392,604	*32,742*	*1,425,346*

6. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2025 £	Total funds 2025 £
Trading income	1,009,809	**1,009,809**

	Unrestricted funds 2024 £	*Total funds 2024 £*
Trading income	*849,790*	*849,790*

7. Investment income

	Unrestricted funds 2025 £	Total funds 2025 £
Interest receivable	5,380	**5,380**

	Unrestricted funds 2024 £	*Total funds 2024 £*
Investment income	*521*	*521*

8. Other incoming resources

	Unrestricted funds 2025 £	Total funds 2025 £
Sundry receipts	17,234	**17,234**

	Unrestricted funds 2024 £	*Total funds 2024 £*
Sundry receipts	*16,311*	*16,311*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

9. Expenditure on raising funds

Other trading expenses

	Unrestricted funds 2025 £	Total funds 2025 £
Trading expenses	212,057	**212,057**

	Unrestricted funds 2024 £	*Total funds 2024 £*
Trading expenses	*217,553*	*217,553*

10. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £
Theatre shows	2,033,898	39,859	**2,073,757**
Cinema	39,849	-	**39,849**
Learning and Participation	216,439	15,538	**231,977**
Marketing	209,386	-	**209,386**
CH Own Shows	452,739	-	**452,739**
	2,952,311	55,397	**3,007,708**

10. Analysis of expenditure on charitable activities (continued)

Summary by fund type (continued)

	Unrestricted funds 2024 £	*Restricted funds 2024 £*	*Total 2024 £*
Theatre shows	*1,783,649*	*55,686*	*1,839,335*
Cinema	*89,274*	-	*89,274*
Learning and Participation	*135,410*	*22,546*	*157,956*
Marketing	*114,154*	*214,534*	*328,688*
CH Own Shows	*458,925*	-	*458,925*
	2,581,412	*292,766*	*2,874,178*

11. Analysis of expenditure by activities

	Activities undertaken directly 2025 £	**Support costs 2025 £**	**Total funds 2025 £**
Theatre shows	798,333	1,275,424	**2,073,757**
Cinema	39,849	-	**39,849**
Learning and Participation	231,977	-	**231,977**
Marketing	209,386	-	**209,386**
CH Own Shows	452,739	-	**452,739**
	1,732,284	1,275,424	**3,007,708**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

11. Analysis of expenditure by activities (continued)

	Activities undertaken directly 2024 £	*Support costs 2024 £*	*Total funds 2024 £*
Theatre shows	*531,343*	*1,307,992*	*1,839,335*
Cinema	*89,274*	-	*89,274*
Learning and Participation	*157,956*	-	*157,956*
Marketing	*328,688*	-	*328,688*
CH Own Shows	*458,925*	-	*458,925*
	1,566,186	*1,307,992*	*2,874,178*

Analysis of direct costs

	Theatre Shows 2025 £	**Cinema 2025 £**	**Learning and Participation 2025 £**	**Marketing 2025 £**
Staff costs	215,520	-	-	-
Depreciation	64,850	-	-	-
Direct costs	517,963	39,849	231,977	209,386
	798,333	39,849	231,977	209,386

	CH Own Shows 2025 £	**Total funds 2025 £**
Staff costs	-	**215,520**
Depreciation	-	**64,850**
Direct costs	452,739	**1,451,914**
	452,739	**1,732,284**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

11. Analysis of expenditure by activities (continued)

Analysis of direct costs (continued)

	Theatre Shows 2024 £	*Cinema 2024* £	*Learning and Participation 2024* £	*Marketing 2024* £
Staff costs	*113,265*	-	-	-
Depreciation	*68,524*	-	-	-
Direct costs	*349,554*	*89,274*	*157,956*	*328,688*
	531,343	*89,274*	*157,956*	*328,688*

	CH Own Shows 2024 £	*Total funds 2024* £
Staff costs	-	*113,265*
Depreciation	-	*68,524*
Direct costs	*458,925*	*1,384,397*
	458,925	*1,566,186*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

11. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2025 £	*Total funds 2024 £*
Staff costs	**757,988**	*740,533*
Depreciation	**1,986**	*962*
Rent, rates and overheads	**41,440**	*74,682*
Insurance	**38,633**	*33,800*
Utilities	**121,483**	*110,836*
Vehicles	**240**	*90*
Postage, stationery & printing	**4,958**	*10,003*
Telephones	**-**	*542*
Computer costs	**86,381**	*88,709*
Audit and accountancy fees	**28,052**	*24,160*
Consultants	**750**	-
Subscriptions	**3,267**	*3,304*
Loss on disposal	**-**	*13,690*
Repairs and maintenance	**79,302**	*96,933*
Finance charges	**28,576**	*54,872*
Disallowable VAT	**74,992**	*31,874*
Bad debts written off	**2**	*391*
Training	**2,323**	*4,758*
Sundry expenses	**12,413**	*11,396*
(Profit)/Loss on disposal of fixed assets	**(10,595)**	-
Governance costs	**3,233**	*6,457*
	1,275,424	*1,307,992*

12. Auditors' remuneration

	2025 £	*2024 £*
Fees payable to the Group's auditor for the audit of the Group's annual accounts	**23,600**	*21,350*

13. Staff costs

	Group 2025 £	*Group 2024 £*	Charitable Company 2025 £	*Charitable Company 2024 £*
Wages and salaries	**911,239**	*781,391*	**695,719**	*668,126*
Social security costs	**47,373**	*54,984*	**47,373**	*54,984*
Contribution to defined contribution pension schemes	**14,896**	*17,423*	**14,896**	*17,423*
	973,508	*853,798*	**757,988**	*740,533*

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

	Group 2025 No.	*Group 2024 No.*
Employees	**61**	*59*

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2025 No.	*Group 2024 No.*
In the band £60,001 - £70,000	**-**	*1*

The total amount of employee remuneration and benefits (including employer national insurance and pension contributions) received by key management personnel for their services to the Charitable Company was £82,797 (2024: £79,388).

14. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits *(2024 - £NIL)*.

During the year ended 31 March 2025, travel expenses totalling £NIL were reimbursed or paid directly to Trustees *(2024 - £1,168 to 1 Trustee)*.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

15. Tangible fixed assets

Group

	Leasehold improvements £	Fixtures and fittings £	Total £
Cost or valuation			
At 1 April 2024	**299,387**	**643,872**	**943,259**
Additions	**18,277**	**17,556**	**35,833**
Disposals	**(725)**	**(160,987)**	**(161,712)**
At 31 March 2025	**316,939**	**500,441**	**817,380**
Depreciation			
At 1 April 2024	**75,893**	**509,290**	**585,183**
Charge for the year	**6,247**	**60,589**	**66,836**
On disposals	**(251)**	**(172,056)**	**(172,307)**
At 31 March 2025	**81,889**	**397,823**	**479,712**
Net book value			
At 31 March 2025	**235,050**	**102,618**	**337,668**
At 31 March 2024	*223,494*	*134,582*	*358,076*

15. Tangible fixed assets (continued)

Charitable Company

	Leasehold improvements £	Fixtures and fittings £	Total £
Cost or valuation			
At 1 April 2024	**299,387**	**595,954**	**895,341**
Additions	**18,277**	**12,341**	**30,618**
Disposals	**(725)**	**(160,987)**	**(161,712)**
At 31 March 2025	**316,939**	**447,308**	**764,247**
Depreciation			
At 1 April 2024	**75,893**	**463,319**	**539,212**
Charge for the year	**6,247**	**58,603**	**64,850**
On disposals	**(251)**	**(172,056)**	**(172,307)**
At 31 March 2025	**81,889**	**349,866**	**431,755**
Net book value			
At 31 March 2025	**235,050**	**97,442**	**332,492**
At 31 March 2024	*223,494*	*132,635*	*356,129*

16. Fixed asset investments

Charitable Company	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2024	**100**
At 31 March 2025	**100**
Net book value	
At 31 March 2025	**100**
At 31 March 2024	*100*

16. Fixed asset investments (continued)

Principal subsidiaries

The following was a subsidiary undertaking of the Charitable Company:

Name	Company number	Registered office or principal place of business	Principal activity
The Customs House Green Room Limited	05812339	The Customs House, Mill Dam, South Shields, Tyne & Wear, NE33 1ES	The running of a cafe bar and the organisation of events and conferences at The Customs House

Class of shares	Holding	Included in consolidation
Ordinary	100%	Yes

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit for the year £	Net assets £
The Customs House Green Room Limited	**523,527**	**(542,061)**	**(18,534)**	**26,022**

17. Stocks

	Group 2025 £	*Group 2024 £*
Finished goods and goods for resale	**12,065**	*11,998*

18. Debtors

	Group 2025 £	*Group 2024 £*	Charitable Company 2025 £	*Charitable Company 2024 £*
Due within one year				
Trade debtors	**92,408**	*44,778*	**85,295**	*44,778*
Amounts owed by group undertakings	**-**	*-*	**-**	*259,326*
Other debtors	**70,929**	*-*	**66,461**	*-*
Prepayments and accrued income	**56,945**	*186,552*	**53,416**	*186,402*
	220,282	*231,330*	**205,172**	*490,506*

19. Creditors: Amounts falling due within one year

	Group 2025 £	*Group 2024 £*	Charitable Company 2025 £	*Charitable Company 2024 £*
Trade creditors	**119,238**	*106,742*	**103,544**	*91,236*
Amounts owed to group undertakings	**-**	*-*	**3,261**	*-*
Other taxation and social security	**50,410**	*25,305*	**33,328**	*25,305*
Other creditors	**13,913**	*50,907*	**13,913**	*50,907*
Accruals and deferred income	**538,179**	*461,574*	**516,651**	*453,454*
	721,740	*644,528*	**670,697**	*620,902*

	Group 2025 £	*Group 2024 £*	Charitable Company 2025 £	*Charitable Company 2024 £*
Deferred income at 1 April 2024	**387,355**	*509,647*	**387,355**	*509,647*
Resources deferred during the year	**438,099**	*387,355*	**431,094**	*387,355*
Amounts released from previous periods	**(387,355)**	*(509,647)*	**(387,355)**	*(509,647)*
	438,099	*387,355*	**431,094**	*387,355*

Deferred income relates to monies received in advance for theatre shows and events taking place after the year end 31 March 2025.

20. Deferred taxation

Group

	2025 £	*2024 £*
At the beginning of the year	**487**	*727*
Accelerated capital allowances	**807**	*(240)*
	1,294	*487*

The deferred tax liability is made up as follows:

	Group 2025 £	*Group 2024 £*
Accelerated capital allowances	**(1,294)**	*(487)*
	(1,294)	*(487)*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

21. Statement of funds

Statement of funds - current year

	Balance at 1 April 2024 £	Income £	Expenditure £	Balance at 31 March 2025 £
Unrestricted funds				
Designated funds				
Designated funds	**130,000**	**-**	**-**	**130,000**
General funds				
General funds	**536,947**	**2,960,341**	**(3,165,175)**	**332,113**
Total Unrestricted funds	**666,947**	**2,960,341**	**(3,165,175)**	**462,113**
Restricted funds				
Leasehold improvements	**761**	**-**	**(761)**	**-**
Other activities	**11,521**	**-**	**-**	**11,521**
Garfield Weston	**46,710**	**11,146**	**(39,098)**	**18,758**
Learning and Participation	**10,196**	**15,000**	**(15,538)**	**9,658**
Biffa	**23,530**	**-**	**-**	**23,530**
Arts Council (Capital)	**-**	**130,674**	**-**	**130,674**
	92,718	**156,820**	**(55,397)**	**194,141**
Total of funds	**759,665**	**3,117,161**	**(3,220,572)**	**656,254**

21. Statement of funds (continued)

Funds Descriptions:

Unrestricted funds - free reserves after allowing for restricted funds.

Designated funds - £110,000 designated for building improvement works and £20,000 for planned drama development work.

Leasehold improvements - funding from South Tyneside Council and Northern Rock Foundation towards the capital redevelopment. Costs incurred were capitalised and depreciation is charged annually to the fund.

Other activities - monies received for ticket income and spend on the cost of various projects such as UKES.

Garfield Weston - grant received to make alterations to the building and pay for a community worker.

Learning and participation - grants and invoice income from various grant funding sources which include The Arts Council plus earned income from the Community and Education Programmes.

Biffa - grants received towards improved staging.

Arts Council England (Capital) - grant funding received as part of the Capital Investment Programme.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

21. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 April 2023 £	*Income* £	*Expenditure* £	*Balance at 31 March 2024* £
Unrestricted funds				
Designated funds				
Designated funds	*130,000*	-	-	*130,000*
General funds				
General funds	*613,559*	*2,722,113*	*(2,798,725)*	*536,947*
Total Unrestricted funds	*743,559*	*2,722,113*	*(2,798,725)*	*666,947*
Restricted funds				
Leasehold improvements	*56,327*	-	*(55,566)*	*761*
Other activities	-	*11,521*	-	*11,521*
Garfield Weston	*46,780*	-	*(70)*	*46,710*
Learning and Participation	-	*32,742*	*(22,546)*	*10,196*
Biffa	*23,530*	*214,584*	*(214,584)*	*23,530*
	126,637	*258,847*	*(292,766)*	*92,718*
Total of funds	*870,196*	*2,980,960*	*(3,091,491)*	*759,665*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

22. Summary of funds

Summary of funds - current year

	Balance at 1 April 2024 £	Income £	Expenditure £	Balance at 31 March 2025 £
Designated funds	**130,000**	**-**	**-**	**130,000**
General funds	**536,947**	**2,960,341**	**(3,165,175)**	**332,113**
Restricted funds	**92,718**	**156,820**	**(55,397)**	**194,141**
	759,665	**3,117,161**	**(3,220,572)**	**656,254**

Summary of funds - prior year

	Balance at 1 April 2023 £	*Income £*	*Expenditure £*	*Balance at 31 March 2024 £*
Designated funds	*130,000*	-	-	*130,000*
General funds	*613,559*	*2,722,113*	*(2,798,725)*	*536,947*
Restricted funds	*126,637*	*258,847*	*(292,766)*	*92,718*
	870,196	*2,980,960*	*(3,091,491)*	*759,665*

23. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £
Tangible fixed assets	337,668	-	**337,668**
Current assets	847,479	194,141	**1,041,620**
Creditors due within one year	(721,740)	-	**(721,740)**
Provisions for liabilities and charges	(1,294)	-	**(1,294)**
Total	462,113	194,141	**656,254**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

23. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Restricted funds 2024 £	*Unrestricted funds 2024* £	*Total funds 2024* £
Tangible fixed assets	-	*358,076*	*358,076*
Current assets	*92,718*	*953,886*	*1,046,604*
Creditors due within one year	-	*(644,528)*	*(644,528)*
Provisions for liabilities and charges	-	*(487)*	*(487)*
Total	*92,718*	*666,947*	*759,665*

24. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2025 £	*Group 2024* £
Net expenditure for the year (as per Statement of Financial Activities)	**(103,411)**	*(110,531)*
Adjustments for:		
Depreciation charges	**66,836**	*69,485*
Taxation	**807**	-
Loss/(profit) on the sale of fixed assets	**(10,595)**	*13,690*
Increase in stocks	**(67)**	*(999)*
Decrease/(increase) in debtors	**11,048**	*(134,529)*
Increase/(decrease) in creditors	**77,212**	*(45,355)*
Net cash provided by/(used in) operating activities	**41,830**	*(208,239)*

25. Analysis of cash and cash equivalents

	Group 2025 £	*Group 2024* £
Cash at bank and in hand	**809,273**	*803,276*
Total cash and cash equivalents	**809,273**	*803,276*

26. Analysis of changes in net debt

	At 1 April 2024	Cash flows	At 31 March 2025
	£	£	£
Cash at bank and in hand	**803,276**	**5,997**	**809,273**
	803,276	**5,997**	**809,273**

27. Operating lease commitments

At 31 March 2025 the Group and the Charitable Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2025	*Group 2024*	Charitable Company 2025	*Charitable Company 2024*
	£	£	£	£
Not later than 1 year	**3,370**	*1,700*	**3,370**	*1,700*
Later than 1 year and not later than 5 years	**10,415**	-	**10,415**	-
	13,785	*1,700*	**13,785**	*1,700*

28. Related party transactions

The Charitable Company has not entered into any related party transaction during the year, nor are there any outstanding balances owing between related parties and the Charitable Company at 31 March 2025.

CUSTOMS HOUSE TRUST LIMITED

England & Wales - Charity number 1032846

Accounts

Registered number: 02848282
Charity number: 1032846

THE CUSTOMS HOUSE TRUST LIMITED

(A Company Limited by Guarantee)

TRUSTEES' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

THE CUSTOMS HOUSE TRUST LIMITED
(A Company Limited by Guarantee)

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THE CUSTOMS HOUSE TRUST LIMITED
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITABLE COMPANY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2024

Trustees	M Fay, Chair (resigned 25 November 2024) L G Barrett C E Cooke (resigned 12 November 2023) D G Cottam (resigned 13 November 2023) E Czestochowski K C Dawes I Farrar S Finnon (resigned 25 November 2024) N Laverick (resigned 9 October 2023) S J Mitchell, Chair (appointed as Chair 25 November 2024) M Patterson A Plouviez C N Simmons (resigned 25 November 2024) J Smith (resigned 19 July 2023) V C Wiggins (resigned 25 November 2024)
Company registered number	02848282
Charity registered number	1032846
Registered office	The Customs House Mill Dam South Shields Tyne & Wear NE33 1ES
Company secretary	K Anders
Chief Executive Officers	K Anders (appointed as Joint CEO 1 April 2024, appointed as CEO 30 September 2024) F Martin (appointed as Joint CEO 1 April 2024, resigned as Joint CEO 30 September 2024) R Spencer (resigned 31 March 2024)
Independent auditors	Clive Owen LLP Chartered Accountants and Statutory Auditors 140 Coniscliffe Road Darlington Co Durham DL3 7RT
Bankers	HSBC Bank Plc 110 Grey Street Newcastle upon Tyne NE1 4AD
Solicitors	PGS Law Chambers 22 Denmark Centre Law Court, Fowler St South Shields NE33 2LR

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2024

The Trustees present their annual report together with the audited financial statements of the Charitable Company for the period 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).

Since the group and the Charitable Company qualify as small under section 383 of the Companies Act 2006, the Group Strategic Report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

Policies and objectives

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a Charity (PB2)'.

The Customs House Trust Limited relies on income from fees and charges from the public to cover its operating costs, together with grants from public and private trusts and organisations. The Trustees give careful consideration to the pricing structure of the fees for those on low incomes in the local and wider community.

The Customs House Trust Limited is a registered Charity and a company limited by guarantee. It has a wholly owned trading subsidiary, The Customs House Green Room Limited.

The Trust has two aims. The first relates to cultural activity, the second to managing cultural buildings and specifically the Customs House:

1. To promote, maintain, improve, and advance the knowledge, understanding, and appreciation of the arts and popular culture among the inhabitants of the borough of South Tyneside and its neighbourhood.

2. To establish and to secure the establishment of centres for the arts and popular culture throughout the borough of South Tyneside and, in particular, at the old Customs House building, Mill Dam, South Shields and to equip, maintain, manage, and market the same, together with related capital projects within the Mill Dam area of South Shields.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

Objectives and activities (continued)

Strategies for achieving objectives

Through a broad, balanced, and sustainable programme of high-quality arts and cultural activities for all, The Customs House has continued to develop the range of our partnerships, the reach of our programming and awareness of our work. We have continued to create and deliver high quality arts and cultural programmes and events that engage and involve participants, enhance the wellbeing of the communities we work with, and encourage new and diverse audiences.

Our business model is delivered through the effective implementation and rigorous review of our business plan. Our plan is inclusive of both our key priorities as an organisation, in delivering our strategic aims as a Charity for arts and culture, but also encompassing our need to support the delivery of strategies of both of our major funders, Arts Council England – Let's Create and South Tyneside Council 'Making Waves' cultural strategy.

The Customs House is an integral part of South Tyneside's cultural offer. Our local partnership work brings breadth and insight and helps to create a thriving cultural landscape for the Borough of South Tyneside. We have continued to work with the Local Cultural Education Partnership and the South Tyneside Cultural Partnership Group to shape the future of arts and culture in the Borough.

Equality, Diversity and Inclusion are at the heart of everything we do at The Customs House. Our Equality, Diversity and Inclusion Strategy ensures that we continue to recognise and embrace the differences between people and ensure that inclusion is at the forefront of our work. This year we have seen many initiatives introduced to allow us to engage more with harder to reach groups within our communities.

Working with local organisation, Tailored Leisure, we have undertaken a full access audit of our building and the services we offer. We have built in recommendations from this audit to shape our future plans for the organisation.

We have continued to offer relaxed theatre performances throughout the year and have extended this to our cinema audiences.

The Customs House remains committed to increasing engagement levels for those least engaged, by understanding the barriers facing our local communities. Our Learning and Participation offer, and utilising Audience Data is key to this work, and we committed additional resource to this from February 2024 thanks to funding from the Sir James Knott Trust. In addition, our pricing strategy has been aligned to ensure that we can provide an affordable and engaging offer in an area that is considered to be of significant social and economic deprivation.

Our strategic aim to develop emerging creatives has been enhanced with new policies to engage new entrants into the sector and where possible include opportunities for talent development regardless of age, gender or ethnicity.

We continue to develop new ways of engaging with younger more diverse audiences and have made increased efforts to build on our family audiences. Our family theatre audiences have grown through an extended range of theatre programming which was specifically aimed at younger people, and an increased number of in-house pantomime productions throughout the year.

Our in-house work has been further enhanced by working with several notable national organisations, including Boundless Theatre, Northern Broadsides, Blackpool Grand and Barnsley Civic theatres.

In April 2023, we commenced the first year of the ACE National Portfolio Organisation funding programme to help deliver the 'Let's Create' strategy. Funding in this round increased from £104K per annum to £204K per annum to allow us to deliver an extended programme of events and provide additional staffing resource to support our community engagement work.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

Objectives and activities (continued)

Thanks to grant funding from BIFFA award, received throughout YE2023 and YE2024, we were able refurbish our cinema seats in September 2023 and install a fully retractable seating unit in our main auditorium in January 2024. This has given us greater flexibility in how we deliver our creative programme and events. In April 2024 we were able to offer our first music gig with standing capacity.

Our commitment to environmental sustainability has resulted in us achieving bronze accreditation as part of the Investors in the Environment Award. We will build on this by working towards our Silver accreditation from April 2024.

We have been supported by our 843 Friends Members, comprising of single, joint and family memberships. We also receive regular donations from our Custodians and players of Unity Lottery.

During the year, there were 233 event hires for weddings, celebrations, conferences, community groups and rehearsals.

The Customs House Young Performers Company, established in January 2022 for young people aged 8-18, has grown from 22 members to 55 members within the first 12 months. From April 2023, we have delivered 34 training sessions within term time. The Young Performers Company offers training to young people in dance, drama and singing and they have produced two shows, performed in our main auditorium this year, one being a pantomime (Alice in Wonderland) and the other a Gala Show (When I Grow Up).To ensure this is a programme which is accesible for all, we offer 10% of the total places as fully or part funded.

Our Young People's work continued over the summer months with The Customs House Summer School, an annual 3-week intensive programme of musical theatre training, culminating in 6 performances in our main auditorium. The Production for summer 2023 was Seussical the Musical, involving 30 participants aged 8-18 from across the North East.

Following successful delivery in 2022, The Customs House has again been provided grant funding from South Tyneside Council to co-ordinate free holiday activity and food provision (HAF) for children and young people entitled to benefit-related free school meals. In 2023/2024 we provided 1,140 places for young people and their families to attend our venue for a meal and access to physical activities and either a visit to our cinema, pantomime, non-verbal theatre show, or musical production.

The total number of tickets sold at TCH in 2023/2024 increased by 6.5% from 103,550 to 110,327, with box office increasing from £1,409,685 to £1,603,905 (13.77%).

Ticket yield has marginally increased from £13.72 to £14.53.

A notable trend was the continued drive towards online purchases which now accounts for 83% of our total ticket sales.

We continue to grow our social media presence, with our Facebook reach increasing by 40.5%, Instagram reach by 25.1%, Facebook visits by 131.5% and Instagram visits up by 108.4%.

Continuing inflationary pressures throughout the period has created a challenging environment for maintaining consumer engagement and financial stability resulting in poorer trading conditions and slower growth than anticipated. Ticket sales have increased but only by 6.5% and not in line with increasing costs which has resulted in a deficit for 2023/2024.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

Objectives and activities (continued)

Activities undertaken to achieve objectives

Theatre

In 2023/2024, The Customs House presented shows in the main auditorium in a range of art forms such as children's theatre, music, comedy, tribute acts, new writing, musical theatre and dance.

The Customs House presented 150 Theatre productions of which 42 were directed toward Children and Young people. This resulted in the sale of 110,094 tickets of which 49,964 were related to our family shows.

Highlights of the year saw pantomime grow both in the number of productions offered but also in ticket sales. Aladdin brought an audience of 30,622 compared to 28,439 for Robin Hood the previous year. Our first Easter and Summer Pantomime also brought 9,265 visitors.

The under-sevens Christmas show, produced by Treestump Theatre (The Enchanted Snowglobe), had an audience of 4,061 which was slightly down on the previous year of 4,492, despite an increase in the number of performances within the run.

We continue to try and convert the main pantomime visitors to other children's shows throughout the year. The Mini pantomime at Halloween was replaced with a young person's gameshow which attracted 1,147 visitors compared to 2,015 the same time the previous year. The children's show in February 2024 was slightly down with 1,593 tickets sold compared to 1,618 the previous year.

Productions which were developed from new writing included The Bench, Wearmouth and Grown-up Writing which attracted audiences of 1,338 over a total of 18 performances.

In 2023/2024, we produced 4 relaxed theatre performance of our family shows with 390 people attending.

Cinema

Cinema programming has been a challenge, as it is across the sector, with a reduction in available product and changes in audience behaviours with the increased availability of home streaming. While we have still been able to increase the number of films available and tickets sold during 2023/2024, growth has been limited due to these factors. In order to diversify, we have continued our offer of Live Cinema Screenings and have trialled the use of the cinema for Esports Tournaments.

Overall, in 2023/2024, 48 films were presented over a total of 645 screenings producing a total audience of 20,123 visitors. We have also had 22 Live Cinema screenings which represents 1,078 ticket sales across the period.

In February 2023, following a collaborative project with Beacon Films, we introduced our first relaxed cinema screenings. Relaxed screenings have continued throughout 2023/2024 with 6 different screenings which attracted 350 visitors. To ensure cinema is accessible to all, each relaxed screening is offered on a 'pay what you decide' basis.

Volunteers

The Trust continues to be thankful to those who make a regular effort to support our work. This includes a range of teams who undertake litter picking, stewarding and our 'Takeover' delivery team, all of whom give so generously of their time.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

Objectives and activities (continued)

Main activities undertaken to further the Charitable Company's purposes for the public benefit

We have continued to offer a broad range of arts and cultural activities to the people of South Tyneside throughout the year.

The Customs House commissioned a piece of theatre without words for Under 7s, which was an adaption of The Little Prince, which was performed at the venue, and across South Tyneside's parks.

The Trust has maintained The Customs House and its associated buildings which are of significant importance in the history of South Tyneside. It has continued to be available for engagement in cultural pursuits for 323 days of the year. The Trust programmed live theatre, cinema, gallery exhibitions and hosted many corporate and private event bookings.

The Trust worked to offer opportunities for residents to engage in the arts including Youth Theatre, Young Performers Company, Summer School, Community Choir, Big Band, Ukuleles, and weekly art classes. We worked in partnership with many organisations including Schools, Colleges, Young Carers Association, South Tyneside Participation Team, Compact for Racial Equality in South Tyneside (CREST), Hindu Nari Sangh, Bright Futures, Bilton Hall, Hebburn Helps, Hospitality and Hope, Happy at Home, The Cultural Spring and Age Concern South Tyneside to ensure our programme was accessible to all and enhanced the Trust's reach.

Achievements and performance

Main achievements of the Charitable Company

Creative Engagement

During 2023-24, Our Learning and Participation Team engaged with over 24,500 participants in a range of artforms including theatre, singing, photography, life drawing, e-sports, breakdance and screen-printing, in our venue and across South Tyneside. This was through weekly groups and classes, Holiday Activity Fund (HAF), visits from schools, and our community engagement work.

We supported community organisations (CREST, Ocean CA, Bangladeshi Welfare Association, and Ocean Rd Caterers Association) to deliver the Ocean Rd Mela; a celebration of the Bangladeshi community in South Tyneside.

Our Takeover Festival was supported by The Gillian Dickinson Trust, The Barbour Foundation, The Fidelio Trust, D'Oyly Carte Charitable Trust and The Community Foundation, debuting a new play by young writer, Holly Readshaw, as well as workshops, a breakdance jam, visual arts exhibition and a gig night. Our Takeover Team planned and delivered the Festival, with 67% of the Team from Protected Characteristic Groups.

Our annual new writing initiate returned with PLAY 3 showcasing five NE writers, with The Peter Lathan Prize for New Writing being awarded to Alan Diment, who said of his achievement, 'it is a valuable incentive to have won and a reminder that age is no barrier to creativity.'

We debuted our new initiative First Play Club, an annual initiative which offers creatives of all ages the chance to come together and develop their first professional credit on a new production to be performed at The Customs House.

First Play Club pieces Wearmouth by Ben Gettins and Grown Up Writin' by Louise Powell both premiered on our main stage at The Customs House in September 2023. In theatre reviews of Wearmouth, feedback included, 'a staggeringly good first play...uncensored, unapologetic-and totally sincere', (Northern Echo).

The Future Creatives (TFC) is our new programme aimed at nurturing emerging artists aged 25 and under across various art forms. The initiative has been made possible through investment from Arts Council England and will provide opportunities for young creatives in the North East over the next three years.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

Achievements and performance (continued)

There were four TFC events each year. In November 2023, we shared This is Makina!, a piece of gig theatre made in partnership with London based theatre company Boundless Theatre and young people from across South Tyneside.

In April 2023, we programmed Grow With The Flow Vol. 2, with our longstanding collaborators Just Jam Intl. which was a platform to introduce young people to hip hop dance, including a jam for those at the very start of their battling careers.

We were delighted to be able to welcome to The Customs House Academy, Individuals who have made a major contribution to the world of arts and entertainment and have a significant connection with South Tyneside including Alfie Joey, Graeme Thompson, Terry Deary, Pete Zulu, and Nigel Begg.

We co-produced and showcased a new piece of musical theatre called The Audition by Graeme Thompson, and were awarded £8,000 from The Esmee Fairbairn Foundation to support the development of the work.

Financial review

Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charitable Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

Reserves policy

The Board of Trustees' aim is to maintain a balance of total reserves in excess of £500,000 and free reserves in excess of £150,000 to ensure the normal running of the business in adverse economic conditions.

At 31 March 2024 year end reserves totalled £759,665 (2023: £870,196), of which £130,000 is designated (2023: £130,000), £92,718 is restricted (2023: £126,637) and £536,947 is unrestricted (2023: £613,559).

After a number of loss making years in succession, current reserves values have fallen below the policy target levels, however, the Board is confident that The Customs House will improve performance sufficiently, after recovery from the pandemic to restore free reserves to the policy levels.

The amount of tangible fixed assets stood at £358,076 at 31 March 2024 (of which £358,076 was unrestricted).

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

Principal risks and uncertainties

The Trust maintains a risk register that identifies the major risks the Charity faces. Monthly reviews monitor risks and controls used to mitigate them and suggests how the Trust would respond should any of the risks materialise.

Audiences have still not returned to pre-pandemic levels, and buying habits and a reduction in available disposable income have resulted in a challenging trading environment. The Trust continues to monitor this situation and respond to changes in audiences through its audience development, pricing and marketing strategies.

The age of the building, its grade II listed status and the increasing costs of maintenance and repairs required draws heavily on our resources. However, applications for capital funding have been made to several Trusts and Foundations to enable replacement and refurbishment of buildings and equipment.

The retirement of the previous Executive Director, which took place in March 2024, proposes a potential risk during the 12 months while new interim management structure is fully embedded and will be closely monitored by the Trustees.

Financial risk management objectives and policies

The Trust established a risk register that identifies the major risks the Charity faces.

Monthly reviews monitor risks and controls used to mitigate them and suggests how the Trust would respond should any of the risks materialise.

The age of the building and its increasing maintenance and repairs draws heavily on our resources.

Loss of public sector funding has remained a risk. However, our two partners remain committed to the Trust.

Principal funding

The Customs House places great value on the financial support provided by Arts Council England and South Tyneside Council which enables us to deliver our strategic aims. The Customs House has received further NPO Arts Council funding until March 2026.

Structure, governance and management

Constitution

The Customs House Trust Limited is registered as a Charitable company limited by guarantee and was set up by a Trust deed and is governed by its Memorandum and Articles of Association dated 7 November 2006.

The directors of the charitable company (the Charity) are its trustees for the purposes of Charity law. The company is limited by guarantee. The trustees have no shreholding, but each undertake to subscribe an amount not exceeding £1 in the event of winding up.

Methods of appointment or election of Trustees

The management of the Group and the Charitable Company is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

Structure, governance and management (continued)

Organisational structure and decision-making policies

All strategic decisions are made at Board level. An annual budget is set and reviewed by the full Board. Day to day operational issues are delegated to the Chief Executive Officers. The Trust's terms allow for up to 15 Trustees with a minimum of 11. The current Board consists of 11 Trustees. The maximum term for Trustees is 6 years, however they are eligible for reappointment at the end of the six years.

New Board Members who have attended the last five board meetings to be formally appointed at the AGM
S Anderson
S Corpe
A Jackson
J Laverick
P White

The following Board members completed their term of office
M Fay, Chair (resigned 25 November 2024)
S Finnon (resigned 25 November 2024)
C N Simmons (resigned 25 November 2024)
V C Wiggins (resigned 25 November 2024)

None of the new members or the members who have completed their term have been actioned on Companies House as they were to be formally appointed/resigned at the AGM 30 December 2024.

Joint Chief Executive Officers K Anders & F Martin were appoint as joint CEO from 1 April 2024. Fiona Martin resigned from CEO's position on the 30 September 2024 & Kelly Anders became CEO.

The Arts Council and South Tyneside Council are observers on the Board.

The Board meets every six weeks except in December and meetings are attended by the senior executive team.

There are currently four sub committees reporting to the Board:
Finance, Staffing and Audit
Marketing and Programming
Learning and Participation
Equality, Diversity and Inclusivity

A summary of the committee purposes are given below.

Finance, Staffing and Audit
Monitors and reviews the Trust's financial performance. Discusses staffing issues, audit findings and meets monthly. Membership comprises five Trustee members, including Chair of the Trust plus Chief Executive Officers and Finance Manager. Minutes are circulated to the full Board and a verbal report is given each month. Monthly management accounts are also forwarded to key funding partners.

Marketing and Programming
Monitors, reviews, and informs the Trust's programmed events and develops and oversees delivery of a marketing strategy, meeting monthly. Membership comprises three Trustees together with the Digital Sales and Marketing Manager, Programming & Audience Development Manager, and Chief Executive Officers. Minutes are circulated to the full Board and a verbal update given at Board meetings.

Learning and Participation
Monitors, reviews and informs the Trust's cultural development programmes, meeting quarterly. Membership comprises three Trustees together with the Chief Executive Officer (Creativity), Programming & Audience Development Manager & members of the L&P team.

Equality, Diversity and Inclusivity

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

Structure, governance and management (continued)

Monitors, reviews and informs the Trust against the Trust policy and procedures. Membership comprises three Trustees together with, the Chief Executive Officers and the Operations Manager.

Other subcommittees may be formed at the Board's discretion to oversee specific special projects.

Policies adopted for the induction and training of Trustees

The Charity Terms of Reference for trustees lays out the roles and responsibilities and period of service for all board members. The Charity looks to have a Board which reflects the skills needed to deliver the Charity's aims and objectives and is mindful of gender balance and attempts to reflect the community it serves.

Trustees are recruited through an open invitation advertised across a range of mediums. Interested parties are invited to meet informally with Board members, following which, those individuals identified as being able to contribute to the Charity's work are invited to attend two full Board meetings as observers. With the agreement of a majority of the Board, those still wishing to join the Board are then invited to do so at their third meeting.

The Trustees meet for one or two Away Days per year. These events are designed as training and update sessions for Board members as well as a forum for the consideration of strategic policy choices.

Pay policy for key management personnel

The Board (who are the directors and Trustees of the Trust) determine the pay of senior staff. The joint Chief Executive Officers are charged by the Board with the management of personnel and directing and controlling, running and operating the Charity on a day today basis within the framework established the Strategic Plan and the Articles of the Trust. All Trustees give their time freely and no Trustee received remuneration in the year. Details of trustees' expenses and related party transactions are disclosed in note 13 and 27 to the accounts. The pay of senior staff is reviewed on a timely basis.

Related party relationships

The Charity has a wholly owned subsidiary: The Customs House Green Room Limited, a company registered in England and Wales. The principal activities of The Customs House Green Room Limited during the year were to run the restaurant and bar and to provide catering for events and conferences at or on behalf of the Customs House. Directors of this company are Chair of Finance and Executive Director. See note 27 for details of transactions with related parties, including Trustees and Key Management Personnel.

Trustees' indemnities

The liability of the members (who are also Trustees) is limited. Every member of the Trust has undertaken to contribute and amount not exceeding £1 to the assets of the Trust in the event of it being wound up while he/she is a member or within one year after he/she ceases to be a member.

The Charity has made third party indemnity provisions for the benefit of its Trustees during the year. The provisions remain in force at the reporting period end.

THE CUSTOMS HOUSE TRUST LIMITED
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

Structure, governance and management (continued)

Meetings, reviews and reforms the Trust against the Trust policy and procedures. Members, Trustees together with the Chief Executive Officers and the Operations Manager.

Other subcommittees may be formed at the Board's discretion to oversee specific special projects.

Policies adopted for the induction and training of Trustees

The Charity Terms of Reference for trustees lays out the roles and responsibilities and [illegible] of service for all board members. The Charity looks to have a Board which reflects the skills needed to deliver the Charity's aims and objectives and is mindful of gender balance and attempts to reflect the community it serves.

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The Trustees meet for one or two Away Days per year. These events are designed as training and update sessions for Board members as well as a forum for the consideration of strategic policy [illegible].

Pay policy for key management personnel

The Board (who are the directors and Trustees of the Trust) determine the pay of [illegible] of the joint Chief Executive Officers are charged by the Board with the management of personnel and the [illegible] running and operating the Charity on a day today basis within the framework established by the Articles of the Trust. All Trustees give their time freely and no Trustee received remuneration in the year. Details of trustees' expenses and related party transactions are disclosed in note 13 and 27. The pay of senior staff is reviewed on a timely basis.

Related party relationships

The Charity has a wholly owned subsidiary, The Customs House Green Room Limited, a company registered in England and Wales. The principal activities of The Customs House Green Room Limited [illegible] the year were to run the restaurant and bar and to provide catering for events and conferences at or [illegible] Customs House. Directors of this company are Chair of Finance and Executive Director. See [illegible] for details of transactions with related parties, including Trustees and Key Management Personnel.

Trustees' indemnities

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The Charity has made third party indemnity provisions for the benefit of its Trustees during the year. The provisions remain in force at the reporting period end.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

Plans for future periods

The Trust has successfully recruited 6 new Board Members who will replace existing members when they reach the end of their term during 2024-2025. This also includes the Chair who will be succeeded by the existing Vice Chair.

Funding has been secured from the ACE Capital Investment Fund (£446,220) to enable us to upgrade facilities at our venue by enhancing physical infrastructure which is inclusive and provides an environmentally responsible way to deliver our activities and manage resources. This includes replacing the heating and ventilation system, replacement of our stage lighting and theatre rigging equipment, refurbishment and improvement of accessibility for public areas, and equipment to allow us to offer captioned performances.

The Customs House has also been included in the Levelling up Fund application submitted by South Tyneside Council. This will involve extensive development works to The Customs House site.

The Trust is part of work with South Tyneside's Cultural Partnership as it delivers UK Prosperity Fund Grant, and ACE Place Based Partnership Fund.

The Customs House Green Room Limited has not fully recovered to the level of pre pandemic trading however year on year growth can be seen as the food, beverage and event catering offering is further developed.

The Riverside housing development is already taking shape and will grow over the next five years to have 250 homes adjacent to The Customs House along with a riverside walkway which will drive passing trade into our building.

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial . Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Charitable Company and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Charitable Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Charitable Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

Auditors

The auditors, Clive Owen LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees on 17 DECEMBER 2024 and signed on their behalf by:

S J Mitchell

S J Mitchell
Chair

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CUSTOMS HOUSE TRUST LIMITED

Opinion

We have audited the financial statements of The Customs House Trust Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2024 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charitable Company Balance Sheet, the Consolidated Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 of the parent 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 and the Charities Act 2011.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 the 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 THE CUSTOMS HOUSE TRUST LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' 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 matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement, 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 the 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 Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CUSTOMS HOUSE TRUST LIMITED (CONTINUED)

Auditors' 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 Auditors' 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. Our audit must be alert to the risk of manipulation of the financial statements and seek to understand the incentives and opportunities for management to achieve this.

We undertake the following procedures to identify and respond to these risks of non-compliance:

- Understanding the key legal and regulatory frameworks that are applicable to the Group. We communicated identified laws and regulations throughout the audit team and remained alert to any indicators of non-compliance throughout the audit. We determined the most significant of these to be Charity law, company law, taxation law, UK GAAP, health and safety, and GDPR.
- Enquiry of trustees and management as to policies and procedures to ensure compliance and any known instances of non-compliance.
- Review of board minutes and correspondence with regulators.
- Enquiry of trustees and management as to areas of the financial statements susceptible to fraud and how these risks are managed.
- Challenging management on key estimates, assumptions and judgements made in the preparation of the financial statements. These key areas of uncertainty are disclosed in the accounting policies.
- Identifying and testing unusual journal entries, with a particular focus on manual journal entries.

Through these procedures, we did not become aware of actual or suspected non-compliance. We planned and performed our audit in accordance with auditing standards but owing to the inherent limitations of procedures required in these areas, there is an unavoidable risk that we may not have detected a material misstatement in the accounts. The further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve concealment, collusion, forgery, misrepresentations, or override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect noncompliance with all laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CUSTOMS HOUSE TRUST LIMITED (CONTINUED)

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an Auditors' 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Clive Owen LLP

Christopher Beaumont BA(Hons) BFP FCA DChA (Senior Statutory Auditor)
for and on behalf of
Clive Owen LLP
Chartered Accountants and Statutory Auditors
140 Coniscliffe Road
Darlington
Co Durham
DL3 7RT

Date: 19 December 2024

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2024

	Note	Restricted funds 2024 £	Unrestricted funds 2024 £	Total funds 2024 £	*Total funds 2023 £*
Income from:					
Donations and legacies	4	**226,105**	**462,887**	**688,992**	*462,996*
Charitable activities	5	**32,742**	**1,392,604**	**1,425,346**	*1,267,096*
Other trading activities	6	**-**	**849,790**	**849,790**	*744,279*
Other income	7	**-**	**16,832**	**16,832**	*30,769*
Total income		**258,847**	**2,722,113**	**2,980,960**	*2,505,140*
Expenditure on:					
Raising funds	8	**-**	**217,553**	**217,553**	*149,092*
Charitable activities	9	**292,766**	**2,581,412**	**2,874,178**	*2,386,080*
Total expenditure		**292,766**	**2,798,965**	**3,091,731**	*2,535,172*
Net expenditure before taxation		**(33,919)**	**(76,852)**	**(110,771)**	*(30,032)*
Taxation		**-**	**240**	**240**	*233*
Net movement in funds		**(33,919)**	**(76,612)**	**(110,531)**	*(29,799)*
Reconciliation of funds:					
Total funds brought forward		**126,637**	**743,559**	**870,196**	*899,995*
Net movement in funds		**(33,919)**	**(76,612)**	**(110,531)**	*(29,799)*
Total funds carried forward		**92,718**	**666,947**	**759,665**	*870,196*

THE CUSTOMS HOUSE TRUST LIMITED
(A Company Limited by Guarantee)
REGISTERED NUMBER: 02848282

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2024

	Note		2024 £		*2023 £*
Fixed assets					
Tangible assets	14		**358,076**		*394,198*
			358,076		*394,198*
Current assets					
Stocks	16	**11,998**		*10,999*	
Debtors	17	**231,330**		*96,801*	
Cash at bank and in hand		**803,276**		*1,058,568*	
		1,046,604		*1,166,368*	
Creditors: amounts falling due within one year	18	**(644,528)**		*(689,643)*	
Net current assets			**402,076**		*476,725*
Total assets less current liabilities			**760,152**		*870,923*
Provisions for liabilities			**(487)**		*(727)*
Total net assets			**759,665**		*870,196*
Charity funds					
Restricted funds	20		**92,718**		*126,637*
Unrestricted funds	20		**666,947**		*743,559*
Total funds			**759,665**		*870,196*

The Charitable Company was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

However, an audit is required in accordance with section 151 of the Charities Act 2011.

The Trustees acknowledge their responsibilities for complying with the requirements of the Charities Act 2011 and Companies Act 2006 with respect to accounting records and preparation of financial statements.

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2024

The financial statements were approved and authorised for issue by the Trustees on ..... 17 Dec 2024 ..... and signed on their behalf by:

S J Mitchell
Chair

The notes on pages 23 to 47 form part of these financial statements.

THE CUSTOMS HOUSE TRUST LIMITED
(A Company Limited by Guarantee)
REGISTERED NUMBER: 02848282

CHARITABLE COMPANY BALANCE SHEET
AS AT 31 MARCH 2024

	Note		2024 £		*2023 £*
Fixed assets					
Tangible assets	14		**356,129**		*391,289*
Investments	15		**100**		*100*
			356,229		*391,389*
Current assets					
Debtors	17	**490,506**		*511,047*	
Cash at bank and in hand		**489,376**		*603,374*	
		979,882		*1,114,421*	
Creditors: amounts falling due within one year	18	**(620,902)**		*(669,131)*	
Net current assets			**358,980**		*445,290*
Total assets less current liabilities			**715,209**		*836,679*
Total net assets			**715,209**		*836,679*
Charity funds					
Restricted funds	20		**92,718**		*126,637*
Unrestricted funds	20		**622,491**		*710,042*
Total funds			**715,209**		*836,679*

The Charitable Company's net movement in funds for the year was £(121,470) *(2023 - £(52,991))*.

The Charitable Company was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

However, an audit is required in accordance with section 151 of the Charities Act 2011.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

CHARITABLE COMPANY BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2024

The financial statements were approved and authorised for issue by the Trustees on 17th Dec 2024 and signed on their behalf by:

S J Mitchell
Chair

The notes on pages 23 to 47 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2024

	2024 £	*2023* *£*
Cash flows from operating activities		
Net cash used in operating activities (note 23)	**(208,239)**	*155,411*
Cash flows from investing activities		
Purchase of tangible fixed assets	**(47,053)**	*(54,070)*
Net cash used in investing activities	**(47,053)**	**(54,070)**
Cash flows from financing activities		
Net cash provided by financing activities	**-**	**-**
Change in cash and cash equivalents in the year	**(255,292)**	**101,341**
Cash and cash equivalents at the beginning of the year	**1,058,568**	*957,227*
Cash and cash equivalents at the end of the year	**803,276**	*1,058,568*

The notes on pages 23 to 47 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

1. General information

The Customs House Trust Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is The Customs House, Mill Dam, South Shields, Tyne and Wear, NE33 1ES.

The charitable company's principal activities are disclosed in the Trustees' Report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Customs House Trust Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

In accordance with FRS 102, the Charity has taken advantage of the expemptions from the following disclosure requirements in relation to the Charity's own accounts. Disclosure is still presented on a consolidated basis.

The Charitable Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements.

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the Charitable Company and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

2.2 Going concern

FRS 102 requires that, if appropriate, the charitable company's financial statements are prepared on the going concern basis, which means that the organisation is able to operate for the foreseeable future on the basis of known and porjected resources. Free reserves have decreased as at 31 March 2024. Budgets and cash flow forecasts have been prepared to March 2025 based on prudent assumptions which show the group will have sufficient funds and cash to continue to operate for the next 12 months. On that basis, the Trustees believe that the Charity is well placed to manage its risks successfully and thus have adopted the going concern basis of accounting.

2. Accounting policies (continued)

2.3 Income

All income is recognised once the Charitable Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Consolidated Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Income from trading activities is recognised as earned as the related goods and services are provided.

Income from charitable activities relating to events is recognised on delivery of the performance. Income is deferred when theatre or cinema sales are received or invoiced in advance of the performances or event to which they relate. Grant income included in this category provides funding to support performance activities as is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Other income from charitable activities is recognised as earned, as the related services are provided. Grant income included in this category provides funding to support education activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

Resources expended are included in the Statement of Financial Activities on an accruals basis inclusive of irrecoverable VAT.

Governance costs include audit and accountancy fees, along with professional indemnity insurance.

2.5 Taxation

The Charitable Company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charitable Company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2. Accounting policies (continued)

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £100 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Long-term leasehold property	- 50 years' straight line
Fixtures and fittings	- 3 or 10 years' straight line

Depreciation is not charged on artwork as under normal circumstances the residual values are considered to be greater than cost. However, the carrying values of artwork are viewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Financial Activities.

2.7 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated Statement of Financial Activities.

Investments in subsidiaries are valued at cost less provision for impairment.

2.8 Stocks

Stocks are valued on a first in first out basis and stated at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

2.9 Debtors

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

2.10 Cash at bank and in hand

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

2. Accounting policies (continued)

2.11 Liabilities

Liabilities and provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charitable Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated Statement of Financial Activities as a finance cost.

2.12 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable surpluses from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

2.13 Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.14 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless these costs are required to be capitalised as an intangible or tangible fixed asset.

Employees are only entitled to carry forward unused holiday entitlement in exceptional circumstances, and only by agreement with management. The cost of any unused entitlement is recognised in the period in which the employee's services are required.

Termination benefits
Termination benefits are accounted for when the Group terminates employment. Amounts are recognised when the Group has communicated its plan of termination to the affected employees.

2.15 Operating leases

Rentals paid under operating leases are charged to the Consolidated Statement of Financial Activities on a straight-line basis over the lease term.

2. Accounting policies (continued)

2.16 Pensions

The Charitable Company operates a defined contribution pension scheme. Contributions payable to the Charitable Company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate. Differences between contributions payable in the year and actually paid are shown in other creditors. The assets of the scheme are held separately from those of the Charitable Company.

2.17 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

3. Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Charitable Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgement:

Revenue recognition - revenue is recognised when the event, e.g. Play, has taken place. Grant income is recognised upon meeting the relevant conditions.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

4. Income from donations and legacies

	Restricted funds 2024 £	Unrestricted funds 2024 £	Total funds 2024 £
Grants			
South Tyneside Council	-	177,400	**177,400**
Arts Council England (NPO)	-	204,000	**204,000**
Biffa	214,585	-	**214,585**
Other grants	11,520	10,507	**22,027**
	226,105	391,907	**618,012**
Donations	-	70,980	**70,980**
	226,105	462,887	**688,992**

	Restricted funds 2023 £	*Unrestricted funds 2023 £*	*Total funds 2023 £*
Grants			
South Tyneside Council	-	*157,400*	*157,400*
Arts Council England (NPO)	-	*102,530*	*102,530*
Biffa	*144,140*	-	*144,140*
Other grants	*11,383*	*6,383*	*17,766*
	-	-	-
	155,523	*266,313*	*421,836*
Donations	-	*41,160*	*41,160*
	155,523	*307,473*	*462,996*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

5. Income from charitable activities

	Restricted funds 2024 £	Unrestricted funds 2024 £	Total funds 2024 £
Theatre	-	1,256,101	**1,256,101**
Cinema	-	89,028	**89,028**
Learning and Participation	32,742	47,475	**80,217**
	32,742	1,392,604	**1,425,346**

	Restricted funds 2023 £	*Unrestricted funds 2023 £*	*Total funds 2023 £*
Theatre	-	*1,025,096*	*1,025,096*
Cinema	-	*77,213*	*77,213*
Learning and Participation	*38,147*	*126,640*	*164,787*
	38,147	*1,228,949*	*1,267,096*

6. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2024 £	Total funds 2024 £
Trading income	849,790	**849,790**

	Unrestricted funds 2023 £	*Total funds 2023 £*
Trading income	*744,279*	*744,279*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

7. Other incoming resources

	Unrestricted funds 2024 £	Total funds 2024 £
Sundry receipts	16,832	**16,832**

	Unrestricted funds 2023 £	*Total funds 2023 £*
Sundry receipts	*30,769*	*30,769*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

8. Expenditure on raising funds

Other trading expenses

	Unrestricted funds 2024 £	Total funds 2024 £
Trading expenses	217,553	**217,553**

	Unrestricted funds 2023 £	*Total funds 2023 £*
Trading expenses	*149,092*	*149,092*

9. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds 2024 £	Unrestricted funds 2024 £	Total 2024 £
Theatre shows	55,686	1,783,649	**1,839,335**
Cinema	-	89,274	**89,274**
Learning and Participation	22,546	135,410	**157,956**
Marketing	214,534	114,154	**328,688**
CH Own Shows	-	458,925	**458,925**
	292,766	2,581,412	**2,874,178**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

9. Analysis of expenditure on charitable activities (continued)

Summary by fund type (continued)

	Restricted funds 2023 £	*Unrestricted funds 2023* £	*Total 2023* £
Theatre shows	*188,116*	*1,444,103*	*1,632,219*
Cinema	-	*72,234*	*72,234*
Learning and Participation	*38,147*	*127,230*	*165,377*
Marketing	*40,227*	*92,972*	*133,199*
CH Own Shows	-	*383,051*	*383,051*
	266,490	*2,119,590*	*2,386,080*

10. Analysis of expenditure by activities

	Activities undertaken directly 2024 £	**Support costs 2024** £	**Total funds 2024** £
Theatre shows	531,343	1,307,992	**1,839,335**
Cinema	89,274	-	**89,274**
Learning and Participation	157,956	-	**157,956**
Marketing	328,688	-	**328,688**
CH Own Shows	458,925	-	**458,925**
	1,566,186	1,307,992	**2,874,178**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

10. Analysis of expenditure by activities (continued)

	Activities undertaken directly 2023 £	*Support costs 2023 £*	*Total funds 2023 £*
Theatre shows	*514,410*	*1,117,809*	*1,632,219*
Cinema	*72,234*	-	*72,234*
Learning and Participation	*165,377*	-	*165,377*
Marketing	*133,199*	-	*133,199*
CH Own Shows	*383,051*	-	*383,051*
	1,268,271	*1,117,809*	*2,386,080*

Analysis of direct costs

	Theatre Shows 2024 £	**Cinema 2024 £**	**Learning and Participation 2024 £**	**Marketing 2024 £**
Staff costs	113,265	-	-	-
Depreciation	68,524	-	-	-
Direct costs	349,554	89,274	157,956	328,688
	531,343	89,274	157,956	328,688

	CH Own Shows 2024 £	**Total funds 2024 £**
Staff costs	-	**113,265**
Depreciation	-	**68,524**
Direct costs	458,925	**1,384,397**
	458,925	**1,566,186**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

10. Analysis of expenditure by activities (continued)

Analysis of direct costs (continued)

	Theatre Shows 2023 £	*Cinema 2023* £	*Learning and Participation 2023* £	*Marketing 2023* £
Staff costs	*93,000*	-	-	-
Depreciation	*56,123*	-	-	-
Direct costs	*244,677*	*72,234*	*165,377*	*133,199*
Biffa	*120,610*	-	-	-
	514,410	*72,234*	*165,377*	*133,199*

	CH Own Shows 2023 £	*Total funds 2023* £
Staff costs	-	*93,000*
Depreciation	-	*56,123*
Direct costs	*383,051*	*998,538*
Biffa	-	*120,610*
	383,051	*1,268,271*

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

10. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2024 £	*Total funds 2023 £*
Staff costs	**740,533**	*662,525*
Depreciation	**962**	*1,599*
Rent, rates and overheads	**74,682**	*24,539*
Insurance	**33,800**	*28,868*
Utilities	**110,836**	*69,624*
Vehicles	**90**	*6,467*
Postage, stationery & printing	**10,003**	*7,249*
Telephones	**542**	*478*
Computer costs	**88,709**	*85,646*
Audit and accountancy fees	**24,160**	*8,400*
Subscriptions	**3,304**	*2,291*
Loss on disposal	**13,690**	-
Repairs and maintenance	**96,933**	*101,133*
Finance charges	**54,872**	*44,711*
Disallowable VAT	**31,874**	*56,350*
Bad debts written off	**391**	-
Training	**4,758**	*3,412*
Sundry expenses	**11,396**	*9,588*
Governance costs	**6,457**	*4,929*
	1,307,992	*1,117,809*

11. Auditors' remuneration

	2024 £	*2023 £*
Fees payable to the Group's auditor for the audit of the Group's annual accounts	**21,350**	*16,500*

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

10. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total 2024 £	Total 2023 £
Staff costs	7[illegible]93	6[illegible]852
Depreciation	[illegible]62	[illegible]389
Rent, rates and overheads	[illegible]682	24,639
Insurance	[illegible]800	29,868
Utilities	[illegible]136	6[illegible]27
Website	90	[illegible]487
Postage, stationery & printing	[illegible]103	2,245
Telephones	[illegible]642	478
Computer costs	[illegible]8[illegible]709	85,646
Audit and accountancy fees	[illegible]2[illegible]1[illegible]80	9,400
Subscriptions	[illegible]3 [illegible]304	2 291
Loss on disposal	[illegible]480	-
Repairs and maintenance	[illegible]9[illegible]533	101,329
Finance charges	[illegible]6[illegible]472	[illegible]44 277
Disallowable VAT	[illegible]3[illegible]974	66,290
Bad debts written off	597	
Training	[illegible].758	[illegible]3,412
Sundry expenses	[illegible]1[illegible].706	[illegible]9,880
Governance costs	4[illegible]37	4,929
	[illegible]1,39[illegible],982	[illegible]1,[illegible]217,509

11. Auditors' remuneration

	2024 £	2023 £
Fees payable to the Group's auditor for the audit of the Group's annual accounts	[illegible]2[illegible]150	[illegible]16,800

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

12. Staff costs

	Group 2024 £	*Group 2023 £*	Charitable Company 2024 £	*Charitable Company 2023 £*
Wages and salaries	**781,391**	*705,461*	**668,126**	*612,461*
Social security costs	**54,984**	*40,091*	**54,984**	*40,091*
Contribution to defined contribution pension schemes	**17,423**	*9,973*	**17,423**	*9,973*
	853,798	*755,525*	**740,533**	*662,525*

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

	Group 2024 No.	*Group 2023 No.*
Employees	**59**	*56*

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2024 No.	*Group 2023 No.*
In the band £60,001 - £70,000	**1**	*1*

The total amount of employee remuneration and benefits (including employer national insurance and pension contributions) received by key management personnel for their services to the Charitable Company was £79,388 (2023: £74,004).

13. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits *(2023 - £NIL)*.

During the year ended 31 March 2024, travel expenses totalling £1,168 were reimbursed or paid directly to 1 Trustee *(2023 - £NIL to Trustees)*.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

14. Tangible fixed assets

Group

	Leasehold improvements £	Fixtures and fittings £	Total £
Cost or valuation			
At 1 April 2023	**299,387**	**653,469**	**952,856**
Additions	**-**	**47,053**	**47,053**
Disposals	**-**	**(56,650)**	**(56,650)**
At 31 March 2024	**299,387**	**643,872**	**943,259**
Depreciation			
At 1 April 2023	**69,908**	**488,750**	**558,658**
Charge for the year	**5,985**	**63,500**	**69,485**
On disposals	**-**	**(42,960)**	**(42,960)**
At 31 March 2024	**75,893**	**509,290**	**585,183**
Net book value			
At 31 March 2024	**223,494**	**134,582**	**358,076**
At 31 March 2023	*229,479*	*164,719*	*394,198*

Charitable Company

	Leasehold improvements £	Fixtures and fittings £	Total £
Cost or valuation			
At 1 April 2023	**299,387**	**605,551**	**904,938**
Additions	**-**	**47,053**	**47,053**
Disposals	**-**	**(56,650)**	**(56,650)**
At 31 March 2024	**299,387**	**595,954**	**895,341**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

14. Tangible fixed assets (continued)

Charitable Company (continued)

	Leasehold improvements £	Fixtures and fittings £	Total £
Depreciation			
At 1 April 2023	**69,908**	**443,741**	**513,649**
Charge for the year	**5,985**	**62,538**	**68,523**
On disposals	**-**	**(42,960)**	**(42,960)**
At 31 March 2024	**75,893**	**463,319**	**539,212**
Net book value			
At 31 March 2024	**223,494**	**132,635**	**356,129**
At 31 March 2023	*229,479*	*161,810*	*391,289*

15. Fixed asset investments

Charitable Company	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2023	**100**
At 31 March 2024	**100**
Net book value	
At 31 March 2024	**100**
At 31 March 2023	*100*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

15. Fixed asset investments (continued)

Principal subsidiaries

The following was a subsidiary undertaking of the Charitable Company:

Name	Company number	Registered office or principal place of business	Principal activity
The Customs House Green Room Limited	05812339	The Customs House, Mill Dam, South Shields, Tyne & Wear, NE33 1ES	The running of a cafe bar and the organisation of events and conferences at The Customs House

Class of shares	Holding	Included in consolidation
Ordinary	100%	Yes

The financial results of the subsidiary for the period were:

Name	Income £	Expenditure £	Profit for the year £	Net assets £
The Customs House Green Room Limited	**436,492**	**(425,553)**	**10,939**	**44,556**

16. Stocks

	Group 2024 £	*Group 2023 £*
Finished goods and goods for resale	**11,998**	*10,999*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

17. Debtors

	Group 2024 £	*Group 2023 £*	Charitable Company 2024 £	*Charitable Company 2023 £*
Due within one year				
Trade debtors	**44,778**	*47,938*	**44,778**	*47,938*
Amounts owed by group undertakings	**-**	*-*	**259,326**	*414,246*
Prepayments and accrued income	**186,552**	*48,863*	**186,402**	*48,863*
	231,330	*96,801*	**490,506**	*511,047*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

18. Creditors: Amounts falling due within one year

	Group 2024 £	*Group 2023 £*	Charitable Company 2024 £	*Charitable Company 2023 £*
Trade creditors	**106,742**	*81,617*	**91,236**	*66,470*
Other taxation and social security	**25,305**	*20,361*	**25,305**	*20,361*
Other creditors	**50,907**	*28,856*	**50,907**	*28,856*
Accruals and deferred income	**461,574**	*558,809*	**453,454**	*553,444*
	644,528	*689,643*	**620,902**	*669,131*

	Group 2024 £	*Group 2023 £*	Charitable Company 2024 £	*Charitable Company 2023 £*
Deferred income at 1 April 2023	**509,647**	*267,066*	**509,647**	*267,066*
Resources deferred during the year	**387,355**	*509,647*	**387,355**	*509,647*
Amounts released from previous periods	**(509,647)**	*(267,066)*	**(509,647)**	*(18,724)*
	387,355	*509,647*	**387,355**	*757,989*

19. Deferred taxation

Group

	2024 £	*2023 £*
At the beginning of the period	**727**	*960*
Accelerated capital allowances	**(240)**	*(233)*
	487	*727*

The deferred tax liability is made up as follows:

	Group 2024 £	*Group 2023 £*
Accelerated capital allowances	**(487)**	*(727)*
	(487)	*(727)*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

20. Statement of funds

Statement of funds - current year

	Balance at 1 April 2023 £	Income £	Expenditure £	Balance at 31 March 2024 £
Unrestricted funds				
Designated funds				
Designated funds	130,000	-	-	130,000
General funds				
General funds	613,559	2,722,113	(2,798,725)	536,947
Total Unrestricted funds	743,559	2,722,113	(2,798,725)	666,947
Restricted funds				
Leasehold improvements	56,327	-	(55,566)	761
Other activities	-	11,521	-	11,521
Garfield Weston	46,780	-	(70)	46,710
Learning and Participation	-	32,742	(22,546)	10,196
Biffa	23,530	214,584	(214,584)	23,530
	126,637	258,847	(292,766)	92,718
Total of funds	870,196	2,980,960	(3,091,491)	759,665

THE CUSTOMS HOUSE TRUST LIMITED

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

20 Statement of funds

Statement of funds - current year

	Balance at 1 April 2023	Income	Expenditure	Balance at 31 March 2024
	£	£	£	£
Unrestricted funds				
Designated funds				
Designated funds	130,000	-	-	130,000
General funds				
General funds	613,559	2,722,113	(2,727,725)	606,947
Total Unrestricted funds	743,559	2,722,113	(2,727,725)	736,947
Restricted funds				
Leasehold improvements	56,327	-	(5,565)	761
Other activities	-	14,521	-	14,521
Canfield Wesson	46,750	-	(70)	46,710
Learning and Participation	-	32,742	(22,646)	10,196
Elite	23,530	274,584	(21,364)	25,350
	126,607	321,847	(49,645)	98,748
Total of funds	870,166	3,043,960	(2,777,370)	1,136,756

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

20. Statement of funds (continued)

Funds Descriptions:

Unrestricted funds - free reserves after allowing for restricted funds.

Designated funds - £110,000 designated for building improvement works and £20,000 for planned drama development work.

Leasehold improvements - funding from South Tyneside Council and Northern Rock Foundation towards the capital redevelopment. Costs incurred were capitalised and depreciation is charged annually to the fund.

Other activities - monies received for ticket income and spend on the cost of various projects such as UKES.

Garfield Weston - grant received to make alterations to the building and pay for a community worker.

Learning and participation - grants and invoice income from various grant funding sources which include The Arts Council plus earned income from the Community and Education Programmes.

Biffa - grants received towards improved staging.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

20. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 April 2022 £	*Income* £	*Expenditure* £	*Balance at 31 March 2023* £
Unrestricted funds				
Designated funds				
Designated funds	*130,000*	-	-	*130,000*
General funds				
General funds	*570,538*	*2,311,470*	*(2,268,449)*	*613,559*
Total Unrestricted funds	*700,538*	*2,311,470*	*(2,268,449)*	*743,559*
Restricted funds				
Leasehold improvements	*112,450*	-	*(56,123)*	*56,327*
Other activities	-	*11,383*	*(11,383)*	-
Garfield Weston	*87,007*	-	*(40,227)*	*46,780*
Learning and Participation	-	*38,147*	*(38,147)*	-
Biffa	-	*144,140*	*(120,610)*	*23,530*
	199,457	*193,670*	*(266,490)*	*126,637*
Total of funds	*899,995*	*2,505,140*	*(2,534,939)*	*870,196*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

21. Summary of funds

Summary of funds - current year

	Balance at 1 April 2023 £	Income £	Expenditure £	Balance at 31 March 2024 £
Designated funds	**130,000**	**-**	**-**	**130,000**
General funds	**613,559**	**2,722,113**	**(2,798,725)**	**536,947**
Restricted funds	**126,637**	**258,847**	**(292,766)**	**92,718**
	870,196	**2,980,960**	**(3,091,491)**	**759,665**

Summary of funds - prior year

	Balance at 1 April 2022 £	*Income £*	*Expenditure £*	*Balance at 31 March 2023 £*
Designated funds	*130,000*	-	-	*130,000*
General funds	*570,538*	*2,311,470*	*(2,268,449)*	*613,559*
Restricted funds	*199,457*	*193,670*	*(266,490)*	*126,637*
	899,995	*2,505,140*	*(2,534,939)*	*870,196*

22. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Restricted funds 2024 £	Unrestricted funds 2024 £	Total funds 2024 £
Tangible fixed assets	-	358,076	**358,076**
Current assets	92,718	953,886	**1,046,604**
Creditors due within one year	-	(644,528)	**(644,528)**
Provisions for liabilities and charges	-	(487)	**(487)**
Total	92,718	666,947	**759,665**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

22. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

	Restricted funds 2023 £	*Unrestricted funds 2023* £	*Total funds 2023* £
Tangible fixed assets	*206,948*	*187,250*	*394,198*
Current assets	-	*1,166,368*	*1,166,368*
Creditors due within one year	*(80,311)*	*(609,332)*	*(689,643)*
Provisions for liabilities and charges	-	*(727)*	*(727)*
Total	*126,637*	*743,559*	*870,196*

23. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2024 £	*Group 2023* £
Net expenditure for the period (as per Statement of Financial Activities)	**(110,531)**	*(29,799)*
Adjustments for:		
Depreciation charges	**69,485**	*57,722*
Taxation	**-**	*(233)*
Loss on the sale of fixed assets	**13,690**	-
Decrease/(increase) in stocks	**(999)**	*691*
Increase in debtors	**(134,529)**	*(75,866)*
Increase/(decrease) in creditors	**(45,355)**	*202,896*
Net cash provided by/(used in) operating activities	**(208,239)**	*155,411*

24. Analysis of cash and cash equivalents

	Group 2024 £	*Group 2023* £
Cash at bank and in hand	**803,276**	*1,058,568*
Total cash and cash equivalents	**803,276**	*1,058,568*

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

25. Analysis of changes in net debt

	At 1 April 2023	Cash flows	At 31 March 2024
	£	£	£
Cash at bank and in hand	**1,058,568**	**(255,292)**	**803,276**
	1,058,568	**(255,292)**	**803,276**

26. Operating lease commitments

At 31 March 2024 the Group and the Charitable Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2024	*Group 2023*	**Charitable Company 2024**	*Charitable Company 2023*
	£	*£*	**£**	*£*
Not later than 1 year	**1,700**	*3,400*	**1,700**	*3,400*
Later than 1 year and not later than 5 years	**-**	*1,700*	**-**	*1,700*
	1,700	*5,100*	**1,700**	*5,100*

27. Related party transactions

During the year, R Spencer (Executive Director up to 31 March 2024) was paid £16,722 (2023: £13,177) in total for his services (as a writer, director and performer) for the pantomime. R Spencer was also paid £102 for travel and subsistence. I Farrar also had reimbursed subsistence of £1,168. The £1,168 was still outstanding at year end (2023: £nil).

CUSTOMS HOUSE TRUST LIMITED

England & Wales - Charity number 1032846

Accounts

Registered number: 02848282
Charity number: 1032846

THE CUSTOMS HOUSE TRUST LIMITED

(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

THE CUSTOMS HOUSE TRUST LIMITED
(A Company Limited by Guarantee)

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THE CUSTOMS HOUSE TRUST LIMITED
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITABLE COMPANY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2023

Trustees	M Fay, Chair L G Barrett (appointed 25 April 2022) R R Berkley (resigned 26 May 2022) J Blacklock (resigned 1 March 2023) C E Cooke (resigned 12 November 2023) D G Cottam (resigned 13 November 2023) E Czestochowski (appointed 25 April 2022) K C Dawes (appointed 13 June 2022) I Farrar (appointed 25 April 2022) S Finnon N Laverick (appointed 25 April 2022, resigned 9 October 2023) S J Mitchell M Patterson (appointed 5 September 2022) A Plouviez (appointed 27 March 2023) C N Simmons J Smith (appointed 25 April 2022, resigned 19 July 2023) G Thompson (resigned 27 March 2023) V C Wiggins
Company registered number	02848282
Charity registered number	1032846
Registered office	The Customs House Mill Dam South Shields Tyne & Wear NE33 1ES
Company secretary	K Anders
Chief executive officer	R Spencer
Independent auditors	Clive Owen LLP 140 Coniscliffe Road Darlington Co Durham DL3 7RT
Bankers	HSBC Bank Plc 110 Grey Street Newcastle upon Tyne NE1 4AD
Solicitors	PGS Law Law Court Chambers 20 - 22 Waterloo Square South Shields NE33 1AW

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2023

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

Since the group and the Charitable Company qualify as small under section 383 of the Companies Act 2006, the Group Strategic Report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

Policies and objectives

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

The Customs House Trust Limited relies on income from fees and charges from the public to cover its operating costs, together with grants from public and private trusts and organisations. The Trustees give careful consideration to the pricing structure of the fees for those on low incomes in the local and wider community.

The Customs House Trust Limited is a registered charity and a company limited by guarantee. It has a wholly owned trading subsidiary, The Customs House Green Room Limited.

The Trust has two aims. The first relates to cultural activity, the second to managing cultural buildings and specifically the Customs House:

1. to promote, maintain, improve, and advance the knowledge, understanding, and appreciation of the arts and popular culture among the inhabitants of the borough of South Tyneside and its neighbourhood.

2. to establish and to secure the establishment of centres for the arts and popular culture throughout the borough of South Tyneside and, in particular, at the old Customs House building, Mill Dam, South Shields and to equip, maintain, manage, and market the same, together with related capital projects within the Mill Dam area of South Shields.

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

Objectives and activities (continued)

Strategies for achieving objectives

Through a broad, balanced, and sustainable programme of high-quality arts and cultural activities for all, The Customs House has continued to develop the range of our partnerships, the reach of our programming and awareness of our work. We have continued to create and deliver high quality arts and cultural programmes and events that engage and involve participants, enhance the wellbeing of the communities we work with, and encourage new and diverse audiences.

Our business model is delivered through the effective implementation and rigorous review of our business plan. Our plan is inclusive of both our key priorities as an organisation, in delivering our strategic aims as a charity for arts and culture, but also encompassing our need to support the delivery of strategies of both of our major funders: Arts Council England 'Lets Create' (as part of our status as a National Portfolio Organisation) and South Tyneside Council's cultural strategy, 'Making Waves'.

The Customs House is an integral part of South Tyneside's cultural offer, and we have continued to work with The Cultural Spring Creative People and Places programme and The Word, as well as working with the Local Cultural Education Partnership and the South Tyneside Cultural Partnership Group which will which shape the future of the arts and culture in the Borough.

Equality, Diversity and Inclusion are at the heart of everything we do at The Customs House. Our Equality, Diversity and Inclusion Strategy ensures that we continue to recognise and embrace the differences between people and ensure that inclusion is at the forefront of our work. This year we have seen many initiatives introduced to allow us to engage more with harder to reach groups within our communities and develop our audiences and our offer.

The Customs House remains committed to increasing engagement levels for those least engaged, understanding the barriers facing our local communities. Our Learning and Participation offer, and utilising Audience Data is key to this work, and we have committed considerable resource to this. In addition, our pricing strategy has been aligned to ensure that we can provide an affordable and engaging offer in an area that is considered an area of significant social and economic deprivation.

Our strategic aim to develop emerging creatives and artists has continued this year with our organisation making a commitment to new creatives through a new casting policy which aims to ensure that a significant percentage of artists engaged will be emerging practitioners or people new to our organisation.

We continue to develop new ways of engaging with younger more diverse audiences and have made increased efforts to build on our family audiences.

Objectives and activities (continued)

Activities undertaken to achieve objectives

A slow but positive period of growth and recovery from the pandemic. Against the background of uncertainty which surrounded the national entertainment business both limited live touring product and delays around blockbuster cinema releases.

Theatre

In 2022/23 The Customs House presented 144 Theatre productions of which 39 were directed toward Children and Young people. 377 performances resulted in the sale of 78,614 tickets of which 47,307 were related to our family shows. Highlights of the year saw panto growing again following a dip post-covid. Robin Hood had an audience of 28,439 compared to 23,856 for the previous year title Rapunzel.

Our under-sevens Christmas show, The Last Snowflake, had an audience of 4,492 up from 3,641 the previous year.

We are particularly delighted to that we are converting the main panto visitors to other children's shows throughout the year. Mini pantos at Halloween (2,015 tickets sold compared to 1,588 the previous year) and February (slightly down with 1,618 tickets sold this year compared to 1,724 in 21/22) half terms also performed well.

We were thrilled to have Terry Deary (Horrible Histories) give his writing services free when he penned Off The Wall which was our community production performed at Arbeia Roman Fort and was seen by over 600 people.
An extended hire, by a newly formed independent production company, helps drive up summer theatre attendance The Sound of Music. 2,938 attended the show.

Cinema

41 films were presented over a total of 701 screenings giving producing a total audience of 16,633 of which 9,065 were from family audiences. Cinema highlights include Downton Abbey 2 (1,752), Matilda (1,435), Elvis (1,222), Minions 2 (1,138), Superpets (1,292) and Puss in Boots (1,006).

The total number of tickets sold at TCH in 22/23 grew from 79,247 to 103,550, with box office increasing from £1,029,291 to £1,409,685. Despite the total numbers of bookers reducing the frequency of attendance increased year on year. The number of events/performances increased from 1,060 to 1,516 and yield has increased from £13.01 to £13.72. A notable trend was the continued drive towards online purchases which now accounts for over 65% of our total sales.

Social media

We continue to grow our social media presence. E-Comms subscribers up from 13,881 to 17,005, an increase of 3,124. Click Through Rate average is 6% (According to research from Moosend, the average email click-through rate across industries is 4.01%).

This figure was incredibly encouraging as we have worked to actively engage with our e-comms, requesting permission to contact customers via this method. A data cleanse was also completed that assisted in updating tens of thousands of records. We also developed E-Comms layouts to allow for easier access to the content.

Our headline figures for Social Media April 22 – March 23
Facebook Reach: 612,800 +102%
Instagram Reach: 71,865 +129%
Paid Reach: 190,694

Objectives and activities (continued)

We continued to implement technological changes to ensure that we can engage with all audiences through a range of mediums. The introduction of digital show programmes and the use of QR codes to deliver information have been effective in reaching a broader range of audiences. The Last Snowflake and The Sound Of Music featured the introduction of a bespoke panto app video game which was very well received and proved a great engagement tool.

Volunteers

The Trust continues to be thankful to those who make a regular effort to support our work. This includes a range of teams who undertake litter picking, stewarding and our 'Takeover Team' delivery team. All of whom give so generously of their time.

Main activities undertaken to further the Charitable Company's purposes for the public benefit

We have continued to offer a broad range of arts and cultural activities to the people of South Tyneside throughout the year.

The Customs House toured performances out to a range of public parks across the borough and based its Easter production in Jarrow Focus to give potential new audiences a chance to engage in theatre.

The Trust has maintained The Customs House and its associated buildings which are of significant important in the history of South Tyneside. It has continued to be available for engagement in cultural pursuits for 350 days of the year. The Trust programmed live theatre, cinema and gallery exhibitions. It also provided a safe and well-resourced place for young people to meet.

The Trust worked to offer opportunities for residents to reengage in the arts including Youth Theatre, Community Choir, Big Band, Ukuleles, and Arts classes. We worked in partnership with many organisations including Schools, Colleges, Young Carers, Compact for Racial Equality in South Tyneside (CREST), Hindu Nari Sang, Happy at Home and Age Concern to ensure our programme was accessible to all and enhanced the Trust's reach.

Achievements and performance

Main achievements of the Charitable Company

The lack of a suitable touring product and our focus on family audiences led us to producing more in-house productions, 9 of which were new commissions which led to The Customs House giving contracts to 121 north east based creatives.

Engagement
During 2022-23, Learning and Participation engaged with over 26,000 participants in a range of artforms including theatre, life drawing, fashion, breakdance and screen-printing, in our venue and across South Tyneside. This was through weekly groups and classes, youth theatre, holiday activity, visits from schools, young performers group, and our community engagement work.

With our community partners, we delivered the first Ocean Road Mela; a celebration of our Bangladeshi Community through music, craft, and vibrant food stalls it was attended by over 2,500 people.

Our Takeover Festival brought us the widest variety of artforms, and our most inclusive Takeover Team to date with 82% of members from Protected Characteristic Groups. We debuted a new play, 'Down the Lines', by Owen Saunders, featuring eight young actors, with 88% of them new to the venue which was met with critical acclaim. Takeover Open Visual Arts Exhibition attracted over 60 pieces of work from 30 artists, an increase of 38% from the previous year.

Achievements and performance (continued)

There were 67 entries to the Terry Kelly Poetry Prize, and this was the first time we live streamed this event, which provided the opportunity for a further 906 people to watch at home.

The Mean Teens Breakdance Jam had entrants from across the UK and was used as a platform to profile the importance of young men talking about mental health; the collection buckets were used to collect for MIND. Our winners travelled from Bournemouth, with runners up from Derby.

We received a record number of entries for our new writing imitative PLAY 2 and increased our audience numbers by 19% on the previous year. We awarded the Peter Lathan Prize for new writing for the first time, to two emerging writers.

Our Youth Theatre worked on two new pieces of writing, and our Seniors took part in National Theatre Connections for the 12th time. We were visited by an Associate Director of the National Theatre who said of their play, 'this production was pitch-perfect, and the company have found a rhythm and a pace with the language that was confident, assured and properly funny. ...You have taken this play and made it feel like it completely belongs to this company, which is a huge achievement.'

Thanks to the generous support of a Biffa Award, we were able to open a new Learning and Participation resource in May 2022 which has allowed even more groups to be based at the Customs house and derived a new income stream from its hire.

Friends Digital Membership card launched in September 2022 and the new Friends numbers have increased by 10% from 400 to 440.

Other notable funding successes included support for our jubilee celebrations from Sir James Knott Trust.

Funding from Suez Trust to restore South Shields Coat of Arms which is situated at the front of the building which was matched by the generous support of a private individual.

A grant from Austin & Hope Pilkington to continue our Chill & Chat Men's Group which welcomes male community members who have recently resettled in South Tyneside and who don't have English as their first language. A similar women's group received support from the Operation Payback Fund.

We were delighted to gain the support of local business M I Dickson who signed up to become a Silver Level Corporate Partner for a 5-year period. This is yet another local business following the long-term lead given by Hyas Travel and Colman's Restaurants to support our community work.

Individuals who have made a significant contribution to the Cultural life of South Tyneside were invited to become Honorary Fellows of The Customs House Academy - Jeff Brown (TV presenter), Janis Blower (writer & historian), Peter Flannery (playwright) & Kevin Maguire (writer and broadcaster).

During the year we began working towards an Investors in the Environment accreditation we aim to make our organisation carbon neutral by 2030.

Financial review

Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charitable Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

Reserves policy

The Board of Trustees' aim is to maintain a balance of total reserves in excess of £500k and free reserves in excess of £150k to ensure the normal running of the business in adverse economic conditions. As at the year end there were designated funds of £130k (2022: £130k). Available free reserves stood at £497k as 31 March 2023.

After a number of loss making years in succession, current reserves values have fallen below the policy target levels, however, the Board is confident that The Customs House will improve performance sufficiently, after recovery from the pandemic to restore free reserves to the policy levels.

As at 31 March 2023, restricted reserves have a balance of £206k relating to capital improvements to be depreciated (£51k) and specific funding received in advance of utilisation (£112k). The Board is not aware of any funding opportunities being pursued that may materially increase this number in the immediate future.

The amount of tangible fixed assets stood at £391k at 31 March 2023 (of which £187k was unrestricted).

Principal risks and uncertainties

The Trust maintains a risk register that identifies the major risks the charity faces. Monthly reviews monitor risks and controls used to mitigate them and suggests how the Trust would respond should any of the risks materialise.

While recovery from the pandemic has begun, audience attendance has not fully recovered and this continues to be closely monitored. The age of the building, its grade II listed status, and its increasing maintenance and repairs draws heavily on our resources.

The impending retirement of the Executive Director planned for March 2024 continues to propose a significant risk. This has been mitigated through an enhanced Senior Management Team which is now in place and an outline succession plan to be delivered.

Loss of public sector funding remains a risk. However, our two partners remain committed to the Trust.

Financial risk management objectives and policies

The Trust established a risk register that identifies the major risks the charity faces.

Bi-annual reviews, monitor risks and controls used to mitigate them and suggests how the Trust would respond should any of the risks materialise.

The age of the building and its increasing maintenance and repairs draws heavily on our resources.

Principal funding

The Customs House places great value on the financial support provided by Arts Council England and South Tyneside Council which enables us to deliver our strategic aims. During the year under review, it was announced that the Customs House had received a further 3 years of Arts Council funding until March 2026.

Structure, governance and management

Constitution

The Customs House Trust Limited is registered as a charitable company limited by guarantee and was set up by a Trust deed and is governed by its Memorandum and Articles of Association dated 7 November 2006.

The directors of the charitable company (the charity) are its trustees for the purposes of charity law. The company is limited by guarantee. The trustees have no shreholding, but each undertake to subscribe an amount not exceeding £1 in the event of winding up.

Methods of appointment or election of Trustees

The management of the Group and the Charitable Company is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed.

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

Structure, governance and management (continued)

Organisational structure and decision-making policies

All strategic decisions are made at Board level. An annual budget is set and reviewed by the full Board. Day to day operational issues are delegated to the Executive Director. The Trust's terms allow for up to 15 Trustees with a minimum of 11. The current Board consists of 11 Trustees. Trustees are initially appointed for a three year term. At the end of that term they may be reappointed for a further term of three years. Trustees should not be reappointed for a third term so the maximum term that a Trustee should serve is six years.

The Arts Council and South Tyneside Council are observers on the Board.

The Board meets every six weeks except in December and meetings are attended by the senior executive team.

There are currently four sub committees reporting to the Board:

- Finance, Staffing and Audit
- Marketing and Programming
- Learning and Participation
- Equality, Diversity and Inclusivity

A summary of the committee purposes are given below.

Finance, Staffing & Audit
Monitors and reviews the Trust's financial performance. Discusses personnel issues, audit findings and meets monthly. Membership comprises five Trustee members, including Chair of the Trust plus Executive Director. Finance Director and Operations Director. Minutes are circulated to the full Board and a verbal report is given each month. Monthly management accounts are also forwarded to key funding partners.

Marketing and Programming
Monitors, reviews, and informs the Trust's programmed events and develops and oversees delivery of a marketing strategy, meeting quarterly. Membership comprises three Trustees together with the Marketing & Brand Manager, Programming & Audience Development Manager, Director of Learning & Participation and Executive Director. Minutes are circulated to the full Board and a verbal update given at Board meetings.

Learning & Participation
Monitors, reviews and informs the Trust's cultural development programmes, meeting quarterly. Membership comprises three Trustees together with the Director of Learning & Participation, Programming & Audience Development Manager & members of the L&P team, Executive Director, South Tyneside Council observer and Arts Council Relationship Manager acting as observer.

Equality, Diversity and Inclusivity
Monitors, reviews and informs the Trust against the Trust policy and procedures. Membership comprises three Trustees together with, the Director of Learning & Participation, Operations Director and members of the L&P team.

Other sub-committees may be formed at the Board's discretion to oversee specific special projects.

Structure, governance and management (continued)

Policies adopted for the induction and training of Trustees

The Board comprises up to 15 members and minimum of eleven, one of which is a Local Authority observer. The charity Terms of Reference for trustees lays out the roles and responsibilities and period of service for all board members. The charity looks to have a Board which reflects the skills needed to deliver the charity's aims and objectives and is mindful of gender balance and attempts to reflect the community it serves.

Trustees are recruited through an open invitation placed in the local newspapers and social media. Interested parties are invited to meet informally with Board members, following which, those individuals identified as being able to contribute to the charity's work are invited to attend two full Board meetings as observers. With the agreement of a majority of the Board, those still wishing to join the Board are then invited to do so at their third meeting.

The Trustees meet for one or two Away Days per year. These events are designed as training and update sessions for Board members as well as a forum for the consideration of strategic policy choices.

Pay policy for key management personnel

The Board (who are the directors and Trustees of the Trust) determine the pay of senior staff. The Executive Director is charged by the Board with the management of personnel and directing and controlling, running and operating the charity on a day-to-day basis within the framework established the the Strategic Plan and the Articles of the Trust. All Trustees give their time freely and no Trustee received remuneration in the year. Details of trustees' expenses and related party transactions are disclosed in note 14 and 29 to the accounts. The pay of senior staff is reviewed on a timely basis.

Related party relationships

The charity has a wholly owned subsidiary: The Customs House Green Room Limited, a company registered in England and Wales. The principal activities of The Customs House Green Room Limited during the year were to run the restaurant and bar and to provide catering for events and conferences at or on behalf of the Customs House. Directors of this company are Chair of Finance and Executive Director. See note 29 for details of transactions with related parties, including Trustees, and note 13 for Key Management Personnel remuneration.

Trustees' indemnities

The liability of the members (who are also trustees) is limited. Every member of the Trust has undertaken to contribute and amount not exceeding £1 to the assets of the Trust in the event of it being wound up while he/she is a member or within one year after he/she ceases to be a member.

The charity has made third party indemnity provisions for the benefit of its Trustees during the year. The provisions remain in force at the reporting period end.

Plans for future periods

The Trust will undertake a board refresh as a number of long-standing board members come to the end of their term during 2023/24 this includes the Chair, and the board is actively searching for the right solution based on the current skills matrix of what the current board has and what it will need to strengthen going forward. The current Executive Director steps down at the end of the financial year 2023-24. The Board has decided to appoint the current directors of Learning and Operations to become joint CEO of the trust to deliver the remaining two years of NPO programme and hopefully oversee the current and hoped for capital projects planned in 2024. The newly refurbished cinema and main auditorium together with the significant restoration of the Grade 2 listed building will be completed in early 2024. However further projects to restore and improve the building are to be included in a major capital bid to The Arts Council and there will be a resubmission to the UK Governments Levelling Up fund in 2024.

The Trust is well placed to work with South Tyneside's Cultural Partnership as it delivers UK Prosperity Fund Grant and will lead on a number of funded projects. The trust will host a newly funded post which will support the work of the Local Cultural Education Partnership and the Cultural Partners agenda.

The Customs House Green Room Ltd has not recovered to the level of pre pandemic trading however very positive signs can be seen.

The Riverside housing development is already taking shape and will grow over the next five years to have 250 homes adjacent to The Customs House along with a riverside walkway which will drive passing trade into our building.

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial . Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Charitable Company and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Charitable Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Charitable Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

Auditors

The auditors, Clive Owen LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees on 18/12/23 and signed on their behalf by:

M Fay
Chair of Trustees

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CUSTOMS HOUSE TRUST LIMITED

Opinion

We have audited the financial statements of The Customs House Trust Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charitable Company Balance Sheet, the Consolidated Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 of the parent charitable company's affairs as at 31 March 2023 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 and the Charities Act 2011.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 the 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 THE CUSTOMS HOUSE TRUST LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' 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 matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement, 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 the 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 Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CUSTOMS HOUSE TRUST LIMITED (CONTINUED)

Auditors' 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 Auditors' 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. Our audit must be alert to the risk of manipulation of the financial statements and seek to understand the incentives and opportunities for management to achieve this.

We undertake the following procedures to identify and respond to these risks of non-compliance:

- Understanding the key legal and regulatory frameworks that are applicable to the Group. We communicated identified laws and regulations throughout the audit team and remained alert to any indicators of non-compliance throughout the audit. We determined the most significant of these to be charity law, company law, taxation law, UK GAAP, health and safety, and GDPR.
- Enquiry of trustees and management as to policies and procedures to ensure compliance and any known instances of non-compliance.
- Review of board minutes and correspondence with regulators.
- Enquiry of trustees and management as to areas of the financial statements susceptible to fraud and how these risks are managed.
- Challenging management on key estimates, assumptions and judgements made in the preparation of the financial statements. These key areas of uncertainty are disclosed in the accounting policies.
- Identifying and testing unusual journal entries, with a particular focus on manual journal entries.

Through these procedures, we did not become aware of actual or suspected non-compliance. We planned and performed our audit in accordance with auditing standards but owing to the inherent limitations of procedures required in these areas, there is an unavoidable risk that we may not have detected a material misstatement in the accounts. The further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve concealment, collusion, forgery, misrepresentations, or override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect noncompliance with all laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CUSTOMS HOUSE TRUST LIMITED (CONTINUED)

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an Auditors' 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Christopher Beaumont BA(Hons) BFP FCA DChA (Senior Statutory Auditor)
for and on behalf of
Clive Owen LLP
Chartered Accountants and Statutory Auditors
140 Coniscliffe Road
Darlington
Co Durham
DL3 7RT

Date:

THE CUSTOMS HOUSE TRUST LIMITED
(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2023

	Note	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £	*Total funds 2022 £*
Income from:					
Donations and legacies	4	**155,523**	**307,473**	**462,996**	*572,216*
Charitable activities	5	**38,147**	**1,228,949**	**1,267,096**	*974,297*
Other trading activities	6	**-**	**744,279**	**744,279**	*506,725*
Investments	7	**-**	**-**	**-**	*491*
Other income	8	**-**	**30,769**	**30,769**	*3,300*
Total income		**193,670**	**2,311,470**	**2,505,140**	*2,057,029*
Expenditure on:					
Raising funds	9	**-**	**149,092**	**149,092**	*82,914*
Charitable activities	10	**266,490**	**2,119,590**	**2,386,080**	*1,769,792*
Total expenditure		**266,490**	**2,268,682**	**2,535,172**	*1,852,706*
Net (expenditure)/income before taxation		**(72,820)**	**42,788**	**(30,032)**	*204,323*
Taxation		**-**	**233**	**233**	*(2,539)*
Net movement in funds		**(72,820)**	**43,021**	**(29,799)**	*201,784*
Reconciliation of funds:					
Total funds brought forward		**199,457**	**700,538**	**899,995**	*698,211*
Net movement in funds		**(72,820)**	**43,021**	**(29,799)**	*201,784*
Total funds carried forward		**126,637**	**743,559**	**870,196**	*899,995*

THE CUSTOMS HOUSE TRUST LIMITED
(A Company Limited by Guarantee)
REGISTERED NUMBER: 02848282

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2023

	Note		2023 £		*2022 £*
Fixed assets					
Tangible assets	15		**394,198**		*397,850*
			394,198		*397,850*
Current assets					
Stocks	17	**10,999**		*11,690*	
Debtors	18	**96,801**		*20,935*	
Cash at bank and in hand		**1,058,568**		*957,227*	
		1,166,368		*989,852*	
Creditors: amounts falling due within one year	19	**(689,643)**		*(486,747)*	
Net current assets			**476,725**		*503,105*
Total assets less current liabilities			**870,923**		*900,955*
Provisions for liabilities			**(727)**		*(960)*
Total net assets			**870,196**		*899,995*
Charity funds					
Restricted funds	21		**126,637**		*199,457*
Unrestricted funds	21		**743,559**		*700,538*
Total funds			**870,196**		*899,995*

The Charitable Company was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

However, an audit is required in accordance with section 151 of the Charities Act 2011.

The Trustees acknowledge their responsibilities for complying with the requirements of the Charities Act 2011 and Companies Act 2006 with respect to accounting records and preparation of financial statements.

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2023

The financial statements were approved and authorised for issue by the Trustees on 13/12/23 and signed on their behalf by:

M Fay
(Chair of Trustees)

The notes on pages 23 to 47 form part of these financial statements.

THE CUSTOMS HOUSE TRUST LIMITED

(A Company Limited by Guarantee)
REGISTERED NUMBER: 02848282

CHARITABLE COMPANY BALANCE SHEET
AS AT 31 MARCH 2023

	Note		2023 £		*2022 £*
Fixed assets					
Tangible assets	15		**391,289**		*394,011*
Investments	16		**100**		*100*
			391,389		*394,111*
Current assets					
Debtors	18	**511,047**		*236,131*	
Cash at bank and in hand		**603,374**		*729,215*	
		1,114,421		*965,346*	
Creditors: amounts falling due within one year	19	**(669,131)**		*(469,787)*	
Net current assets			**445,290**		*495,559*
Total assets less current liabilities			**836,679**		*889,670*
Total net assets			**836,679**		*889,670*
Charity funds					
Restricted funds	21		**126,637**		*199,457*
Unrestricted funds	21		**710,042**		*690,213*
Total funds			**836,679**		*889,670*

The Charitable Company's net movement in funds for the year was £(52,991) *(2022 - £277,326)*.

The Charitable Company was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

However, an audit is required in accordance with section 151 of the Charities Act 2011.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

CHARITABLE COMPANY BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2023

The financial statements were approved and authorised for issue by the Trustees on 18/12/23 and signed on their behalf by:

M Fay
(Chair of Trustees)

The notes on pages 23 to 47 form part of these financial statements.

THE CUSTOMS HOUSE TRUST LIMITED
(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

	2023 £	*2022* *£*
Cash flows from operating activities		
Net cash used in operating activities (note 24)	**155,411**	*500,291*
Cash flows from investing activities		
Purchase of tangible fixed assets	**(54,070)**	*(139,412)*
Net cash used in investing activities	**(54,070)**	**(139,412)**
Cash flows from financing activities		
Net cash provided by financing activities	**-**	**-**
Change in cash and cash equivalents in the year	**101,341**	**360,879**
Cash and cash equivalents at the beginning of the year	**957,227**	*596,348*
Cash and cash equivalents at the end of the year	**1,058,568**	*957,227*

The notes on pages 23 to 47 form part of these financial statements

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

1. General information

The Customs House Trust Limited is a private company limited by guarantee incorporated in Engaldn and Wales. The registered office is The Customs House, Mill Dam, South Shields, Tyne and Wear, NE33 1ES.

The charitable company's principal activities are disclosed in the Trustees' Report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Customs House Trust Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

In accordance with FRS 102, the charity has taken advantage of the expemptions from the following disclosure requirements in relation to the charity's own accounts. Disclosure is still presented on a consolidated basis.

- Section 11 'Basic Financial Instruments' - Interest income/expense and net gain/losses for each category of financial instrument
- Section 33 'Related Party Disclosures' - Compensation for key management personnel.

The Charitable Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements.

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the Charitable Company and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

2.2 Going concern

FRS 102 requires that, if appropriate, the charitable company's financial statements are prepared on the going concern basis, which means that the organisation is able to operate for the foreseeable future on the basis of known and porjected resources. Free reserves have increased as at 31 March 2023. Budgets and cash flow forecasts have been prepared to March 2024 based on prudent assumptions which show the group will have sufficient funds and cash to continue to operate for the next 12 months. On that basis, the Trustees believe that the charity is well placed to manage its risks successfully and thus have adopted the going concern basis of accounting.

2. Accounting policies (continued)

2.3 Income

All income is recognised once the Charitable Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Consolidated Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Income from trading activities is recognised as earned as the related goods and services are provided.

Income from charitable activities relating to events is recognised on delivery of the performance. Income is deferred when theatre or cinema sales are received or invoiced in advance of the performances or event to which they relate. Grant income included in this category provides funding to support performance activities as is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Other income from charitable activities is recognised as earned, as the related services are provided. Grant income included in this category provides funding to support education activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

Resources expended are included in the Statement of Financial Activities on an accruals basis inclusive of irrecoverable VAT.

Governance costs include audit and accountancy fees, along with professional indemnity insurance.

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2. Accounting policies (continued)

2.6 Taxation

The Charitable Company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charitable Company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2.7 Tangible fixed assets and depreciation

Tangible fixed assets costing £100 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Long-term leasehold property	- 50 years' straight line
Fixtures and fittings	- 3 or 10 years' straight line

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Financial Activities.

2.8 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated Statement of Financial Activities.

Investments in subsidiaries are valued at cost less provision for impairment.

2.9 Stocks

Stocks are valued on a first in first out basis and stated at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

2.10 Debtors

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

2.11 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.

2. Accounting policies (continued)

2.12 Liabilities

Liabilities and provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charitable Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated Statement of Financial Activities as a finance cost.

2.13 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable surpluses from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

2.14 Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.15 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless these costs are required to be capitalised as an intangible or tangible fixed asset.

Employees are only entitled to carry forward unused holiday entitlement in exceptional circumstances, and only by agreement with management. The cost of any unused entitlement is recognised in the period in which the employee's services are required.

Termination benefits
Termination benefits are accounted for when the Group terminates employment. Amounts are recognised when the Group has communicated its plan of termination to the affected employees.

2.16 Operating leases

Rentals paid under operating leases are charged to the Consolidated Statement of Financial Activities on a straight-line basis over the lease term.

2. Accounting policies (continued)

2.17 Pensions

The Charitable Company operates a defined contribution pension scheme. Contributions payable to the Charitable Company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate. Differences between contributions payable in the year and actually paid are shown in other creditors. The assets of the scheme are held separately from those of the Charitable Company.

2.18 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

3. Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Charitable Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgement:

Revenue recognition - revenue is recognised when the event, e.g. Play, has taken place. Grant income is recognised upon meeting the relevant conditions.

Intercompany recoverability - The amount due from the subsidiary will be settled from current cash balances. The Directors of this entity during the pandemic provided support in the way of waiving rental and service charges due from The Customs House Green Room Limited. In the year to 31 March 2023 the Directors waived the rent in recognition of the ongoing financial pressures The Customs House Green Room Limited faces. The support will be reviewed on a yearly basis to ensure that The Customs House Green Room Limited continues to be a viable business.

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

4. Income from donations and legacies

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £
Grants			
South Tyneside Council	-	157,400	**157,400**
Arts Council England (NPO)	-	102,530	**102,530**
Biffa	144,140	-	**144,140**
Other grants	11,383	6,383	**17,766**
	155,523	266,313	**421,836**
Donations	-	41,160	**41,160**
	155,523	307,473	**462,996**

	Unrestricted funds 2022 £	*Total funds 2022 £*
Grants		
South Tyneside Council	*157,400*	*157,400*
Arts Council England (NPO)	*102,530*	*102,530*
Arts Council Cultural Recovery Fund	*125,000*	*125,000*
COVID grants	*47,570*	*47,570*
Other grants	*88,808*	*88,808*
	521,308	*521,308*
Donations	*50,908*	*50,908*
	572,216	*572,216*

5. Income from charitable activities

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £
Theatre	-	1,025,096	**1,025,096**
Cinema	-	77,213	**77,213**
Learning and Participation	38,147	126,640	**164,787**
	38,147	1,228,949	**1,267,096**

	Restricted funds 2022 £	*Unrestricted funds 2022 £*	*Total funds 2022 £*
Theatre	-	*780,061*	*780,061*
Cinema	-	*58,642*	*58,642*
Learning and Participation	*104,037*	*31,557*	*135,594*
	104,037	*870,260*	*974,297*

6. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2023 £	Total funds 2023 £
Trading income	744,279	**744,279**

	Unrestricted funds 2022 £	*Total funds 2022 £*
Trading income	*506,725*	*506,725*

7. Investment income

	Total funds 2023 £

	Unrestricted funds 2022 £	*Total funds 2022 £*
Investment income	*491*	*491*

8. Other incoming resources

	Unrestricted funds 2023 £	Total funds 2023 £
Sundry receipts	30,769	**30,769**

	Unrestricted funds 2022 £	*Total funds 2022 £*
Sundry receipts	*3,300*	*3,300*

9. Expenditure on raising funds

Other trading expenses

	Unrestricted funds 2023 £	Total funds 2023 £
Trading expenses	149,092	**149,092**

Other trading expenses (continued)

	Unrestricted funds 2022 £	*Total funds 2022 £*
Trading expenses	*82,914*	*82,914*

10. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total 2023 £
Theatre shows	188,116	1,444,103	**1,632,219**
Cinema	-	72,234	**72,234**
Learning and Participation	38,147	127,230	**165,377**
Marketing	40,227	92,972	**133,199**
CH Own Shows	-	383,051	**383,051**
	266,490	2,119,590	**2,386,080**

10. Analysis of expenditure on charitable activities (continued)

Summary by fund type (continued)

	Restricted funds 2022 £	*Unrestricted funds 2022 £*	*Total 2022 £*
Theatre shows	*13,046*	*1,034,213*	*1,047,259*
Cinema	-	*57,485*	*57,485*
Learning and Participation	*205,107*	*37,032*	*242,139*
Marketing	-	*109,492*	*109,492*
CH Own Shows	-	*313,417*	*313,417*
	218,153	*1,551,639*	*1,769,792*

11. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	**Support costs 2023 £**	**Total funds 2023 £**
Theatre shows	514,410	1,117,809	**1,632,219**
Cinema	72,234	-	**72,234**
Learning and Participation	165,377	-	**165,377**
Marketing	133,199	-	**133,199**
CH Own Shows	383,051	-	**383,051**
	1,268,271	1,117,809	**2,386,080**

11. Analysis of expenditure by activities (continued)

	Activities undertaken directly 2022 £	*Support costs 2022 £*	*Total funds 2022 £*
Theatre shows	*716,492*	*330,767*	*1,047,259*
Cinema	*57,485*	-	*57,485*
Learning and Participation	*149,736*	*92,403*	*242,139*
Marketing	*109,492*	-	*109,492*
CH Own Shows	*313,417*	-	*313,417*
	1,346,622	*423,170*	*1,769,792*

Analysis of direct costs

	Theatre Shows 2023 £	**Cinema 2023 £**	**Learning and Participation 2023 £**	**Marketing 2023 £**
Staff costs	93,000	-	-	-
Depreciation	56,123	-	-	-
Direct costs	244,677	72,234	165,377	133,199
Biffa	120,610	-	-	-
	514,410	72,234	165,377	133,199

	CH Own Shows 2023 £	**Total funds 2023 £**
Staff costs	-	**93,000**
Depreciation	-	**56,123**
Direct costs	383,051	**998,538**
Biffa	-	**120,610**
	383,051	**1,268,271**

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

11. Analysis of expenditure by activities (continued)

Analysis of direct costs (continued)

	Theatre Shows 2022 £	*Cinema 2022* £	*Learning and Participation 2022* £	*Marketing 2022* £
Staff costs	*469,287*	-	-	-
Depreciation	*41,974*	-	*3,789*	-
Direct costs	*205,231*	*57,485*	*145,947*	*109,492*
	716,492	*57,485*	*149,736*	*109,492*

	CH Own Shows 2022 £	*Total funds 2022* £
Staff costs	-	*469,287*
Depreciation	-	*45,763*
Direct costs	*313,417*	*831,572*
	313,417	*1,346,622*

11. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2023 £	*Total funds 2022 £*
Staff costs	**662,525**	*92,403*
Depreciation	**1,599**	*2,527*
Rent, rates and overheads	**24,539**	*19,192*
Insurance	**28,868**	*29,056*
Utilities	**69,624**	*43,693*
Vehicles	**6,467**	*8,745*
Postage, stationery & printing	**7,249**	*5,242*
Telephones	**478**	*3,753*
Computer costs	**85,646**	*63,132*
Audit and accountancy fees	**8,400**	*28,175*
Consultants	**-**	*1,743*
Subscriptions	**2,291**	*1,817*
Repairs and maintenance	**101,133**	*51,597*
Finance charges	**44,711**	*33,836*
Disallowable VAT	**56,350**	*24,130*
Bad debts written off	**-**	*3,929*
Training	**3,412**	*2,755*
Sundry expenses	**9,588**	*3,959*
Governance costs	**4,929**	*3,486*
	1,117,809	*423,170*

12. Auditors' remuneration

	2023 £	*2022 £*
Fees payable to the Group's auditor for the audit of the Group's annual accounts	**16,500**	*16,050*

13. Staff costs

	Group 2023 £	*Group 2022 £*	Charitable Company 2023 £	*Charitable Company 2022 £*
Wages and salaries	**705,461**	*517,290*	**612,461**	*382,459*
Social security costs	**40,091**	*34,010*	**40,091**	*34,010*
Contribution to defined contribution pension schemes	**9,973**	*10,390*	**9,973**	*10,390*
	755,525	*561,690*	**662,525**	*426,859*

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

	Group 2023 No.	*Group 2022 No.*
Employees	**56**	*39*

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2023 No.	*Group 2022 No.*
In the band £60,001 - £70,000	**-**	*1*
In the band £70,001 - £80,000	**1**	*-*

The total amount of employee remuneration and benefits (including employer national insurance and pension contributions) received by key management personnel for their services to the Charitable Company was £74,004 (2022: £71,202).

14. Trustees' remuneration and expenses

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

During the year ended 31 March 2023, no Trustee expenses have been incurred *(2022 - £NIL)*.

15. Tangible fixed assets

Group

	Leasehold improvements £	Fixtures and fittings £	Total £
Cost or valuation			
At 1 April 2022	**299,387**	**599,399**	**898,786**
Additions	**-**	**54,070**	**54,070**
At 31 March 2023	**299,387**	**653,469**	**952,856**
Depreciation			
At 1 April 2022	**63,920**	**437,016**	**500,936**
Charge for the year	**5,988**	**51,734**	**57,722**
At 31 March 2023	**69,908**	**488,750**	**558,658**
Net book value			
At 31 March 2023	**229,479**	**164,719**	**394,198**
At 31 March 2022	*235,467*	*162,383*	*397,850*

Charitable Company

	Leasehold improvements £	Fixtures and fittings £	Total £
Cost or valuation			
At 1 April 2022	**299,387**	**552,150**	**851,537**
Additions	**-**	**53,401**	**53,401**
At 31 March 2023	**299,387**	**605,551**	**904,938**
Depreciation			
At 1 April 2022	**63,920**	**393,606**	**457,526**
Charge for the year	**5,988**	**50,135**	**56,123**
At 31 March 2023	**69,908**	**443,741**	**513,649**

15. Tangible fixed assets (continued)

Charitable Company (continued)

	Leasehold improvements £	Fixtures and fittings £	Total £
Net book value			
At 31 March 2023	**229,479**	**161,810**	**391,289**
At 31 March 2022	*235,467*	*158,544*	*394,011*

16. Fixed asset investments

Charitable Company	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2022	**100**
At 31 March 2023	**100**
Net book value	
At 31 March 2023	**100**
At 31 March 2022	*100*

16. Fixed asset investments (continued)

Principal subsidiaries

The following was a subsidiary undertaking of the Charitable Company:

Name	Company number	Registered office or principal place of business	Principal activity
The Customs House Green Room Limited	05812339	The Customs House, Mill Dam, South Shields, Tyne & Wear, NE33 1ES	The running of a cafe bar and the organisation of events and conferences at The Customs House

Class of shares	Holding	Included in consolidation
Ordinary	100%	Yes

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit for the year £	Net assets £
The Customs House Green Room Limited	**331,224**	**(308,032)**	**23,192**	**33,617**

17. Stocks

	Group 2023 £	*Group 2022 £*
Finished goods and goods for resale	**10,999**	*11,690*

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

18. Debtors

	Group 2023 £	*Group 2022 £*	Charitable Company 2023 £	*Charitable Company 2022 £*
Due within one year				
Trade debtors	**47,938**	*4,460*	**47,938**	*4,460*
Amounts owed by group undertakings	**-**	*-*	**414,246**	*177,196*
Other debtors	**-**	*4,473*	**-**	*4,473*
Prepayments and accrued income	**48,863**	*12,002*	**48,863**	*50,002*
	96,801	*20,935*	**511,047**	*236,131*

19. Creditors: Amounts falling due within one year

	Group 2023 £	*Group 2022 £*	Charitable Company 2023 £	*Charitable Company 2022 £*
Trade creditors	**81,617**	*89,699*	**66,470**	*82,090*
Other taxation and social security	**20,361**	*13,281*	**20,361**	*10,678*
Other creditors	**28,856**	*42,158*	**28,856**	*40,719*
Accruals and deferred income	**558,809**	*341,609*	**553,444**	*336,300*
	689,643	*486,747*	**669,131**	*469,787*

	Group 2023 £	*Group 2022 £*	Charitable Company 2023 £	*Charitable Company 2022 £*
Deferred income at 1 April 2022	**267,066**	*160,761*	**267,066**	*160,761*
Resources deferred during the year	**509,647**	*267,066*	**509,647**	*267,066*
Amounts released from previous periods	**(267,066)**	*(160,761)*	**(18,724)**	*(160,761)*
	509,647	*267,066*	**757,989**	*267,066*

20. Deferred taxation

Group

	2023 £	*2022 £*
At the beginning of the year	**960**	*1,024*
Accelerated capital allowances	**(233)**	*(64)*
	727	*960*

The deferred tax liability is made up as follows:

	Group 2023 £	*Group 2022 £*
Accelerated capital allowances	**(727)**	*(960)*
	(727)	*(960)*

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

21. Statement of funds

Statement of funds - current year

	Balance at 1 April 2022 £	Income £	Expenditure £	Balance at 31 March 2023 £
Unrestricted funds				
Designated funds				
Designated funds	130,000	-	-	130,000
General funds				
General funds	570,538	2,311,470	(2,268,449)	613,559
Total Unrestricted funds	700,538	2,311,470	(2,268,449)	743,559
Restricted funds				
Leasehold improvements	112,450	-	(56,123)	56,327
Other activities	-	11,383	(11,383)	-
Garfield Weston	87,007	-	(40,227)	46,780
Learning and Participation	-	38,147	(38,147)	-
Biffa	-	144,140	(120,610)	23,530
	199,457	193,670	(266,490)	126,637
Total of funds	899,995	2,505,140	(2,534,939)	870,196

21. Statement of funds (continued)

Funds Descriptions:

Unrestricted funds - free reserves after allowing for restricted funds.

Designated funds - £110,000 designated for building improvement works and £20,000 for planned drama development work.

Leasehold improvements - funding from South Tyneside Council and Northern Rock Foundation towards the capital redevelopment. Costs incurred were capitalised and depreciation is charged annually to the fund.

Other activities - monies received for ticket income and spend on the cost of various projects such as UKES.

Garfield Weston - grant received to make alterations to the building and pay for a community worker.

Learning and participation - grants and invoice income from various grant funding sources which include The Arts Council plus earned income from the Community and Education Programmes.

Biffa - grants received towards improved staging.

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

21. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 April 2021 £	*Income* £	*Expenditure* £	*Taxation* £	*Balance at 31 March 2022* £
Unrestricted funds					
Designated funds					
Designated funds	*130,000*	-	-	-	*130,000*
General funds					
General funds	*254,638*	*1,952,992*	*(1,634,553)*	*(2,539)*	*570,538*
Total Unrestricted funds	*384,638*	*1,952,992*	*(1,634,553)*	*(2,539)*	*700,538*
Restricted funds					
Leasehold improvements	*117,281*	-	*(4,831)*	-	*112,450*
Other activities	*88*	-	*(88)*	-	-
Gallery and gallery outreach	*8,127*	-	*(8,127)*	-	-
Garfield Weston	*148,688*	-	*(61,681)*	-	*87,007*
Learning and Participation	*39,389*	*104,037*	*(143,426)*	-	-
	313,573	*104,037*	*(218,153)*	-	*199,457*
Total of funds	*698,211*	*2,057,029*	*(1,852,706)*	*(2,539)*	*899,995*

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

22. Summary of funds

Summary of funds - current year

	Balance at 1 April 2022 £	Income £	Expenditure £	Balance at 31 March 2023 £
Designated funds	**130,000**	**-**	**-**	**130,000**
General funds	**570,538**	**2,311,470**	**(2,268,449)**	**613,559**
Restricted funds	**199,457**	**193,670**	**(266,490)**	**126,637**
	899,995	**2,505,140**	**(2,534,939)**	**870,196**

Summary of funds - prior year

	Balance at 1 April 2021 £	*Income £*	*Expenditure £*	*Transfers in/out £*	*Balance at 31 March 2022 £*
Designated funds	*130,000*	-	-	-	*130,000*
General funds	*254,638*	*1,952,992*	*(1,634,553)*	*(2,539)*	*570,538*
Restricted funds	*313,573*	*104,037*	*(218,153)*	-	*199,457*
	698,211	*2,057,029*	*(1,852,706)*	*(2,539)*	*899,995*

23. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	206,948	187,250	**394,198**
Current assets	-	1,166,368	**1,166,368**
Creditors due within one year	(80,311)	(609,332)	**(689,643)**
Provisions for liabilities and charges	-	(727)	**(727)**
Total	126,637	743,559	**870,196**

23. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Restricted funds 2022 £	*Unrestricted funds 2022* £	*Total funds 2022* £
Tangible fixed assets	*263,071*	*134,779*	*397,850*
Current assets	-	*989,852*	*989,852*
Creditors due within one year	*(63,614)*	*(423,133)*	*(486,747)*
Provisions for liabilities and charges	-	*(960)*	*(960)*
Total	*199,457*	*700,538*	*899,995*

24. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2023 £	*Group 2022* £
Net income/expenditure for the year (as per Statement of Financial Activities)	**(29,799)**	*201,784*
Adjustments for:		
Depreciation charges	**57,722**	*48,287*
Taxation	**(233)**	*2,539*
Decrease/(increase) in stocks	**691**	*(7,925)*
Decrease/(increase) in debtors	**(75,866)**	*143,108*
Increase in creditors	**202,896**	*112,498*
Net cash provided by operating activities	**155,411**	*500,291*

25. Analysis of cash and cash equivalents

	Group 2023 £	*Group 2022* £
Cash at bank and in hand	**1,058,568**	*957,227*
Total cash and cash equivalents	**1,058,568**	*957,227*

26. Analysis of changes in net debt

	At 1 April 2022 £	Cash flows £	At 31 March 2023 £
Cash at bank and in hand	957,227	101,341	1,058,568
	957,227	101,341	1,058,568

27. Capital commitments

	Group 2023 £	*Group 2022 £*
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	-	*14,665*

28. Operating lease commitments

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

	Group 2023 £	*Group 2022 £*	Charitable Company 2023 £	*Charitable Company 2022 £*
Not later than 1 year	3,400	*3,400*	3,400	*3,400*
Later than 1 year and not later than 5 years	1,700	*5,100*	1,700	*5,100*
	5,100	*8,500*	5,100	*8,500*

29. Related party transactions

During the year, R Spencer (Executive Director) was paid £13,177 (2022: £14,814) in total for his services (as a writer, director and performer) for the pantomime. There were no amounts outstanding at the year end (2022: £nil).

CUSTOMS HOUSE TRUST LIMITED

England & Wales - Charity number 1032846

Accounts

Registered number: 02848282
Charity number: 1032846

THE CUSTOMS HOUSE TRUST LIMITED

(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

THE CUSTOMS HOUSE TRUST LIMITED
(A Company Limited by Guarantee)

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THE CUSTOMS HOUSE TRUST LIMITED
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITABLE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2022

Trustees	M Fay, Chair L G Barrett (appointed 25 April 2022) R R Berkley (appointed 14 July 2021, resigned 26 May 2022) J Blacklock (resigned 1 March 2023) C E Cooke D G Cottam E Czestochowski (appointed 25 April 2022) K C Dawes (appointed 13 June 2022) I Farrar (appointed 25 April 2022) S Finnon S A Hatton Jr (appointed 26 April 2021, resigned 1 February 2022) D Hymers (resigned 15 March 2022) N Laverick (appointed 25 April 2022) K A Leng (resigned 8 November 2021) S J Mitchell M Patterson (appointed 5 September 2022) A Plouviez (appointed 27 March 2023) C N Simmons J Smith (appointed 25 April 2022) G Thompson (resigned 28 March 2023) V C Wiggins
Company registered number	02848282
Charity registered number	1032846
Registered office	The Customs House Mill Dam South Shields Tyne & Wear NE33 1ES
Company secretary	K Anders
Chief executive officer	R Spencer
Independent auditors	Clive Owen LLP Chartered Accountants and Statutory Auditors 140 Coniscliffe Road Darlington Co Durham DL3 7RT
Bankers	HSBC Bank Plc 110 Grey Street Newcastle upon Tyne NE1 6JG

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITABLE COMPANY, ITS TRUSTEES AND ADVISERS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Solicitors	PGS Law 22 Denmark Centre Fowler Street South Shields NE33 2LR

THE CUSTOMS HOUSE TRUST LIMITED
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2022

The Trustees present their annual report together with the audited financial statements of the Charitable Company for the year 1 April 2021 to 31 March 2022. The Annual Report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the group and the Charitable Company qualify as small under section 383 of the Companies Act 2006, the Group Strategic Report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

Policies and objectives

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

The Customs House Trust Limited relies on income from fees and charges from the public to cover its operating costs, together with grants from public and private trusts and organisations. The Trustees give careful consideration to the pricing structure of the fees for those on low incomes in the local and wider community.

The Customs House Trust Limited is a registered charity and a company limited by guarantee. It has a wholly owned trading subsidiary, The Customs House Green Room Limited.

The Trust has two aims. The first relates to cultural activity, the second to managing cultural buildings and specifically the Customs House:

1. to promote, maintain, improve, and advance the knowledge, understanding, and appreciation of the arts and popular culture among the inhabitants of the borough of South Tyneside and its neighbourhood.

2. to establish and to secure the establishment of centres for the arts and popular culture throughout the borough of South Tyneside and, in particular, at the old Customs House building, Mill Dam, South Shields and to equip, maintain, manage, and market the same, together with related capital projects within the Mill Dam area of South Shields.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Objectives and activities (continued)

Strategies for achieving objectives

Through a broad, balanced, and sustainable programme of high-quality arts and cultural activities for all. The Customs House has continued to develop the range of our partnerships, the reach of our programming and awareness of our work. We have continued to create and deliver high quality arts and cultural programmes and events that engage and involve participants, enhance the wellbeing of the communities we work with, and encourage new and diverse audiences.

Our business model is delivered through the effective implementation and rigorous review of our business plan. Our plan is inclusive of both our key priorities as an organisation, in delivering our strategic aims as a charity for arts and culture, but also encompassing our need to support the delivery of strategies of both of our major funders: Arts Council England 'Lets Create' (as part of our status as a National Portfolio Organisation) and South Tyneside Council's cultural strategy, 'Making Waves'.

The Customs House is an integral part of South Tyneside's cultural offer, and we have continued to work with The Cultural Spring Creative People and Places programme and The Word, as well as working with the Local Cultural Education Partnership and the South Tyneside Cultural Partnership Group which will which shape the future of the arts and culture in the Borough.

Equality, Diversity and Inclusion are at the heart of everything we do at The Customs House. Our Equality, Diversity and Inclusion Strategy ensures that we continue to recognise and embrace the differences between people and ensure that inclusion is at the forefront of our work. This year we have seen many initiatives introduced to allow us to engage more with harder to reach groups within our communities and develop our audiences and our offer.

The Customs House remains committed to increasing engagement levels for those least engaged, by understanding the barriers facing our local communities. Our Learning and Participation offer, and utilising Audience Data is key to this work, and we have committed considerable resource to this. In addition, our pricing strategy has been aligned to ensure that we can provide an affordable and engaging offer in an area that is considered an area of significant social and economic deprivation.

Our strategic aim to develop emerging creatives and artists has continued this year with our organisation making a commitment through a new casting policy which aims to ensure that a significant percentage of artists engaged will be emerging practitioners or people new to our organisation.

Sadly, we have had to recognise and accept this year that the demographic of our pre-pandemic audience has changed considerably. Therefore, extensive work has been undertaken in reviewing our audience development plan to ensure we can develop existing and attract new audiences and adapt our programming accordingly.

Objectives and activities (continued)

Activities undertaken to achieve objectives

As a producing and receiving house, The Customs House produces an annual Christmas pantomime, 4 mini pantomimes and 3 main drama productions per year. The rest of our commercial programme is received from visiting companies and is largely comprised of a broad range of acts including but not limited to music, magic, dance, drama and children's shows.

In 2021/2022, we provided 1,060 events throughout the year, and saw numbers of bookers reach 13,095 (selling 79,247 tickets) which is encouraging after the pandemic but we are also aware that this has not fully returned to pre-covid levels so more work needs to be done to aid our recovery.

The Customs House continues to offer development opportunities and progression routes for emerging artistic talent, providing resources for work to reach its potential. For example, our annual Young Writer in Residence scheme. In 2021, emerging writer Andrew Finnigan was successful in having his play, 'Cherryade Supernova' staged by The Customs House, and he was shortlisted in the 2021 Journal Culture Awards in the Best Newcomer category.

The Customs House has been successful over the last year in gaining support through Trusts and Foundations to develop the venue's young people's drama offer, offering free places for those in need, paid-for accreditation through Arts Award. We also ran a two-year programme in Jarrow School as a satellite branch for young people who had never performed before.

January 2022 saw the launch of The Customs House Young Performers Company, which provides musical theatre training to 30 children from the borough each week. The course content is delivered by industry professionals and two performances per year are held in our main theatre for the young people.

For young people in the borough, The Takeover Festival is a highlight in our venue's programming. This annual festival has five milestone events which are all executed at a professional standard in the main theatre, and gallery spaces. Our partnerships with specialists in their fields have enabled the young people in the Takeover Team to gain impressive leadership qualities as well as offering a fantastic audience experience. Takeover 2021, also saw us being able to deliver our first 'Queer Prom', supporting young LGBTQ+ people within South Tyneside and beyond.

In November 2019 we began 'Ours us We' which is an arts group for young people who identify as being LGBTQ+ to address an identified unmet need within our borough. This group has continued to meet weekly throughout 2021/2022, thanks to continued funding.

We design and deliver the regional Arts Award programme on behalf of Culture Bridge North East and remain integral to the growth and development of Arts Award in the North East. The Customs House also remains a nationally recognised centre for Arts Award having been awarded Trinity College's Champion Status for 2020-21/21-22.

We work in partnership with South Tyneside College to offer a one-year performing arts course which will help students to learn in a professional working environment.

Volunteers

The Trust places a great value on the contributions that volunteers made to the organisation. Over the course of the year, the involvement of volunteers was reduced, as we emerged from the pandemic, however we continue to recognise the positive contribution made to the Trust by those who donate their time to support our work.

Objectives and activities (continued)

Main activities undertaken to further the Charitable Company's purposes for the public benefit

We have continued to offer a broad range of arts and cultural activities to the people of South Tyneside throughout the year.

The Trust has maintained The Customs House and its associated buildings which are of significant important in the history of South Tyneside. It has continued to be available for engagement in cultural pursuits for 350 days of the year. The Trust programmed live theatre, cinema and gallery exhibitions. It also provided a safe and well resourced place for young people to meet.

The Trust worked to offer opportunities for residents to re-engage in the arts including Youth Theatre, Community Choir, Big Band, Ukuleles, and Arts classes. We worked in partnership with many organisations including Schools, Colleges, Young Carers, Compact for Racial Equality in South Tyneside (CREST), Happy at Home and Age Concern to ensure our programme was accessible to all and enhanced the Trust's reach. This was particularly important in a post-Covid environment.

Achievements and performance

Main achievements of the Charitable Company

The year under review was one of challenge with the spectre of COVID still hanging over our industry and our audiences. We were able to open our doors to performances on 17 May 2021 following social distancing rules, these restrictions remained in place until September when audiences were eventually able to return. The shortage of touring product and audiences slow to return to both cinema and theatre has clearly impacted ticket sales and reduced ancillary sales of merchandise, food, and beverages. The sector was very tentative in returning to full operations with several shows being cancelled at the last minute and we faced endless rebooking situations. The Pantomime was particularly hit hard with audience figures down by approximately 8,000 as schools and organised parties did not book. However, although income generated from ticket sales was badly hit, we were very fortunate to receive significant sums from Charitable Trusts and Foundations together with grants from both national and local government.

In total the funding secured was to the value of £420k. This includes Biffa Award funding (Enhancing Cultural Engagement Project) – this will allow us to develop a new multipurpose space, install retractable seating in the main house, new seating in the cinema and an Interactive Theatre Experience.

We also were generously supported by Theatres Trust Wolfson Theatre Improvement scheme which funded the installation of a Building Energy Management System.

For the first time we offered The Customs House Unity Lottery which raised over £5,000.

Engagement
Post pandemic it was absolutely clear there would be much work required to help those affected to reengage with new and old activities. Creatives and participants were also badly affected by lockdown as much of our work is about connecting people bringing them together to create and partake.

The Customs House Trust Limited remains committed to increasing engagement levels for those least engaged, with an understanding of the barriers facing our local communities. Our Learning and Participation offer, and utilising Audience Finder, is key to this work, and we have committed considerable resource to this.

The Customs House Trust Limited offers development opportunities and progression routes for creative talent at all levels of their lives, providing resources for work to be created and people to reach their potential. From Mina Anwar being given her directorial debut with a new musical, youth theatre members progressing into professional pathways, and visual artists being mentored and supported by the organisation.

Achievements and performance (continued)

Our Casting Policy focuses on being inclusive, and in working with new creatives for each opportunity, in a range of roles. In 2021-22, across 9 in-house shows we worked with 35 actors and creatives that were new to The Customs House.

With our Young Writer in Residence programme, we appoint a young writer from the Northeast to create a play for 8 actors aged 17-25, to work with a first-time director. Each writer is appointed a writing mentor (Tom Wells in 2021 and Emilie Robson in 2022) to provide expertise and guidance. In 2021, emerging writer Andrew Finnigan was successful in having his play 'Cherryade Supernova' staged by The Customs House. He was a former Youth Theatre member and made the transition to professional actor in 2018. Andrew was shortlisted in the 2021 Journal Culture Awards in the Best Newcomer category. The NE Theatre Guide said, 'Cherryade Supernova is a well-crafted debut from a promising new playwright...the story is quite an ambitious one to deliver for the writer Andrew Finnigan...Yet, in this impressive debut, he manages it. His relative youth working in his favour as each character spoke with an authentic voice.'

By being part of The FAC Network 'Here and Now' project, we were awarded funding to continue our work with a-typical participants with 'One of the Lads'. We worked with the NE Maritime Trust who shared their lived experience of working as young men on the river; this explored growing up in a working-class area, and their changing perspectives of masculinity. These stories were performed by contemporary dancers and were accompanied by a performance of a commissioned folk song, 'Men of the Tyne' by a former shipyard worker.

We deliver high quality participatory arts activity to children and young people and members of our community, including our new performing arts group; Young Performer Company, as well as two youth theatre groups, Ours/Us/We, and visual arts classes, and exhibition opportunities.

The Youth Theatre was established in 2009 and perform new writing; either with a commissioned piece each year for the Juniors, or, since 2011, the Seniors taking part in NT Connections, in which their performance is critiqued from an associate director of the NT's programme. Of this year's piece, Remote by Stef Smith, feedback was that, 'This performance was a clear and confident presentation of this play in which the vignette-like scenes between two or three characters really shone, and the larger group scenes showed a cohesion in the ensemble through simple and effective movement and clearly defined characters. Movement within the piece was confident and helped set up the dynamics and backstory of the piece effectively - with the incredible addition of a breakdancing solo!'

It has always been our ambition to programme and work across South Tyneside in its entirety but we have only recently been able to bring this plan to fruition, through funding from The Garfield Weston Culture Fund (GWCF). In August 2021, we toured eight parks across the Borough, targeting areas of lowest engagement with a children's show, 'Peggy Pearpot'. We were able to provide this for free at point of access and reached families within our communities who would not have been able to engage with cultural opportunities otherwise.

The funding from GWCF has provided us with new high quality digital content and to engage with our diverse communities through a range of creative interventions. We have made two recent appointments to new posts: a Community Engagement Officer and a freelance digital artist who have helped us to make real change within our community; creating safe spaces to explore the arts, and overcoming threshold anxiety to come into a new space; an example being a photography project with recently resettled men from CREST (Compact For Race Equality South Tyneside).

This year, we are working to co-create a celebration of the Bangladeshi Community in South Shields, to be held at the heart of their community in Ocean Road in August 2022. Our partners (CREST, Sangini and the Bangladeshi Welfare Society) are all from the Bangladeshi Community, and content will be programmed by the community partnership.

We run an annual Takeover Festival, which is a highlight in our programme; a team of young people are responsible for planning a week of diverse and risk-taking programming at The Customs House, from breakdance, theatre, drag, music and visual art & poetry. In 2021, Takeover won a Special Award for Young Achievement at The Journal Culture Awards.

Achievements and performance (continued)

This year's Takeover aims have been re-aligned to not only co-create with young artists, but alongside this to support youth-led social action that will create positive change in our communities.

We will further invest in improvising visit experience as we have received funds from Biffa to develop the area outside the Circle entrance into a digital and interactive theatre interpretation space for children and their families. This will be open with the general building opening times, so that there is a non-paid for arts activity to the end user available in the building. Retractable seating will transform what we can offer audiences, band nights, gig theatre and cabaret seating.

Our Community Programming Panel has engaged with a range of diverse groups, including Deaf Awareness NE, Bright Futures NE, Hindu Nari Sangh, CREST and Age Concern Tyneside South. We have implemented a number of changes following this consultation. We will be holding three meetings per year and are committed to collaborative community led change.

We are committed to evolving and growing and ensuring that The Customs House is at the centre of positive change for our Borough, as we are best placed to deliver arts and culture for our community.

Programme
Cinema was particularly disappointing in this year with studios opting to delay or postpone planned releases. Further several studios, including Disney, set up streaming services releasing new material through those rather than cinemas. Theatre also struggled to attract audiences. However, we were particularly proud of our in-house production Our Laygate which received much critical acclaim. We also welcomed new partners, Tree Stump Theatre, to help deliver our under-sevens Christmas show which proved to be very popular. The Pantomime cast and crew battled on with 8 of the 9 cast members becoming ill and new cast members needing to join the company during the run. Technical and front of house all worked so hard during wave after wave of Covid, the Trust is very grateful for their efforts.

Key performance indicators

We have worked with 20 creatives throughout the year, who are new to The Customs House or new to the role, 4 of which being from a protected characteristic group.

All in-house shows now provide open castings for performers. We will endeavour to ensure that at least 1 performer or creative practitioner for in-house shows will be from a protected characteristic group.

We have worked with five North East play writers that are new to TCH on PLAY to develop relationships with new/emerging writers (of all ages) and provided structured mentoring for the writers after the rehearsed reading.

We are working towards re-establishing ticket sales to a 75% of pre COVID levels.

We have increased the quality and output of our digital offer by creating 360 virtual exhibition tours for all gallery/fusion exhibitions, and increased the amount of digital content available by 50% (from 2019-20).

We have increased accessibility for our pantomime by providing 1 show with audio-description, 1 with a signer in BSL and 1 relaxed performance.

We have supported at least 200 young people to achieve an Arts Award, across all five levels.

We secured funding to develop and deliver one project of arts activities for Care-Experienced Children and young people, including Care Leavers, in partnership with South Tyneside Council.

We developed and facilitated an annual performance platform in drama/theatre/music/dance/visual arts, creating exceptional opportunities for at least 250 young people age 11-25 to take part in performances and develop as young creatives through The Takeover Festival, including one new play as part of The Takeover Young Writer in Residence.

Financial review

Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charitable Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

Reserves policy

The Board of Trustees' aim is to maintain a balance of total reserves in excess of £500k and free reserves in excess of £150k to ensure the normal running of the business in adverse economic conditions. As at the year end there were designated funds of £130k (2021: £130k). Available free reserves stood at £571k as 31 March 2022.

After a number of loss making years in succession, current reserves values have fallen below the policy target levels, however, the Board is confident that The Customs House will improve performance sufficiently, after recovery from the pandemic to restore free reserves to the policy levels.

As at 31 March 2022, restricted reserves have a balance of £199k (2021: £314k) relating to capital improvements to be depreciated £112k (2021: £117k) and specific funding received in advance of utilisation £167k (2021: £216k). The Board is not aware of any funding opportunities being pursued that may materially increase this number in the immediate future.

The amount of tangible fixed assets stood at £398k at 31 March 2022 (2021: £307k), of which £135k was unrestricted (2021: £189k).

Principal risks and uncertainties

The Trust maintains a risk register that identifies the major risks the charity faces. Monthly reviews monitor risks and controls used to mitigate them and suggests how the Trust would respond should any of the risks materialise.

While recovery from the pandemic has begun, audience attendance has not fully recovered and this continues to be closely monitored. The age of the building, its grade II listed status, and its increasing maintenance and repairs draws heavily on our resources.

Loss of key staff, specifically the Executive Director continues to propose a significant risk. This has been mitigated through an enhanced Senior Management Team which is now in place and an outline succession plan to be delivered.

Loss of public sector funding remains a risk. However, our two partners remain committed to the Trust.

Financial risk management objectives and policies

The Trust established a risk register that identifies the major risks the charity faces.

Bi-annual reviews, monitor risks and controls used to mitigate them and suggests how the Trust would respond should any of the risks materialise.

Recovery from the Pandemic and its effect on audience attendance is to be closely monitored.

The age of the building and its increasing maintenance and repairs draws heavily on our resources.

Loss of public sector funding has remained a risk. However, our two partners remain commited to the Trust.

Principal funding

The Customs House places great value on the financial support provided by Arts Council England and South Tyneside Council which enables us to deliver our strategic aims.

Structure, governance and management

Constitution

The Customs House Trust Limited is registered as a charitable company limited by guarantee and was set up by a Trust deed and is governed by its Memorandum and Articles of Association dated 7 November 2006.

The directors of the charitable company (the charity) are its Trustees for the purposes of charity law. The company is limited by guarantee. The Trustees have no shreholding, but each undertake to subscribe an amount not exceeding £1 in the event of winding up.

Methods of appointment or election of Trustees

The management of the Group and the Charitable Company is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed.

Structure, governance and management (continued)

Organisational structure and decision-making policies

All strategic decisions are made at Board level. An annual budget is set and reviewed by the full Board. Day to day operational issues are delegated to the Executive Director. The Trust's terms allow for up to 15 Trustees with a minimum of 11. The current Board consists of 15 Trustees. The maximum term for Trustees is 6 years, however they are eligible for reappointment at the end of the six years.

The Arts Council and South Tyneside Council are observers on the Board.

The Board meets every six weeks except in December and meetings are attended by the senior executive team.

There are currently four sub committees reporting to the Board:
- Finance, Staffing and Audit
- Marketing and Programming
- Learning and Participation
- Equality, Diversity and Inclusivity

A summary of the committee purposes are given below.

Finance, Staffing & Audit
Monitors and reviews the Trust's financial performance. Discusses personnel issues, audit findings and meets monthly. Membership comprises five Trustee members, including Chair of the Trust plus Executive Director. Finance Director and Operations Director. Minutes are circulated to the full Board and a verbal report is given each month. Monthly management accounts are also forwarded to key funding partners.

Marketing and Programming
Monitors, reviews, and informs the Trust's programmed events and develops and oversees delivery of a marketing strategy, meeting quarterly. Membership comprises three Trustees together with the Marketing & Brand Manager, Programming & Audience Development Manager, Director of Learning & Participation and Executive Director. Minutes are circulated to the full Board and a verbal update given at Board meetings.

Learning & Participation
Monitors, reviews and informs the Trust's cultural development programmes, meeting quarterly. Membership comprises three Trustees together with the Director of Learning & Participation, Programming & Audience Development Manager & members of the L&P team, Executive Director, South Tyneside Council observer and Arts Council Relationship Manager acting as observer.

Equality, Diversity and Inclusivity
Monitors, reviews and informs the Trust against the Trust policy and procedures. Membership comprises three Trustees together with, the Director of Learning & Participation, Operations Director and members of the L&P team.

Other sub-committees may be formed at the Board's discretion to oversee specific special projects.

Structure, governance and management (continued)

Policies adopted for the induction and training of Trustees

The Board comprises up to 15 members and minimum of eleven, one of which is a Local Authority observer. The charity Terms of Reference for trustees lays out the roles and responsibilities and period of service for all board members. The charity looks to have a Board which reflects the skills needed to deliver the charity's aims and objectives and is mindful of gender balance and attempts to reflect the community it serves.

Trustees are recruited through an open invitation placed in the local newspapers and social media. Interested parties are invited to meet informally with Board members, following which, those individuals identified as being able to contribute to the charity's work are invited to attend two full Board meetings as observers. With the agreement of a majority of the Board, those still wishing to join the Board are then invited to do so at their third meeting.

The Trustees meet for one or two Away Days per year. These events are designed as training and update sessions for Board members as well as a forum for the consideration of strategic policy choices.

Pay policy for key management personnel

The Board (who are the directors and Trustees of the Trust) determine the pay of senior staff. The Executive Director is charged by the Board with the management of personnel and directing and controlling, running and operating the charity on a day-to-day basis within the framework established the the Strategic Plan and the Articles of the Trust. All Trustees give their time freely and no Trustee received remuneration in the year. Details of trustees' expenses and related party transactions are disclosed in note 13 and 26 to the accounts. The pay of senior staff is reviewed on a timely basis.

Related party relationships

The charity has a wholly owned subsidiary: The Customs House Green Room Limited, a company registered in England and Wales. The principal activities of The Customs House Green Room Limited during the year were to run the restaurant and bar and to provide catering for events and conferences at or on behalf of the Customs House. Directors of this company are Chair of Finance and Executive Director. See note 28 for details of transactions with related parties, including Trustees and Key Management Personnel.

Trustees' indemnities

The liability of the members (who are also trustees) is limited. Every member of the Trust has undertaken to contribute and amount not exceeding £1 to the assets of the Trust in the event of it being wound up while he/she is a member or within one year after he/she ceases to be a member.

The charity has made third party indemnity provisions for the benefit of its Trustees during the year. The provisions remain in force at the reporting period end.

Plans for future periods

Our successful fundraising has enabled The Customs House to plan several capital projects over the next 12 months and the potential to secure further grants for major capital works. We are delighted to have been included in our local authority's levelling up bid to Central Government which, if successful, will allow us to deliver significant improvements to our building.

The year under review showed a real resilience in the organisation as we returned slowly to trading again. The surplus returned for our year will help us be ready to deliver our extensive programme of planned improvements and help build reserves for whatever the next few challenges put before us.

The Trust will prepare a further submission to the Arts Council England- National Portfolio application Programme. We are encouraged by the Arts Council's announcement that South Tyneside has been named as a Priority Place 2021-24. It is up to the Trust to develop an exciting proposal to deliver an Art's programme that meets the needs of the population of South Tyneside.

The Trust will also continue to apply the recommendations suggested in Amion's report to improve our economic performance despite the on-going difficult trading conditions. The Garfield Weston Foundation funding will allow us to continue to develop our digital offer and improve our outreach programme reaching a more diverse population across the borough.

We continue to look forward to working towards connecting up to the Holborn District Energy Scheme. This will make a major improvement to our carbon footprint due to our current reliance on old gas fired boilers to heat the building. This is one of a number of initiatives to improve our sustainability. To work with South Tyneside Council to explore a connection to Holborn Energy Network, saving 60,532kg CO2 per annum.

We will become more diverse as an organisation through new community development roles, programming and audience development.

Working with South Tyneside Council we will formulate ambitious capital bids to reconfigure The Customs House and improve our accessibility and drive more trade in ancillary sales and hirers. The Trust will continue to face trading challenges and will continue to put the health and safety of our audiences and participants first, but will, as it has done throughout the Pandemic, look to open fully as soon as quickly as it is possible to do so. Full recovery is expected to take a long time and we anticipate it will 2023/24 before the Trust is seeing the level of visitor numbers seen pre pandemic.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. 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 Group and the Charitable Company and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Charitable Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Charitable Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

Auditors

The previous auditors resigned in October 2022. Clive Owen LLP were appointed as auditors on 3 November 2022.

The auditors, Clive Owen LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees on ....4/5/2023..... and signed on their behalf by:

M Fay
Chair of Trustees

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CUSTOMS HOUSE TRUST LIMITED

Opinion

We have audited the financial statements of The Customs House Trust Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charitable Company Balance Sheet, the Consolidated Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 of the parent charitable company's affairs as at 31 March 2022 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 and the Charities Act 2011.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 the 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 THE CUSTOMS HOUSE TRUST LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' 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 matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement, 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 the 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 Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CUSTOMS HOUSE TRUST LIMITED (CONTINUED)

Auditors' 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 Auditors' 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. Our audit must be alert to the risk of manipulation of the financial statements and seek to understand the incentives and opportunities for management to achieve this.

We undertake the following procedures to identify and respond to these risks of non-compliance:

- Understanding the key legal and regulatory frameworks that are applicable to the Group. We communicated identified laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit. We determined the most significant of these to be charity law, company law, taxation law, UK GAAP, health and safety, and GDPR.
- Enquiry of trustees and management as to policies and procedures to ensure compliance and any known instances of non-compliance.
- Review of board minutes and correspondence with regulators.
- Enquiry of trustees and management as to areas of the financial statements susceptible to fraud and how these risks are managed.
- Challenging management on key estimates, assumptions and judgements made in the preparation of the financial statements. These key areas of uncertainty are disclosed in the accounting policies.
- Identifying and testing unusual journal entries, with a particular focus on manual journal entries.

Through these procedures, we did not become aware of actual or suspected non-compliance. We planned and performed our audit in accordance with auditing standards but owing to the inherent limitations of procedures required in these areas, there is an unavoidable risk that we may not have detected a material misstatement in the accounts. The further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve concealment, collusion, forgery, misrepresentations, or override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect noncompliance with all laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CUSTOMS HOUSE TRUST LIMITED (CONTINUED)

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, and to the charitable company's trustees, as a body, Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 Auditors' 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Clive Owen LLP

Christopher Beaumont BA(Hons) BFP FCA DChA (Senior Statutory Auditor)
for and on behalf of
Clive Owen LLP
Chartered Accountants and Statutory Auditors
140 Coniscliffe Road
Darlington
Co Durham
DL3 7RT

Date: 4 May 2023.

THE CUSTOMS HOUSE TRUST LIMITED
(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2022

	Note	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	*Total funds 2021 £*
Income from:					
Donations and legacies	4	-	572,216	572,216	*1,079,160*
Charitable activities	5	104,037	870,260	974,297	*128,877*
Other trading activities	6	-	506,725	506,725	*41,773*
Investments	7	-	491	491	-
Other income	8	-	3,300	3,300	*271,100*
Total income		104,037	1,952,992	2,057,029	*1,520,910*
Expenditure on:					
Raising funds	9	-	82,914	82,914	*166,549*
Charitable activities	10	218,153	1,551,639	1,769,792	*877,094*
Total expenditure		218,153	1,634,553	1,852,706	*1,043,643*
Net (expenditure)/income before taxation		(114,116)	318,439	204,323	*477,267*
Taxation		-	(2,539)	(2,539)	*350*
Net movement in funds		(114,116)	315,900	201,784	*477,617*
Reconciliation of funds:					
Total funds brought forward		313,573	384,638	698,211	*220,594*
Net movement in funds		(114,116)	315,900	201,784	*477,617*
Total funds carried forward		199,457	700,538	899,995	*698,211*

THE CUSTOMS HOUSE TRUST LIMITED
(A Company Limited by Guarantee)
REGISTERED NUMBER: 02848282

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2022

	Note		2022 £		*2021 £*
Fixed assets					
Tangible assets	15		**397,850**		*306,725*
			397,850		*306,725*
Current assets					
Stocks	17	**11,690**		*3,765*	
Debtors	18	**20,935**		*164,043*	
Cash at bank and in hand		**957,227**		*596,348*	
		989,852		*764,156*	
Creditors: amounts falling due within one year	19	**(486,747)**		*(371,646)*	
Net current assets			**503,105**		*392,510*
Total assets less current liabilities			**900,955**		*699,235*
Provisions for liabilities			**(960)**		*(1,024)*
Net assets excluding pension asset			**899,995**		*698,211*
Total net assets			**899,995**		*698,211*
Charity funds					
Restricted funds	21		**199,457**		*313,573*
Unrestricted funds	21		**700,538**		*384,638*
Total funds			**899,995**		*698,211*

The Trustees acknowledge their responsibilities for complying with the requirements of the Charities Act 2011 and Companies Act 2006 with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees on 4/5/23 and signed on their behalf by:

M Fay
(Chair of Trustees)

THE CUSTOMS HOUSE TRUST LIMITED
(A Company Limited by Guarantee)
REGISTERED NUMBER: 02848282

CHARITABLE COMPANY BALANCE SHEET
AS AT 31 MARCH 2022

	Note		2022 £		*2021 £*
Fixed assets					
Tangible assets	15		**394,011**		*300,362*
Investments	16		**100**		*100*
			394,111		*300,462*
Current assets					
Debtors	18	**236,131**		*234,743*	
Cash at bank and in hand		**729,215**		*521,641*	
		965,346		*756,384*	
Creditors: amounts falling due within one year	19	**(469,787)**		*(360,329)*	
Net current assets			**495,559**		*396,055*
Total assets less current liabilities			**889,670**		*696,517*
Net assets excluding pension asset			**889,670**		*696,517*
Total net assets			**889,670**		*696,517*
Charity funds					
Restricted funds	21		**263,071**		*313,573*
Unrestricted funds	21		**626,599**		*382,944*
Total funds			**889,670**		*696,517*

The Charitable Company's net movement in funds for the year was £193,153 *(2021 - £476,302)*.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on 4/5/2023 and signed on their behalf by:

M Fay
(Chair of Trustees)

The notes on pages 23 to 47 form part of these financial statements.

THE CUSTOMS HOUSE TRUST LIMITED
(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

	2022 £	*2021* £
Cash flows from operating activities		
Net cash used in operating activities	**500,291**	*480,018*
Cash flows from investing activities		
Purchase of tangible fixed assets	**(139,412)**	-
Net cash (used in)/provided by investing activities	**(139,412)**	-
Cash flows from financing activities		
Net cash provided by financing activities	-	-
Change in cash and cash equivalents in the year	**360,879**	**480,018**
Cash and cash equivalents at the beginning of the year	**596,348**	*116,330*
Cash and cash equivalents at the end of the year	**957,227**	*596,348*

The notes on pages 23 to 47 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1. General information

The Customs House Trust Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is The Customs House, Mill Dam, South Shields, Tyne and Wear, NE33 1ES.

The charitable company's principal activities are disclosed in the Trustees' Report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Customs House Trust Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the Charitable Company and its subsidiary undertaking The Customs House Green Room Limited. The results of the subsidiary are consolidated on a line by line basis.

In accordance with FRS 102, the charity has taken advantage of the exemptions from the following disclosure requirements in relation to the charity's own accounts. Disclosure is still presented on a consolidated basis.

- Section 7 'Statement of Cash Flows' - Presentation of a Statement of Cash Flow and related notes and disclosures
- Section 11 'Basic Financial Instruments' - Interest income/expense and net gain/losses for each category of financial instrument
- Section 33 'Related Party Disclosures' - Compensation for key management personnel.

The Charitable Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements.

2.2 Going concern

FRS 102 requires that, if appropriate, the charitable company's financial statements are prepared on the going concern basis, which means that the organisation is able to operate for the foreseeable future on the basis of known and projected resources. Free reserves have increased as at 31 March 2022. Budgets and cash flow forecasts have been prepared to March 2024 based on prudent assumptions which show the group will have sufficient funds and cash to continue to operate for the next 12 months. On that basis, the trustees believe that the charity is well placed to manage its risks successfully and thus have adopted the going concern basis of accounting.

2. Accounting policies (continued)

2.3 Income

All income is recognised once the Charitable Company has entitlement to the income, any conditions attached to the income have been met, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Income from donations and legacies includes sponsorship, donations and grants that provide core funding or are of a general nature.

Grants are included in the Consolidated Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Income from trading activities is recognised as earned as the related goods and services are provided.

Investment income is recognised on a receivable basis

Income from charitable activities relating to events is recognised on delivery of the performance. Income is deferred when theatre or cinema sales are received or invoiced in advance of the performances or event to which they relate. Grant income included in this category provides funding to support performance activities as is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Other income from charitable activities is recognised as earned, as the related services are provided. Grant income included in this category provides funding to support education activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliabilty.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

2. Accounting policies (continued)

2.4 Expenditure (continued)

Resources expended are included in the Statement of Financial Activities on an accruals basis inclusive of irrecoverable VAT. They include:

Charitable activities include all costs relating to activities where the primary aim is part of the objects of the charity along with the indirect costs. All of the direct costs have been included within this cost heading and the comparatives have been restated to this effect. The indirect costs have been apportioned on a reasonable basis.

Cost of raising funds comprises the costs associated with the conferences, friends and rents receivable.

Governance costs include audit and accountancy fees, along with professional indemnity insurance.

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 Taxation

The Charitable Company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charitable Company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2.7 Tangible fixed assets and depreciation

Tangible fixed assets costing £100 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Subsequent costs, including replacement parts, are capitalised only when it is probable that such costs will generate future economic benefits. Any replaced parts or remaining carrying amounts are then derecognised. All other costs of repairs and maintenance are charged to the Statement of Financial Activities.

At each reporting date the Charitable Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined to be the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

2. Accounting policies (continued)

2.7 Tangible fixed assets and depreciation (continued)

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Leasehold improvements	- 50 years' straight line
Fixtures and fittings	- 3 or 10 years' straight line

Depreciation is not charged on artwork as under normal circumstances the residual values are considered to be greater than cost. However, the carrying values of artwork are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Financial Activities.

2.8 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

Investments held as fixed assets are shown at cost less provision for impairment. Any impairment losses are recognised immediately in the Statement of Financial Activities.

2.9 Stocks

Stocks are valued on a first in first out basis and stated at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. .

2.10 Donated goods and services

The charitable company leases the premises from which it operates from South Tyneside Council at a peppercorn rent. It is not considered possible to determine the market value of the donated facility and therefore neither income nor corresponding rental charge have been recognised in the Statement of Financial Activities.

2.11 Debtors

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

2.12 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.

2. Accounting policies (continued)

2.13 Liabilities

Liabilities and provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charitable Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated Statement of Financial Activities as a finance cost.

2.14 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable surpluses from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

2.15 Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.16 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless these costs are required to be capitalised as an intangible or tangible fixed asset.

Employees are only entitled to carry forward unused holiday entitlement in exceptional circumstances, and only by agreement with management. The cost of any unused entitlement is recognised in the period in which the employee's services are required.

Termination benefits
Termination benefits are accounted for when the group terminates employment. Amounts are recognised when the group has communicated its plan of termination to the affected employees.

2.17 Operating leases

Rentals paid under operating leases are charged to the Consolidated Statement of Financial Activities on a straight-line basis over the lease term.

2. Accounting policies (continued)

2.18 Pensions

The Charitable Company operates a defined contribution pension scheme. Contributions payable to the Charitable Company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate. Differences between contributions payable in the year and actually paid are shown in other creditors. The assets of the scheme are held separately from those of the Charitable Company.

2.19 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in note 21 to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

3. Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Charitable Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgement:

Revenue recognition - revenue is recognised when the event, e.g. Play, has taken place. Grant income is recognised upon meeting the relevant conditions.

Intercompany recoverability - The amount due from the subsidiary will be settled from current cash balances. The Directors of this entity during the pandemic provided support in the way of waiving rental and service charges due from The Customs House Green Room Limited. In the year to 31 March 2022 the Directors waived the rent in recognition of the ongoing financial pressures The Customs House Green Room Limited faces. The support will be reviewed on a yearly basis to ensure that The Customs House Green Room Limited continues to be a viable business.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

4. Income from donations and legacies

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £
Grants			
South Tyneside Council	-	157,400	**157,400**
Arts Council England (NPO)	-	102,530	**102,530**
Arts Council Cultural Recovery Fund	-	125,000	**125,000**
COVID grants	-	47,570	**47,570**
Other grants	-	88,808	**88,808**
	-	521,308	**521,308**
Donations	-	50,908	**50,908**
	-	50,908	**50,908**
	-	572,216	**572,216**

	Restricted funds 2021 £	*Unrestricted funds 2021 £*	*Total funds 2021 £*
Grants			
South Tyneside Council	-	*280,086*	*280,086*
Arts Council England (NPO)	-	*121,620*	*121,620*
Arts Council Cultural Recovery fund	-	*255,000*	*255,000*
COVID grants	-	*54,022*	*54,022*
	-	*710,728*	*710,728*
Donations	*164,400*	*204,032*	*368,432*
	164,400	*204,032*	*368,432*
	164,400	*914,760*	*1,079,160*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

5. Income from charitable activities

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £
Theatre	-	780,061	**780,061**
Cinema	-	58,642	**58,642**
Learning and Participation	104,037	31,557	**135,594**
	104,037	870,260	**974,297**

	Restricted funds 2021 £	*Unrestricted funds 2021 £*	*Total funds 2021 £*
Theatre	-	*108,108*	*108,108*
Cinema	*1,961*	-	*1,961*
Learning and Participation	*18,808*	-	*18,808*
	20,769	*108,108*	*128,877*

6. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2022 £	Total funds 2022 £
Trading income	506,725	**506,725**

	Unrestricted funds 2021 £	*Total funds 2021 £*
Trading income	*41,773*	*41,773*

7. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	*Total funds 2021 £*
Interest receivable	491	**491**	-

8. Other incoming resources

	Unrestricted funds 2022 £	Total funds 2022 £
Sundry receipts	3,300	**3,300**

	Unrestricted funds 2021 £	*Total funds 2021 £*
Job retention scheme grants	*271,100*	*271,100*

9. Expenditure on raising funds

Fundraising trading expenses

	Total funds 2022 £
Fundraising trading	-

It is not possible to split out fundraising costs as this relates to staff salaries which are split over various activities and so the value of the time spent on fundraising is difficult to quantify.

9. Expenditure on raising funds (continued)

Fundraising trading expenses (continued)

	Unrestricted funds 2021 £	*Total funds 2021* £
Fundraising trading	*14,583*	*14,583*
Fundraising trading expenses - wages and salaries	*129,735*	*129,735*
	144,318	*144,318*

Other trading expenses

	Unrestricted funds 2022 £	**Total funds 2022** £
Trading expenses	82,914	**82,914**

9. Expenditure on raising funds (continued)

Other trading expenses (continued)

	Unrestricted funds 2021 £	*Total funds 2021* £
Trading expenses	*22,231*	*22,231*

10. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds 2022 £	**Unrestricted funds 2022** £	**Total 2022** £
Theatre shows	13,046	1,034,213	**1,047,259**
Cinema	-	57,485	**57,485**
Learning and Participation	205,107	37,032	**242,139**
Marketing	-	109,492	**109,492**
CH Own Shows	-	313,417	**313,417**
	218,153	1,551,639	**1,769,792**

	Restricted funds 2021 £	*Unrestricted funds 2021* £	*Total 2021* £
Theatre shows	*19,037*	*763,617*	*782,654*
Cinema	-	*2,663*	*2,663*
Learning and Participation	*14,140*	*62,618*	*76,758*
Gallery	-	*15,019*	*15,019*
	33,177	*843,917*	*877,094*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

11. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £
Theatre shows	716,492	330,767	**1,047,259**
Cinema	57,485	-	**57,485**
Learning and Participation	149,736	92,403	**242,139**
Marketing	109,492	-	**109,492**
CH Own Shows	313,417	-	**313,417**
	1,346,622	423,170	**1,769,792**

	Activities undertaken directly 2021 £	*Support costs 2021 £*	*Total funds 2021 £*
Theatre shows	*547,666*	*234,988*	*782,654*
Cinema	*2,663*	-	*2,663*
Learning and Participation	*14,140*	*62,618*	*76,758*
Gallery	-	*15,019*	*15,019*
	564,469	*312,625*	*877,094*

Support costs include £3,486 in relation to governance costs.

Analysis of direct costs

	Theatre Shows 2022 £	Cinema 2022 £	Learning and Participation 2022 £	Marketing 2022 £
Staff costs	469,287	-	-	-
Depreciation	41,974	-	3,789	-
Direct costs	205,231	57,485	145,947	109,492
	716,492	57,485	149,736	109,492

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

11. Analysis of expenditure by activities (continued)

Analysis of direct costs (continued)

	CH Own Shows 2022 £	Total funds 2022 £
Staff costs	-	**469,287**
Depreciation	-	**45,763**
Direct costs	313,417	**831,572**
	313,417	**1,346,622**

	Theatre Shows 2021 £	*Cinema 2021 £*	*Learning and Participation 2021 £*	*Marketing 2021 £*
Staff costs	*454,091*	-	-	-
Depreciation	*41,903*	-	-	-
Direct costs	*51,672*	*2,663*	*14,140*	-
	547,666	*2,663*	*14,140*	-

	CH Own Shows 2021 £	*Total funds 2021 £*
Staff costs	-	*454,091*
Depreciation	-	*41,903*
Direct costs	-	*68,475*
	-	*564,469*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

11. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2022 £	*Total funds 2021 £*
Staff costs	**92,403**	-
Depreciation	**2,527**	-
Rent, rates and overheads	**19,192**	-
Insurance	**29,056**	*21,026*
Utilities	**43,693**	*59,767*
Vehicles	**8,745**	*5,168*
Postage, stationery & printing	**5,242**	*8,113*
Telephones	**3,753**	-
Computer costs	**63,132**	*54,848*
Audit and accountancy fees	**28,175**	*41,000*
Consultants	**1,743**	*19,875*
Subscriptions	**1,817**	*1,117*
Repairs and maintenance	**51,597**	*39,866*
Finance charges	**33,836**	*23,968*
Disallowable VAT	**24,130**	*23,982*
Bad debts written off	**3,929**	*680*
Training	**2,755**	*6,166*
Sundry expenses	**3,959**	*5,270*
Governance costs	**3,486**	*1,779*
	423,170	*312,625*

12. Auditors' remuneration

	2022 £	*2021 £*
Fees payable to the Charitable Company's auditor for the audit of the Charitable Company's annual accounts	**16,050**	*13,000*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

13. Staff costs

	Group 2022 £	*Group 2021 £*	Charitable Company 2022 £	*Charitable Company 2021 £*
Wages and salaries	**517,290**	*540,578*	**452,290**	*540,578*
Social security costs	**34,010**	*30,546*	**34,010**	*30,546*
Contribution to defined contribution pension schemes	**10,390**	*12,702*	**10,390**	*12,702*
	561,690	*583,826*	**496,690**	*583,826*

Included with the above employment costs is redundancy payments of £Nil (2021: £23,508).

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

	Group 2022 No.	*Group 2021 No.*
Employees	**39**	*46*

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2022 No.	*Group 2021 No.*
In the band £60,001 - £70,000	**1**	*1*

The total amount of employee remuneration and benefits (including employer national insurance and pension contributions) received by key management personnel for their services to the Charitable Company was £71,202 (2021: £63,610).

14. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits *(2021 - £NIL).*

During the year ended 31 March 2022, no Trustee expenses have been incurred *(2021 - £NIL).*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

15. Tangible fixed assets

Group

	Leasehold improvements £	Fixtures and fittings £	Total £
Cost or valuation			
At 1 April 2021	**227,016**	**532,358**	**759,374**
Additions	**72,371**	**67,041**	**139,412**
At 31 March 2022	**299,387**	**599,399**	**898,786**
Depreciation			
At 1 April 2021	**59,089**	**393,560**	**452,649**
Charge for the year	**4,831**	**43,456**	**48,287**
At 31 March 2022	**63,920**	**437,016**	**500,936**
Net book value			
At 31 March 2022	**235,467**	**162,383**	**397,850**
At 31 March 2021	*167,927*	*138,798*	*306,725*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

15. Tangible fixed assets (continued)

Group (continued)

Charitable Company

	Leasehold improvements £	Fixtures and fittings £	Total £
Cost or valuation			
At 1 April 2021	**227,016**	**485,109**	**712,125**
Additions	**72,371**	**67,041**	**139,412**
At 31 March 2022	**299,387**	**552,150**	**851,537**
Depreciation			
At 1 April 2021	**59,089**	**352,674**	**411,763**
Charge for the year	**4,831**	**40,932**	**45,763**
At 31 March 2022	**63,920**	**393,606**	**457,526**
Net book value			
At 31 March 2022	**235,467**	**158,544**	**394,011**
At 31 March 2021	*167,927*	*132,435*	*300,362*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

16. Fixed asset investments

Charitable Company	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2021	**100**
At 31 March 2022	**100**
Net book value	
At 31 March 2022	**100**
At 31 March 2021	*100*

Principal subsidiaries

The following was a subsidiary undertaking of the Charitable Company:

Name	Company number	Registered office or principal place of business	Principal activity	Class of shares	Holding
The Customs House Green Room Limited	05812339	The Customs House, Mill Dam, South Shields, Tyne & Wear, NE33 1ES	The running of a cafe bar and the organisation of events and conferences at The Customs House	Ordinary	100%

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit/(Loss) / Surplus/ (Deficit) for the year £
The Customs House Green Room Limited	**224,725**	**(216,091)**	**8,634**

	Net assets £
	10,425

17. Stocks

	Group 2022 £	*Group 2021 £*
Finished goods and goods for resale	**11,690**	*3,765*

18. Debtors

	Group 2022 £	*Group 2021 £*	Charitable Company 2022 £	*Charitable Company 2021 £*
Due within one year				
Trade debtors	**4,460**	*43,490*	**4,460**	*41,047*
Amounts owed by group undertakings	**-**	*-*	**177,196**	*73,143*
Other debtors	**4,473**	*76,436*	**4,473**	*76,436*
Prepayments and accrued income	**12,002**	*44,117*	**50,002**	*44,117*
	20,935	*164,043*	**236,131**	*234,743*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

19. Creditors: Amounts falling due within one year

	Group 2022 £	*Group 2021 £*	Charitable Company 2022 £	*Charitable Company 2021 £*
Trade creditors	**89,699**	*32,123*	**82,090**	*30,876*
Other taxation and social security	**13,281**	*7,797*	**10,678**	*7,797*
Other creditors	**42,158**	*127,387*	**40,719**	*124,825*
Accruals and deferred income	**341,609**	*204,339*	**336,300**	*196,831*
	486,747	*371,646*	**469,787**	*360,329*

	Group 2022 £	*Group 2021 £*	Charitable Company 2022 £	*Charitable Company 2021 £*
Deferred income at 1 April 2021	**160,761**	*29,077*	**160,761**	*29,077*
Resources deferred during the year	**267,066**	*145,160*	**267,066**	*145,160*
Amounts released from previous periods	**(160,761)**	*(13,476)*	**(160,761)**	*(13,476)*
	267,066	*160,761*	**267,066**	*160,761*

20. Deferred taxation

Group

	2022 £
At the beginning of the year	**1,024**
Accelerated capital allowances	**(64)**
	960

Charitable Company

The deferred tax liability is made up as follows:

	Group 2022 £	*Group 2021 £*
Accelerated capital allowances	**(960)**	*(1,024)*
	(960)	*(1,024)*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

21. Statement of funds

Statement of funds - current year

	Balance at 1 April 2021 £	Income £	Expenditure £	Taxation £	Balance at 31 March 2022 £
Unrestricted funds					
Designated funds					
Designated funds	130,000	-	-	-	130,000
General funds					
General funds	254,638	1,952,992	(1,634,553)	(2,539)	570,538
Total Unrestricted funds	384,638	1,952,992	(1,634,553)	(2,539)	700,538
Restricted funds					
Leasehold improvements	117,281	-	(4,831)	-	112,450
Other activities	88	-	(88)	-	-
Gallery and gallery outreach	8,127	-	(8,127)	-	-
Garfield Weston	148,688	-	(61,681)	-	87,007
Learning and Participation	39,389	104,037	(143,426)	-	-
	313,573	104,037	(218,153)	-	199,457
Total of funds	698,211	2,057,029	(1,852,706)	(2,539)	899,995

21. Statement of funds (continued)

Funds Descriptions:

Unrestricted funds - free reserves after allowing for restricted funds.

Designated funds - £110,000 designated for building improvement works and £20,000 for planned drama development work.

Leasehold improvements - funding from South Tyneside Council and Northern Rock Foundation towards the capital redevelopment. Costs incurred were capitalised and depreciation is charged annually to the fund.

Other activties - monies received for ticket income and spend on the cost of various projects such as UKES.

Gallery and gallery outreach - funding received from various sources for outreach classes.

Garfield Weston Culture Fund - grant received was fundamental in providing engagement opportunities, enabling new relationships to be built and facilitating capital purchases.

Learning and participation - grants and invoice income from various grant funding sources which include The Arts Council plus earned income from the Community and Education Programmes.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

21. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 April 2020 £	*Income* £	*Expenditure* £	*Transfers in/out* £	*Balance at 31 March 2021* £
Unrestricted funds					
General funds	*57,411*	*1,335,741*	*(1,008,514)*	*(130,000)*	*254,638*
Designated funds	-	-	-	*130,000*	*130,000*
	57,411	*1,335,741*	*(1,008,514)*	-	*384,638*
Restricted funds					
Leasehold improvements	*120,606*	-	*(3,325)*	-	*117,281*
Other activities	*88*	-	-	-	*88*
Gallery and gallery outreach	*6,166*	*1,961*	-	-	*8,127*
Garfield Weston	-	*164,400*	*(15,712)*	-	*148,688*
Learning and Participation	*34,721*	*18,808*	*(14,140)*	-	*39,389*
	161,581	*185,169*	*(33,177)*	-	*313,573*
Total of funds	*218,992*	*1,520,910*	*(1,041,691)*	-	*698,211*

22. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2022 £	**Unrestricted funds 2022** £	**Total funds 2022** £
Tangible fixed assets	263,071	134,779	**397,850**
Current assets	-	989,852	**989,852**
Creditors due within one year	(63,614)	(423,133)	**(486,747)**
Provisions for liabilities and charges	-	(960)	**(960)**
Total	199,457	700,538	**899,995**

22. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Restricted funds 2021 £	*Unrestricted funds 2021 £*	*Total funds 2021 £*
Tangible fixed assets	*117,281*	*189,444*	*306,725*
Current assets	*196,292*	*567,864*	*764,156*
Creditors due within one year	-	*(371,646)*	*(371,646)*
Provisions for liabilities and charges	-	*(1,024)*	*(1,024)*
Total	*313,573*	*384,638*	*698,211*

23. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2022 £	*Group 2021 £*
Net income for the year (as per Statement of Financial Activities)	**201,784**	*477,617*
Adjustments for:		
Depreciation charges	**48,287**	*41,903*
Taxation	**2,539**	*(350)*
Decrease/(increase) in stocks	**(7,925)**	*3,754*
Decrease/(increase) in debtors	**143,108**	*(14,896)*
Increase/(decrease) in creditors	**112,498**	*(28,010)*
Net cash provided by operating activities	**500,291**	*480,018*

24. Analysis of cash and cash equivalents

	Group 2022 £	*Group 2021 £*
Cash in hand	**957,227**	*596,348*
Total cash and cash equivalents	**957,227**	*596,348*

25. Analysis of changes in net debt

	At 1 April 2021	Cash flows	At 31 March 2022
	£	£	£
Cash at bank and in hand	596,348	360,879	957,227
	596,348	360,879	957,227

26. Capital commitments

	Group 2022	*Group 2021*
	£	*£*
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	14,665	-

27. Pension commitments

The group operates a defined contribution scheme for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund. The contributions payable by the group charged to the Statement of Financial Activities during the year amounted to £10,390 (2021: £12,702). Contributions totaling £7,801 (2021: £7,797 were payable to the fund at the year end and are included in creditors.

28. Operating lease commitments

At 31 March 2022 the Group and the Charitable Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2022	*Group 2021*	Charitable Company 2022	*Charitable Company 2021*
	£	*£*	£	*£*
Not later than 1 year	3,400	*7,070*	3,400	*7,070*
Later than 1 year and not later than 5 years	5,100	*2,179*	5,100	*2,179*
	8,500	*9,249*	8,500	*9,249*

29. Related party transactions

During the year, R Spencer (Executive Director) was paid £14,814 (2021: £1,450) in total for his services (as a writer, director and performer) for the pantomime. There were no amounts outstanding at the year end (2021: £nil).

CUSTOMS HOUSE TRUST LIMITED

England & Wales - Charity number 1032846

Accounts

Charity Registration No. 1032846

Company Registration No. 02848282 (England and Wales)

THE CUSTOMS HOUSE TRUST LIMITED

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2021

THE CUSTOMS HOUSE TRUST LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	V C Wiggins G Thompson C E Cooke D G Cottam S J Mitchell D Hymers C Simmons J Blacklock S Finnon M Fay S Hatton Jr R Berkley
Chair	M Fay
Arts Council observer	A Henderson
Local Authority observer	R Jago (STC), K Dacres
Key management personnel	R Spencer (Executive Director)
Charity number	1032846
Company number	02848282
Registered office	The Customs House Mill Dam South Shields Tyne and Wear NE33 1ES
Auditor	RSM UK Audit LLP Chartered Accountants 1 St. James' Gate Newcastle upon Tyne United Kingdom NE1 4AD
Bankers	HSBC Bank Plc 110 Grey Street Newcastle upon Tyne NE1 6JG
Solicitors	PGS Law Law Court Chambers 20 - 22 Waterloo Square South Shields NE33 1AW

THE CUSTOMS HOUSE TRUST LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2021

The trustees present their report and financial statements for the year ended 31 March 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Trust's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2019).

Mission and Vision Statement

Through a broad, balanced and sustainable programme of high-quality arts and cultural activities for all, we will develop the range of our partnerships, the reach of our programming and awareness of our work. We will create and promote excellent arts and cultural programmes and events that engage and involve participants, enhance the wellbeing of the communities we work with, and encourage new and diverse audiences.

Objectives and activities

The Trustees have considered the Charities Commission guidance on public benefit. The Customs House relies on income from fees and charges from the public to cover its operating costs, together with grants from public and private trusts and organisations. The Trustees give careful consideration to the pricing structure of the fees for those on low incomes in the local and wider community.

The Customs House Trust is a registered charity and a company limited by guarantee. It has a wholly owned trading subsidiary, the Customs House Green Room Limited.

The Trust has two aims. The first relates to cultural activity, the second to managing cultural buildings and specifically the Customs House:

1. to promote, maintain, improve and advance the knowledge, understanding and appreciation of the arts and popular culture among the inhabitants of the borough of South Tyneside and its neighbourhood.

2. to establish and to secure the establishment of centres for the arts and popular culture throughout the borough of South Tyneside and, in particular, at the old Custom House building, Mill Dam, South Shields and to equip, maintain, manage and market the same, together with related capital projects within the Mill Dam area of South Shields.

Achievements and performance

REVIEW OF THE YEAR 2020/2021

The Year under review was like no other we have ever faced at the Customs House, of course this was merely a reflection of what was going on, not just across the sector, but across the world as the Covid pandemic took its grip.

We closed our doors and reopened three times during the covid crisis.

We were unable to generate core activity income yet continued to face the need to meet our monthly outgoings for staffing and other fixed overheads.

The trust which is exemplary in its ability to earn over ninety per cent of its income, was left exposed by the reduction of the required income to pay staff, meet overheads whilst maintaining the Grade 2 listed building, Daltons Lane and our CustomSpace annex.

The Trust having utilised its reserves and with uncertainty as to when The Customs House would be able to reopen was facing its most challenging of times.

However, what could have been a very bleak position for the Trust turned in to a catalyst for action.

Working with our landlord and main funder, South Tyneside Council (STC), it was agreed it would be beneficial for both parties to reassess the current issues facing the Trust and determine a roadmap of action. This would help to secure its future and programme the necessary repairs and maintenance required on The Customs House, Dalton Lane buildings and Customs Space, which all remained the assets of STC..

As part of this review STC agreed that The Customs House could withdraw from its commitments to CustomSpace. This process was completed by the close of the year under review and the Trust is no longer liable for this building.

Naylor Gavin & Black were commissioned to undertake a complete review of the condition of the other buildings and prepared a Planned Preventative Maintenance Report which identified the works that were required over the next ten years and beyond. This report led to STC releasing funds to tackle some of the immediate issues and a agree a plan for future maintenance. They also agreed to match fund the work required to stabilise the masonry of the main building and this work is being progressed with the aid of the advice and guidance of the appropriate local authority officers.

A second report was commissioned from Amion, an economic and financial advisory consultancy, to help formulate a New Strategic Plan and Operating Model.

This report framed the Trust's current operation within the wider national Theatre sector. Having benchmarked Customs House against similar organisations across England it concluded that The Customs House received proportionally less public funding than organisations of a similar size. It also recognised that the responsibility of an all repairing lease on the local authority's asset would continue to limit the potential of the Trust to be able to grow its reserves. The report went on to recommend a number of improvements in the Trust's operations which would bring it in to line with best practice in the sector.

However, its major recommendation was the suggestion that the Trust should actively look to identify suitable like-minded organisations with a view to form a close working relationships and potential partnerships that could generate overall cost reductions from economies of scale and income generation opportunities.

These two reports helped to persuade STC into providing the Trust with additional resource to help with building improvements. An advance of part of STC's 2021/22 funding also gave the Trust the opportunity to manage cash flow issues.

There was a sense that the tide was beginning to turn when Customs House was successful in a bid to Arts Council's Emergency Response Fund, this allowed the Trust to commit funds to the planning and development of our Christmas show.

The Trust also benefitted from the wonderful response of the local community and honorary fellows to support The Customs House; a staggering £150k was raised during the year under review. The Trust is grateful to all those individuals and companies who were so generous in their donations of cash and kind during the pandemic.

The overwhelming support once again demonstrated the affection the Customs House is held in by the people of South Tyneside and the wider region.

The organisation was required to quickly reinvent the way it operated. Thanks to the generous support of Aspire Technology who waived set up fees and two months of charges to enable the workforce to operate from their own homes as technology became our only means of communicating internally.

Not only was our day-to-day activity conducted online but importantly the governance of the charity and the involvement of the trustees was able to be maintained. Through regular full board meetings and the continued monitoring of the financial position by that of the finance committee.

In late August, the venue reopened, operating with a significantly reduced capacity of just over 100 seats in the Theatre and with restricted cinema seating. In early September, the Trust was successful in its application to the Arts Council England Cultural Recovery Fund (CRF). However, despite this cash injection of £255k it was necessary to make 27 staff posts redundant which was a very difficult decision to make. In October 2020, South Shields was put into Tier 3 restrictions and, whilst it was possible for theatres and cinemas to operate during this time, the curfew and the severe restrictions on family segregation meant that it was not possible for the venue to continue trading cost effectively and, when the second national lockdown happened in November, the venue closed once again.

When able to open our doors with social distancing we did manage to safely stage 10 live performances however the restrictions on capacity and the increased requirements for covid safe measurers made the this very challenging to return a profit.

On a brighter note the lockdowns did encourage innovation and we developed new ways to connect with our audiences and participants:

- We successfully completed and moderated digitally almost 200 Arts Awards certificated by Trinity College.
- Working with partners we distributed 600 cardboard Toy Theatres and over 60 care packs to some of the most vulnerable young people in the borough.
- Thanks to Joe McElderry we became one of the first theatres to stream live performance with over 2,000 joining us for what would be the first of many streaming events.
- We followed this with a premiere showing of Dolly Mixtures which attracted over 2,300 streams.
- We lit up the building in support of the NHS and in support of our own industry and to mark the passing of one of our Corporate Fellow, our great supporter John Hays.
- Thanks to a grant from Garfield Weston Trust we were able to buy equipment to improve our digital output, building on our online output which was attracting over 5,000 views for each stream, with our Paranormal Tales attracting almost 35,000 live views.
- Our most ambitious project during Lockdown was to produce an original Christmas musical to be safely recorded and distributed. 35 schools took the opportunity of free access to the Christmas show over 650 DVDs and 100 USBs were purchased by the general public.
- The streaming of The Christmas Show attracted 3,096 downloads which equates to many more actual viewers. It was watched in USA, Belgium, Australia, Netherlands, New Zealand, Romania, Italy, Germany, Canada, Philippines, Turkey and Spain.
- By February Half Term we were broadcasting each day to families across the borough with over 9,000 engagements.
- In May 2020 we held a virtual Take Over festival with almost 12,000 engagements with young people.
- From Masterclasses to celebrity quizzes, from talent shows to outdoor gigs The Customs House managed to mount 157 live online events and it is a real testimony to our creatives and staff of The Customs House that this was achieved.
- Finally in Partnership with STC, The Customs House worked with Wycombe89 Media to produce a short film shot around South Tyneside as a virtual Christmas Lights Switch On. It was viewed by residents and expats across the world clocking up as amazing 176,000 engagements.
- We also, in partnership with the Local Authority, supported the promotion of Covid Safety messaging across our social media platforms.

During this period the Trust's trading arm, The Green Room Limited, effectively ceased to trade for most of 2020/2021 and unfortunately this resulted in the loss of all staff.

Volunteers & staff

The Charity places a great value on the contributions that volunteers made to the organisation. Over the course of the year, the involvement of volunteers was significantly reduced due to the Covid-19 restrictions in place. We benefitted greatly from the considerable time, energy and expertise given by the Board of Trustees.

Volunteers make a positive and valued contribution to the Trust.

The Trust acknowledges the commitment and dedication of our loyal staff.

Financial review

The Trust acknowledges the continued financial support given by South Tyneside Council and Arts Council England. The Trust recognises that standstill or reduced funding will present significant challenges in future years however additional funding has been applied for and received, and Trustees are considering ways to maximise funds.

The Customs House consolidated net income to 31 March 2021 was £479k (£558k increase on the previous year). The increase from the prior year is due to additional funding being received in the year including the Cultural Recovery Fund donation of £255k and other Covid-related donations of £218k whilst costs were reduced due to the building not being open for most of the year.

The Green Room profit to March 2021 was £1.3k (2020: loss £5.5k). The Green Room did not contribute a management charge or gift aid payment in the year.

The Consolidated Balance Sheet reflects an increase from the previous financial year with a total reserves balance of £698k, the previous year was £219k.

At the end of March, cash at bank was £596k with net current assets of £393k.

Funding

Key funding sources can be found in the notes to the financial statements. The Trustees are grateful for the continued support of the Charity's key stakeholders the Arts Council England and our primary funder South Tyneside Council.

Additional funding of £255k has been received from the Arts Council England in the year through the Cultural Recovery Fund grant. The group has also made use of the government Coronavirus job retention scheme to furlough staff whilst the building was unable to open with £271k being received in the year.

We are grateful to all the trust and foundations who have supported us this year.

Reserves policy

The Board of Trustees aim is to maintain a balance of Total Reserves in excess of £500k and Free Reserves in excess of £150k to ensure the normal running of the business in adverse economic conditions. As at the end of March there were designated funds of £130k (2020: £nil). £110k of funds were designated in the year for building works and a further £20k was designated for planned drama development spend. Available "Free" Reserves stood at £65k at 31 March 2021.

After a number of loss making years in succession current Reserve values have fallen below the policy target levels, however, the Board is confident that TCH will improve performance sufficiently, after recovery from the pandemic to restore Free Reserves to the Policy levels.

At the end of March 2021 Restricted reserves have a balance of £333k relating to capital improvements to be depreciated (£117k) and specific funding received in advance of utilisation (£216k). The Board is not aware of any funding opportunities being pursued that may materially increase this number in the immediate future.

The amount of tangible assets stood at £307k at the end of March 2021 (of which £189k was unrestricted).

Long Term Strategy and going concern

The Covid-19 pandemic greatly impacted the group and meant that activities were significantly reduced from March 2020 to May 2021 when the building reopened. Management and Trustees have taken appropriate steps to reduce costs where possible and a redundancy programme was implemented during the year and the group also made use of the government furlough scheme where applicable. Further additional funding through the Arts Council Cultural Recovery Fund has been secured post year end.

The Board, based on the budgets and cash flow forecasts prepared to March 2023, believe that the group has sufficient funds to continue to trade for at least 12 months from the date of signing these financial statements and as such there are no material uncertainties over going concern.

Risk management

The Trust established a risk register that identifies the major risks the charity faces.

Bi-annual reviews, monitor risks and controls used to mitigate them and suggests how the Trust would respond should any of the risks materialise.

Recovery from the Pandemic and its effect on audience attendance is to be closely monitored.

The age of the building and its increasing maintenance and repairs draws heavily on our resources.

A key risk identified in previous years was the loss of the Executive Director. This has been mitigated through the enhanced Senior Management Team which is now in place and an outline succession plan to be delivered over the next three years.

Loss of public sector funding has remained a risk. However, our two partners remain committed to the Trust.

Future planning

The Trust needs to prepare a submission to the next round of Arts Council England- National Portfolio Bids. We are encouraged by the Arts Council's announcement that South Tyneside has been named as a Priority Place 2021-24. It is up to the Trust to develop an exciting proposal to deliver an Art's programme that meets the needs of the population of South Tyneside.

The Trust will also continue to apply the recommendations suggested in Amion's report to improve our economic performance despite the on-going difficult trading conditions.

The Garfield Weston Foundation funding will allow us to continue to develop our digital offer and improve our outreach programme reaching a more diverse population across the borough.

We are looking forward to working towards connecting up to the Holborn District Energy Scheme. This will make a major improvement to our carbon footprint due to our current reliance on very old gas fired boilers to heat the building. This is one of a number of initiatives to improve our sustainability.

A new staffing structure has been put in place and recruitment of new staff will begin as soon as trading conditions warrant it. A new operating system has also been procured, ready for launch in early 2022 which should generate a significant improvement to our operational efficiencies and cost control.

The volatile nature of the business and the limited touring offer has suggested that more in-house productions will need to be developed. Our new programming advisory group will help shape our offer and how it is delivered.

We will become more diverse as an organisation through new community development roles, programming and audience development.

Working with STC we will formulate ambitious capital bids to reconfigure The Customs House and improve our accessibility and drive more trade in ancillary sales and hirers.

The Trust will continue to face trading challenges and will continue to put the health and safety of our audiences and participants first, but will, as it has done throughout the Pandemic, look to open fully as soon as quickly as it is possible to do so.

Full Recovery is expected to take a long time and we anticipate it will 2023/24 before the Trust is seeing the level of visitor numbers seen pre pandemic.

Legal status

The Customs House Trust Limited is a charitable company which was incorporated in England on 26 August 1993 as a company, number: 02848282 and on 8 February 1994 registered as a charity, number: 1032846.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The charity is constituted as a charitable company limited by guarantee and is governed by its Memorandum and Articles of Association dated 7 November 2006.

The liability of the members (who are also trustees) is limited. Every member of the Trust has undertaken to contribute an amount not exceeding £1 to the assets of the Trust in the event of it being wound up while he/she is a member or within one year after he/she ceases to be a member.

The directors of the charitable company (the charity) are its trustees for the purposes of charity law. The trustees serving during the year and since the year end are shown below. The company is limited by guarantee. The trustees have no shareholding, but each undertake to subscribe an amount not exceeding £1 in the event of a winding up.

V C Wiggins	
G Thompson	
A Kerr	(Resigned 22 June 2020)
C E Cooke	
D G Cottam	
S J Mitchell	
D Hymers	
C Simmons	
J Blacklock	
S Finnon	
K A Leng	(Resigned 8 November 2021)
M Fay	
S Alam	(Resigned 3 August 2020)
S Hatton Jr	(Appointed 26 April 2021)
R Berkley	(Appointed 14 July 2021)

The charity has made third party indemnity provisions for the benefit of its trustees during the year. The provisions remain in force at the reporting period end.

All strategic decisions are made at Board level. An annual budget is set and reviewed by the full Board. Day to day operational issues are delegated to the Executive Director. The Trust's terms allow for up to 15 Trustees with a minimum of 11. The current Board consists of twelve Trustees, most of whom were appointed between 2016 and 2019. The current Chair was appointed in 2018. One Trustee has been on the Board since 2012. The maximum term for Trustees is 6 years however they are eligible for reappointment at the end of the six years.

The Arts Council and South Tyneside Council are observers on the Board.

The Board meets every six weeks except in December and meetings are attended by the senior executive team.

There are currently four sub committees reporting to the Board:

- Finance, Staffing and Audit
- Marketing and Programming
- Learning and Participation
- Equality, Diversity and Inclusivity

A summary of the committee purposes are given below:

Finance, Staffing & Audit
Monitors and reviews the Trust's financial performance. Discusses personnel issues, audit findings and meets monthly. Membership comprises five Trustee members, including Chair of the Trust plus Executive Director, Finance Director and Interim Operations Director. Minutes are circulated to the full Board and a verbal report is given each month. Monthly management accounts are also forwarded to key funding partners.

Marketing & Programming
Monitors, reviews and informs the Trust's programmed events and develops and oversees delivery of a marketing strategy, meeting quarterly. Membership comprises three Trustees together with the Marketing & Brand Manager, Programming & Audience Development Manager, Director of Learning & Participation and Executive Director. Minutes are circulated to the full Board and a verbal update given at Board meetings.

Learning & Participation
Monitors, reviews and informs the Trust's cultural development programmes, meeting quarterly. Membership comprises three Trustees together with the Director of Learning & Participation, Programming & Audience Development Manager & members of the L&P team, Executive Director, South Tyneside Council observer and Arts Council Relationship Manager acting as observer.

Equality, Diversity and Inclusivity

Monitors, reviews and informs the Trust against the Trust policy and procedures. Membership comprises three Trustees together with, the Director of Learning & Participation, Interim Operations Director and members of the L&P team.

Other sub-committees may be formed at the Board's discretion to oversee specific special projects.

Appointment and training of trustees

The Board comprises up to 15 members and minimum of eleven, one of which is a Local Authority observer. The charity Terms of Reference for trustees lays out the roles and responsibilities and period of service for all board members. The charity looks to have a Board which reflects the skills needed to deliver the charity's aims and objectives and is mindful of gender balance and attempts to reflect the community it serves.

Trustees are recruited through an open invitation placed in the local newspapers and social media. Interested parties are invited to meet informally with Board members, following which, those individuals identified as being able to contribute to the charity's work are invited to attend two full Board meetings as observers. With the agreement of a majority of the Board, those still wishing to join the Board are then invited to do so at their third meeting.

The Trustees meet for one or two Away Days per year. These events are designed as training and update sessions for Board members as well as a forum for the consideration of strategic policy choices.

Related parties

The charity has a wholly owned subsidiary: The Customs House Green Room Limited, a company incorporated in England. The principal activities of The Customs House Green Room Limited during the year were to run the restaurant and bar and to provide catering for events and conferences at or on behalf of The Customs House. Directors of this company are Chair of Finance and Executive Director. See note 23 for details of transactions with related parties, including Trustees and Key Management Personnel.

Pay policy for senior staff

The Board (who are the directors and Trustees of the Trust) determine the pay of senior staff. The Executive Director is charged by the Board with the management of personnel and directing and controlling, running and operating the charity on a day-to-day basis within the framework established by the Strategic Plan and the Articles of the Trust. All Trustees give of their time freely and no Trustee received remuneration in the year. Details of directors' expenses and related party transactions are disclosed in note 10 and 23 to the accounts. The pay of senior staff is reviewed on a timely basis.

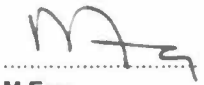
Auditor

In accordance with the company's articles, a resolution proposing that RSM UK Audit LLP be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.



M Fay
Trustee
Dated: 16 December 2021

THE CUSTOMS HOUSE TRUST LIMITED

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2021

The trustees, who are also the directors of The Customs House Trust Limited for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Trust and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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

- select suitable accounting policies and then apply them consistently;

- observe the methods and principles in the Charities SORP;

- make judgements and estimates that are reasonable and prudent; and

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust 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 Trust and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CUSTOMS HOUSE TRUST LIMITED

Opinion on financial statements

We have audited the financial statements of The Customs House Trust Limited (the 'parent charitable company') and its subsidiaries ('the group) for the year ended 31 March 2021 which comprise the Group Statement of Financial Activities, the Group and Company Balance Sheets, the Group Statement of Cash Flows 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs at 31 March 2021 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 group and parent 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.

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 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, which includes the Directors' Report and the Strategic Report prepared for the purpose of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report included within the Trustees' 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 by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, 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 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 group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the group and parent charitable company operates in and how the group and parent charitable company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the parent charitable company's governing document and tax legislation. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents, inspecting correspondence with tax authorities and evaluating advice received from external advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to food safety and health and safety. We performed audit procedures to inquire of management and those charged with governance whether the group is in compliance with these law and regulations and inspected correspondence with regulatory authorities.

The group audit engagement team identified the risk of management override of controls and income recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates and reviewing income transactions around the year end to consider if it is recorded in the correct period.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CUSTOMS HOUSE TRUST LIMITED (CONTINUED)

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 auditors' 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 its members as a body, for our audit work, for this report, or for the opinions we have formed.

L Robson

Lucy Robson (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
1 St. James' Gate
Newcastle upon Tyne
United Kingdom, NE1 4AD
17/12/21

THE CUSTOMS HOUSE TRUST LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Income and endowments from:					
Donations and legacies	3	914,760	164,400	1,079,160	393,286
Charitable activities	4	108,108	20,769	128,877	1,735,262
Other trading activities	5	41,773	-	41,773	660,739
Coronavirus job retention scheme		271,100	-	271,100	-
Total income		1,335,741	185,169	1,520,910	2,789,287
Expenditure on:					
Raising funds	6	166,549	-	166,549	532,954
Charitable activities	7	841,965	33,177	875,142	2,335,072
Total resources expended		1,008,514	33,177	1,041,691	2,868,026
Net income/(expenditure) for the year/ Net movement in funds		327,227	151,992	479,219	(78,739)
Total funds brought forward		57,411	161,581	218,992	297,731
Total funds carried forward		384,638	313,573	698,211	218,992

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

Charity Registration No. 1032846

Company Registration No. 02848282

THE CUSTOMS HOUSE TRUST LIMITED

CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	11		306,725		348,628
Current assets					
Stocks	13	3,765		7,519	
Debtors	14	164,043		149,147	
Cash at bank and in hand		596,348		116,330	
		764,156		272,996	
Creditors: amounts falling due within one year	15	(371,646)		(401,258)	
Net current assets/(liabilities)			392,510		(128,262)
Total assets less current liabilities			699,235		220,366
Provisions for liabilities	17		(1,024)		(1,374)
Net assets			698,211		218,992
Income funds					
Restricted funds	18		313,573		161,581
Unrestricted funds					
Designated funds		130,000		-	
General unrestricted funds		254,638		57,411	
			384,638		57,411
			698,211		218,992

The financial statements were approved by the Trustees on 16 December 2021

M Fay
Trustee

Charity Registration No. 1032846

THE CUSTOMS HOUSE TRUST LIMITED

Company Registration No. 02848282

COMPANY BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	11		300,362		338,940
Investments	12		100		100
			300,462		339,040
Current assets					
Debtors	14	234,743		192,673	
Cash at bank and in hand		521,641		76,161	
		756,384		268,834	
Creditors: amounts falling due within one year	15	(360,329)		(387,659)	
Net current assets/(liabilities)			396,055		(118,825)
Total assets less current liabilities			696,517		220,215
Provisions for liabilities			-		-
Net assets			696,517		220,215
Income funds					
Restricted funds	18		313,573		161,581
Unrestricted funds					
Designated funds		130,000		-	
General unrestricted funds		252,944		29,312	
			382,944		58,634
			696,517		220,215

As permitted by Section 408 of the Companies Act 2006, the statement of financial activities of the parent company is not presented as part of these accounts. The parent company's total income resources for the financial year amounted to £1,472,827 (2020: £2,335,203) and the net movement in funds for the financial year amounted to a deficit of £476,302 (2020: £49,417).

The financial statements were approved by the Trustees on 16 December 2021

M Fay
Trustee

THE CUSTOMS HOUSE TRUST LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	20		480,018		(146,930)
Investing activities					
Purchase of tangible fixed assets		-		(73,484)	
Net cash used in investing activities			-		(73,484)
Net cash used in financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			480,018		(220,414)
Cash and cash equivalents at beginning of year			116,330		336,744
Cash and cash equivalents at end of year			596,348		116,330

1 Accounting policies

Charity information

The Customs House Trust Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is The Customs House, Mill Dam, South Shields, Tyne and Wear, NE33 1ES.

The charity's principal activities are disclosed in the Trustees' Report.

Accounting convention

The financial statements have been prepared in accordance with the Trust's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2019). The Trust is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the Trust. Monetary amounts in these financial statements are rounded to the nearest £.

This is the first period in which the company has applied the Triennial Review amendments to FRS 102. There have been no changes to accounting policy in the current or prior year as a result of this.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the charity and its wholly owned subsidiary, The Customs House Green Room Limited, on a line by line basis.

Going concern

FRS 102 requires that, if appropriate, the charity's financial statements are prepared on the going concern basis, which means that the organisation is able to operate for the foreseeable future on the basis of known and projected resources. Free reserves have increased as at 31 March 2021 due to Covid related support and reduced costs. Budgets and cash flow forecasts have been prepared to March 2023 based on prudent assumptions which show the group will have sufficient funds and cash to continue to operate for the next 12 months. On this basis, the trustees believe that the charity is well placed to manage its risks successfully and thus have adopted the going concern basis of accounting.

Charitable funds

Restricted funds are to be used for specified purposes as laid down by the donor. Expenditure which meets these criteria is identified to the fund, together with a fair allocation of overheads and support costs.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Incoming resources

Incoming resources are recognised in the Statement of Financial Activities when the charity has entitlement to the funds; any conditions attached to the income have been met; it is probable that the income will be received and the amount can be measured reliably.

Income from donations and legacies includes sponsorship, donations and grants that provide core funding or are of a general nature.

Income from trading activities is recognised as earned as the related goods and services are provided.

Investment income is recognised on a receivable basis.

1 **Accounting policies (Continued)**

Income for charitable activities relating to events is recognised on delivery of the performance. Income is deferred when theatre or cinema sales are received or invoiced in advance of the performances or event to which they relate. Grant income included in this category provides funding to support performance activities as is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Other income from charitable activities is recognised as earned, as the related services are provided. Grant income included in this category provides funding to support education activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Resources expended

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party; it is probable that settlement will be required 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 irrecoverable VAT. They include:

Charitable activities include all costs relating to activities where the primary aim is part of the objects of the charity along with the indirect costs. All of the direct costs have been included within this cost heading and the comparatives have been restated to this effect. The indirect costs have been apportioned on a reasonable basis.

Cost of raising funds comprises the costs associated with the conferences, friends and rents receivable.

Governance costs include audit and accountancy fees, along with professional indemnity insurance.

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses. All items of £100 and over are capitalised.

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 bases:

Leasehold improvements	50 years' straight line
Fixtures and fittings	3 or 10 years' straight line

Depreciation is not charged on artwork as under normal circumstances the residual values are considered to be greater than cost. However, the carrying values of artwork are viewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

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.

Subsequent costs, including replacement parts, are capitalised only when it is probable that such costs will generate future economic benefits. Any replaced parts or remaining carrying amounts are then derecognised. All other costs of repairs and maintenance are charged to the Statement of Financial Activities.

1 **Accounting policies (Continued)**

Impairment of fixed assets
At each reporting end date, the Trust 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).

Donated goods and services
The charity leases the premises from which it operates from South Tyneside Council at a peppercorn rent. It is not considered possible to determine the market value of the donated facility and therefore neither income not corresponding rental charge have been recognised in the Statement of Financial Activities.

Stocks
Stocks are valued on a first in first out basis and stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stock to its present location and condition.

Fixed asset investments
In the separate accounts of the charity, interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

Interests in subsidiaries are assessed for impairment at each reporting date. Any impairment losses are recognised immediately in expenditure.

Cash and cash equivalents
Cash and cash equivalents include cash in hand and deposits held at call with banks.

Financial instruments
The Trust has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

All of the charities financial assets and financial liabilities qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Debtors
Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

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 all funds to a third party and the amount due to settle the obligation can be measured reliably. Creditors and provisions are normally recognised at their settlement amount.

1 **Accounting policies (Continued)**

Employee benefits
The costs of short-term employee benefits are recognised as a liability and an expense, unless these costs are required to be capitalised as an intangible or tangible fixed asset.

Employees are only entitled to carry forward unused holiday entitlement in exceptional circumstances, and only by agreement with management. The cost of any unused entitlement is recognised in the period in which the employee's services are required.

Termination benefits
Termination benefits are accounted for when the group terminates employment. Amounts are recognised when the group has communicated its plan of termination to the affected employees.

Retirement benefits
The charity operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the charitable company. The amount charged to the Statement of Financial Activities is the contributions payable in the year. Differences between contributions payable in the year and actually paid are shown as either prepayments or accruals.

Leases
An asset and corresponding liability are recognised for leasing agreements that transfer to the charity substantially all of the risks and rewards incidental to ownership ('finance leases'). All other leases are operating leases.

Operating leases - the group as a lessee

The charity classifies the lease of properties and equipment as operating leases. Rental charges are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

Rent free periods or other incentives received for entering into an operating lease are accounted for as a reduction to the expense and are recognised, on a straight line basis over the lease term.

Reduced disclosures
In accordance with FRS 102, the charity has taken advantage of the exemptions from the following disclosure requirements, in relation to the charity's own accounts. Disclosure is still presented on a consolidated basis.

- Section 7 'Statement of Cash Flows' - Presentation of a Statement of Cash Flow and related notes and disclosures
- Section 11 ' Basis Financial Instruments' - Interest income/expense and net gains/losses for each category of financial instrument
- Section 33 'Related Party Disclosures' - Compensation for key management personnel

2 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results.

Critical areas of judgement

In categorising leases as finance leases or operating leases, management makes judgements as to whether significant risks and rewards of ownership have transferred to the charity as lessee, or the lessee, where the charity is a lessor.

In recognising revenue from performance related grants, the trustees make judgements about the entitlement to the income, based upon level of projected completion.

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total 2021	Total 2020
	£	£	£	£
South Tyneside Council	280,086	-	280,086	157,400
Arts Council England (North East)	121,620	-	121,620	100,678
Arts Council Cultural Recovery Fund	255,000	-	255,000	-
Sponsorship	-	-	-	5,000
Covid related	54,022	-	54,022	-
Other donations	204,032	164,400	368,432	112,424
Ticketing levy	-	-	-	12,780
Other grants	-	-	-	5,004
	914,760	164,400	1,079,160	393,286
For the year ended 31 March 2020	393,286	-		393,286

4 Charitable activities

	Theatre	Cinema	Learning and participation	Gallery activity	Total 2021	Total 2020
	£	£	£	£	£	£
Sales within charitable activities	108,108	1,961	18,808	-	128,877	1,735,262
Analysis by fund						
Unrestricted funds	108,108	-	-	-	108,108	
Restricted funds	-	1,961	18,808	-	20,769	
	108,108	1,961	18,808	-	128,877	
For the year ended 31 March 2020						
Unrestricted funds	1,288,966	123,341	-	1,142		1,413,449
Restricted funds	-	-	321,813	-		321,813
	1,288,966	123,341	321,813	1,142		1,735,262

5 Other trading activities

	2021 Unrestricted	2020 Unrestricted
	£	£
Other sales	7,500	40,475
Friends membership	2,145	3,590
Screen advertising	-	8,837
CustomSpace	-	62,051
Facilitation fee	8,403	10,400
Conference hire	-	13,911
Food and drink	23,725	520,010
Shows / entertainment	-	1,465
Other trading activities	41,773	660,739

6 Raising funds

	2021 Unrestricted £	2020 Unrestricted £
Raising funds		
Other fundraising costs	14,583	232,249
Staff costs	129,735	258,653
Depreciation and impairment	-	5,768
Support costs	22,231	36,284
Total	166,549	532,954

7 Charitable activities

	Theatre	Cinema	Learning & participation	Gallery activity	Governance costs	Total 2021	Total 2020
	£	£	£	£	£	£	£
Staff costs	393,191	-	49,835	11,065	-	454,091	702,390
Depreciation and impairment	41,903	-	-	-	-	41,903	35,502
Direct costs	93,513	2,663	14,140	-	-	110,316	1,273,568
	528,607	2,663	63,975	11,065	-	606,310	2,011,460
Share of support costs (see note 8)	216,014	-	12,783	3,954	-	232,751	303,188
Share of governance costs (see note 8)	-	-	-	-	36,081	36,081	20,424
	744,621	2,663	76,758	15,019	36,081	875,142	2,335,072
Analysis by fund							
Unrestricted funds	725,584	2,663	62,618	15,019	36,081	841,965	
Restricted funds	19,037	-	14,140	-	-	33,177	
	744,621	2,663	76,758	15,019	36,081	875,142	
For the year ended 31 March 2020							
Unrestricted funds	1,724,798	144,305	127,509	30,153	20,424		2,047,189
Restricted funds	-	-	287,883	-	-		287,883
	1,724,798	144,305	415,392	30,153	20,424		2,335,072

8 Support costs

	Support costs	Governance costs	2021	2020	Basis of allocation
	£	£	£	£	
Legal and professional	1,539	-	1,539	6,375	*
Cleaning & refuse	-	-	-	13,240	*
Postage, stationery & printing	8,113	-	8,113	15,846	*
Computer costs	54,848	-	54,848	39,817	
Utilities	59,767	-	59,767	89,122	*
Vehicle costs	161	-	161	1,836	*
Travel & entertainment	-	-	-	4,810	*
Insurance	20,445	-	20,445	21,365	*
Repairs and maintenance	39,623	-	39,623	70,531	*
Sundries	(1,264)	-	(1,264)	3,939	*
Subscriptions	1,117	-	1,117	38	*
Disallowable VAT	23,982	-	23,982	45,000	*
Telephones	-	-	-	4,354	*
Training	6,166	-	6,166	4,819	*
Consultants	19,875	-	19,875	275	*
Finance charges	17,909	-	17,909	18,105	*
Professional indemnity insurance	-	581	581	699	Governance
Audit and accountancy fees	-	35,500	35,500	19,725	Governance
	252,281	36,081	288,362	359,896	
Analysed between					
Fundraising	22,231	-	22,231	36,284	
Charitable activities	230,050	36,081	268,832	323,612	
	252,281	36,081	288,362	359,896	

* The support costs have been split as follows:

- Marketing and operations costs are included within the various benefitting activities on an estimated basis.
- Bar and conference consists of Green Room expenditure which is based on actual expenditure incurred.
- The remaining expenditure is split according to income proportion, i.e. Theatre, Cinema, Gallery and Learning and Participation.

Governance costs includes payments to the auditors of £13,000 (2020: £16,200) for audit fees.

9	Net movement in funds	2021	2020
		£	£
	Net movement in funds is stated after charging/(crediting)		
	Fees payable to the company's auditor for the audit of the company's financial statements	13,000	16,200
	Depreciation of owned tangible fixed assets	41,903	41,270
	Operating lease charges	4,066	4,066

10 Employees

Number of employees
The average monthly number employees during the year was:

	2021 Number	2020 Number
Total	46	67

Employment costs	2021 £	2020 £
Wages and salaries	540,578	879,987
Social security costs	30,546	59,322
Other pension costs	12,702	21,734
	583,826	961,043

Included within the above employment costs is redundancy payments of £23,508 (2020: £8,715).

No employees earned between £60,001 and £70,000 during the year (2020: 1)

Total pension contributions paid on behalf of the above employee are £nil (2020: £2,680).

Trustee remuneration
No trustee received remuneration during the year (2020: £nil) and one trustee received payment for professional or other services supplied to the charity to the value of £200 (2020: £3,926)

The aggregate amount of travelling and subsistence expenses reimbursed to the trustees during the year was £nil (2020: £nil).

The charitable company has paid for professional indemnity policy to protect it from loss arising from the neglect or defaults of its employees at a cost of £669 (2020: £669).

Key management personnel
The key personnel of the charity comprise the Executive Director. Total employee benefits of the key management personnel were:

	2021 £	2020 £
Gross pay	54,606	61,285
Employers national insurance	6,324	7,266
Pension costs	2,680	2,680
	63,610	71,231

11 Tangible fixed assets

Group	Leasehold improvements	Fixtures and fittings	Total
	£	£	£
Cost			
At 1 April 2020	227,016	532,358	759,374
At 31 March 2021	227,016	532,358	759,374
Depreciation and impairment			
At 1 April 2020	54,549	356,197	410,746
Depreciation charged in the year	4,540	37,363	41,903
At 31 March 2021	59,089	393,560	452,649
Carrying amount			
At 31 March 2021	167,927	138,798	306,725
At 31 March 2020	172,467	176,161	348,628

11 Tangible fixed assets (Continued)

Charity	Leasehold improvements	Fixtures and fittings	Total
	£	£	£
Cost			
At 1 April 2020	227,016	485,109	712,125
Additions	-	-	-
At 31 March 2021	227,016	485,109	712,125
Depreciation and impairment			
At 1 April 2020	54,549	318,636	373,185
Depreciation charged in the year	4,540	34,038	38,578
At 31 March 2021	59,089	352,674	411,763
Carrying amount			
At 31 March 2021	167,927	132,435	300,362
At 31 March 2020	172,467	166,473	338,940

12 Fixed asset investments

	Other investments
	£
Cost	
At 1 April 2020 & 31 March 2021	100
Carrying amount	
At 31 March 2021	100
At 31 March 2020	100

Summary Statement of Comprehensive Income	2021	2020
	£	£
Turnover	26,372	535,051
Expenses	(48,096)	(540,527)
	(21,724)	(5,476)
Taxation	350	-
Other income	22,686	-
	1,312	(5,476)

12 Fixed asset investments (Continued)

The assets and liabilities of the subsidiary were:	2021 £	2020 £
Fixed assets	6,363	9,688
Current assets	80,915	49,941
Creditors: amounts falling due within one year	(84,463)	(57,776)
Deferred tax	(1,024)	(1,374)
Total net assets	1,791	479
Aggregated share capital and reserves	1,791	479

13 Stocks

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Finished goods and goods for resale	3,765	7,519	-	-
	3,765	7,519	-	-

14 Debtors

Amounts falling due within one year:	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Trade debtors	43,490	43,763	41,047	41,510
Amounts due from group undertakings	-	-	73,143	45,779
Other debtors	76,436	89,101	76,436	89,101
Prepayments and accrued income	44,117	16,283	44,117	16,283
	164,043	149,147	234,743	192,673

15 Creditors: amounts falling due within one year

	Notes	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Trade creditors		32,123	49,402	30,876	43,408
Other taxation and social security		7,797	63,444	7,797	60,869
Other creditors		127,387	227,114	124,825	227,114
Accruals		43,578	32,221	36,070	27,191
Deferred income	16	160,761	29,077	160,761	29,077
		371,646	401,258	360,329	387,659

Other creditors include £100,077 (2020: £157,284) of monies received in advance for box office bookings.

16 Deferred income

	2021 £	2020 £
Group		
Balance as at 1 April 2020	29,077	126,589
Released from previous years	(13,476)	(126,589)
Resources deferred in the year	145,160	29,077
	160,761	29,077

	2021 £	2020 £
Charity		
Balance as at 1 April 2020	29,077	126,589
Released from previous years	(13,476)	(126,589)
Resources deferred in the year	145,160	29,077
	160,761	29,077

Deferred income comprises grant income and other funding relating to future accounting periods. It is anticipated the majority of income deferred will be realised within 12 months.

17 Provisions for liabilities

	2021 £	2020 £
Deferred tax liabilities	1,024	1,374
	1,024	1,374

18 Restricted funds

For the year ended 31 March 2021:

Group	Balance at 1 April 2020	Movement in funds: Incoming resources	Movement in funds: Resources expended	Movement in funds: Transfers	Balance at 31 March 2021
	£	£	£	£	£
Unrestricted funds					
General funds	57,411	1,335,741	(1,008,514)	(130,000)	254,638
Designated funds	-	-	-	130,000	130,000
	57,411	1,335,741	(1,008,514)	-	384,638
Leasehold improvements	120,606	-	(3,325)	-	117,281
Other activities	88	-	-	-	88
Gallery and gallery outreach	6,166	1,961	-	-	8,127
Garfield Weston	-	164,400	(15,712)	-	148,688
Learning and Participation	34,721	18,808	(14,140)	-	39,389
	161,581	185,169	(33,177)	-	313,573
Total funds	218,992	1,520,910	(1,041,691)	-	698,211

Charity	Balance at 1 April 2020	Movement in funds: Incoming resources	Movement in funds: Resources expended	Movement in funds: Transfers	Balance at 31 March 2021
	£	£	£	£	£
Unrestricted funds					
General funds	58,634	1,287,658	(963,348)	(130,000)	252,944
Designated funds	-	-	-	130,000	130,000
	58,634	1,287,658	(963,348)	-	382,944
Restricted funds					
Leasehold improvements	120,606	-	(3,325)	-	117,281
Other activities	88	-	-	-	88
Gallery and gallery outreach	6,166	1,961	-	-	8,127
Garfield Weston	-	164,400	(15,712)	-	148,688
Learning and Participation	34,721	18,808	(14,140)	-	39,389
	161,581	185,169	(33,177)	-	313,573
Total funds	220,215	1,472,827	(996,525)	-	696,517

18 **Restricted funds (Continued)**

Leasehold improvements - funding from South Tyneside Council and Northern Rock Foundation towards the capital redevelopment. Costs incurred were capitalised and depreciation is charged annually to the fund.

Other activities - monies received for ticket income and spent on the cost of various projects such as UKES.

Gallery and gallery outreach - funding received from various sources for outreach classes.

Cultural Spring - funding received for Cultural Spring project. The project ended in the prior year.

Learning and participation - grants and invoice income from various grant funding sources which include The Arts Council plus earned income from the Community and Education Programmes.

Unrestricted funds - free reserves after allowing for restricted funds.

Transfer between funds - funds are transferred when expenditure incurred is capitalised within general funds, or when a top up/refund is required from/to unrestricted funds.

Designated funds - funds have been designated in the year totalling £130k which consists of £110k for building improvement works and £20k for planned drama development work.

18 **Restricted funds (Continued)**

For the year ended 31 March 2020:

Group	Balance at 1 April 2019	Movement in funds: Incoming resources	Resources expended	Transfers	Balance at 31 March 2020
	£	£	£	£	£
Unrestricted funds					
General funds	152,408	2,467,474	(2,580,143)	17,672	57,411
	152,408	2,467,474	(2,580,143)	17,672	57,411
Restricted funds					
Leasehold improvements	123,841	-	(3,235)	-	120,606
Other activities	(160)	373	(125)	-	88
Gallery and gallery outreach	7,311	-	(1,145)	-	6,166
Cultural Spring	11,221	202,053	(195,602)	(17,672)	-
Learning and Participation	3,110	119,387	(87,776)	-	34,721
	145,323	321,813	(287,883)	(17,672)	161,581
Total funds	297,731	2,789,287	(2,868,026)	-	218,992

Charity	Balance at 1 April 2019	Movement in funds: Incoming resources	Resources expended	Transfers	Balance at 31 March 2020
	£	£	£	£	£
Unrestricted funds					
General funds	124,309	2,013,390	(2,096,737)	17,672	58,634
	124,309	2,013,390	(2,096,737)	17,672	58,634
Restricted funds					
Leasehold improvements	123,841	-	(3,235)	-	120,606
Other activities	(160)	373	(125)	-	88
Gallery and gallery outreach	7,311	-	(1,145)	-	6,166
Cultural Spring	11,221	202,053	(195,602)	(17,672)	-
Learning and Participation	3,110	119,387	(87,776)	-	34,721
	145,323	321,813	(287,883)	(17,672)	161,581
Total funds	269,632	2,335,203	(2,384,620)	-	220,215

19 Analysis of net assets between funds

Group	Unrestricted £	Restricted £	Total £
Fund balances at 31 March 2021 are represented by:			
Tangible assets	189,444	117,281	306,725
Current assets/(liabilities)	196,218	196,292	392,510
Provisions	(1,024)	-	(1,024)
	384,638	313,573	698,211

	Unrestricted £	Restricted £	Total £
Fund balances at 31 March 2020 are represented by:			
Tangible assets	228,022	120,606	348,628
Current assets/(liabilities)	(169,237)	40,975	(128,262)
Provisions	(1,374)	-	(1,374)
	57,411	161,581	218,992

Charity	Unrestricted £	Restricted £	Total £
Fund balances at 31 March 2021 are represented by:			
Tangible assets	183,181	117,281	300,462
Current assets/(liabilities)	199,763	196,292	396,055
	382,944	313,573	696,517

	Unrestricted £	Restricted £	Total £
Fund balances at 31 March 2020 are represented by:			
Tangible assets	218,434	120,606	339,040
Current assets/(liabilities)	(159,800)	40,975	(118,825)
	58,634	161,581	220,215

20	Cash generated from operations	2021	2020
		£	£
	Surplus/(deficit) for the year	479,219	(78,739)
	Adjustments for:		
	Taxation	(350)	-
	Depreciation and impairment of tangible fixed assets	41,903	41,270
	Movements in working capital:		
	Decrease in stocks	3,754	4,483
	(Increase)/decrease in debtors	(14,896)	45,446
	(Decrease) in creditors	(161,296)	(61,878)
	Increase/(decrease) in deferred income	131,684	(97,512)
	Cash generated from/(absorbed by) operations	480,018	(146,930)

21 Analysis of changes in net debt

	1 April 2020	Cash flows	31 March 2021
	£	£	£
Cash at bank and in hand	116,330	480,018	596,348
	116,330	480,018	596,348

22 Operating lease commitments

At the reporting end date the Trust had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021	2020
	£	£
Within one year	7,070	9,765
Between one and five years	2,179	9,040
	9,249	18,805

23 Related party transactions

During the year, Ray Spencer (Executive Director) was paid £1,450 (2020: £12,838) in total for his services (as writer, director and performer) for the pantomime.

There were no amounts outstanding at the year-end in relation to the above related party (2020: £nil).

A Trustee was paid £200 (2020: £3,946) for providing workshop sessions.

A Trustee made a donation of £1,000 in the year (2020: £nil).

24 Retirement benefits

The group operates a defined contribution scheme for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund. The contributions payable by the group charged to income and expenditure amounted to £12,702 (2020: £21,734). Contributions totalling £7,797 (2020: £7,959) were payable to the fund at the year end and are included in creditors.

25 Taxation

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. No tax charges have arisen in the charity.

26 Volunteers

Information relating to volunteers has been included within the Trustees' Report on page 4.