

Company registration number: 03908975

Charity registration number: 1080567

The Corn Exchange (Newbury) Trust

(A company limited by guarantee)

Annual Report and Consolidated Financial Statements

for the Year Ended 31 March 2022

The Corn Exchange (Newbury) Trust

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The Corn Exchange (Newbury) Trust

Reference and Administrative Details

Charity number:	1080567
Company number:	03908975
Registered Office:	Belmont House Station Way Crawley West Sussex RH10 1JA
Auditors	UHY Ross Brooke Suite I Windrush Court Abingdon Business Park Abingdon OX14 1SY
Bankers	National Westminster Bank 30 Market Place Newbury Berks RG14 5AJ
Solicitors	Irwin Mitchell Group Mercantile House 18 London Road Newbury Berks RG14 1JX
Principal Office	Corn Exchange Newbury Market Place Newbury Berkshire RG14 5BD
Chief Executive Officer	K Griffiths
Secretary	Irwin Mitchell Secretaries Limited

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Reference and Administrative Details

Key management personnel The Corn Exchange (Newbury) Trust: Trustees and Directors

The Trustees, most of whom who are also directors for the purposes of company law, who served during the year, together with subsequent appointments were:

Earl G R O Carnarvon

L Hinchliff (Appointed as Trustee 17 November 2021)

K Bahia (Appointed as Trustee 17 November 2021)

R C Holland (Chairman)

R Mckinlay

M R Digioia

R J E Hayes

J G Beck (West Berkshire Council nominee)

R Constable

N A Wallace (Appointed as Trustee 17 November 2021)

The Corn Exchange (Newbury) Trust

Trustees' Report

The trustees are pleased to present their annual directors' report together with the consolidated financial statements of the charity and its subsidiary for the year ending 31 March 2022 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

Our purpose and activities for the Public Benefit

Since the charity was formed in 2000, the Trust's responsibilities and ambitions have grown considerably. From that of a single theatre, to a multi-venue arts centre with a creation space supporting talent development and residencies for artists working outdoors. The Trust provides a variety of access points to an ever growing range of cultural opportunities.

Our Charitable Objective

The education of the public in the Arts in West Berkshire and the surrounding districts

The Trustee's mission, vision and values for the Trust are as follows:

Our Mission (what we do)

Offer high quality arts and entertainment to enhance the life of the community, continually providing new and enriching experiences for everyone.

Our Vision (what we want to be)

More than just a theatre... the Corn Exchange is a leading creative arts organisation with two iconic venues. We are passionate about inspiring audiences, connecting with the community and presenting an exciting programme of live performance, film, visual arts and outdoor events.

Shaping our Vision (three key themes)

Centre for Excellence: *Enable excellence at every opportunity*

- Our role as artistic leader is to provide examples of what is excellent and to encourage and enable this work to thrive in West Berkshire and the surrounding district
- To continue to play a key role in providing inspiration for both artists and audiences

Review of activities during the year

Covid-19 Impact

In common with all arts organisation, the covid-19 pandemic has affected many of our activities as a result of enforced closures and audience hesitancy. Our focus throughout has been on what we could do rather than what we couldn't, supporting our staff and volunteers as well as finding creative ways to remain engaged with our community ensuring we continued to meet our objectives.

As we look towards the future and our recovery, our priority is to ensure our continued ability to provide everyone in our community with access to arts and cultural activity. We have been able to use this period to embed our ambitions to play as active a role as possible in community life. There have been seismic shifts in our industry and society, and we recognise that there are changes that we can all make in order to address the inequalities that exist. This period has provided an opportunity for learning and reflection as we seek to find ways to make positive change and adjust our processes and practice to achieve this.

Looking back to the start of the year, we used the government's roadmap out of lockdown to aid our plans for resuming activities. Our café and trading services returned from 12th April with an outdoor offer supported by our prime position in the town centre providing us with excellent visibility and opportunities to promote future activities. From 19th April our

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Trustees' Report

activities for young people returned with reduced capacities and social distancing and from 17th May our courses and classes for adults returned including the launch of our new Reaching Communities funded Ageing Creatively programme (again with social distancing). Live performances returned from 24th May with reduced capacity in the auditorium as a result of the socially distanced seating we installed in 2020 with about one third of the programme we would usually present possible due to the scarcity of shows touring, but highlights included *Lost Dog*, *Ockham's Razor*, *Nick Cope*, *Phil Wang and Horrible Histories*.

In addition, across the whole of the Summer with funding from the DCMS culture recovery fund we launched our Out-Of-Doors Festival. Using our free outdoor performance programme to anchor the festival with events including *Black Victorians*, *Future Cargo* by Requardt and Rosenberg, Motionhouse's *Wild* and Blast Theory we also presented ticketed performances in venues across the District; building our partnerships with local organisations who opened up their spaces for us to host performances as well as taking many of our participatory and schools engagement activity outdoors into the town centre park too – it was a real chance to celebrate the joy that getting involved in the arts can bring.

Throughout this period, 101 continued to offer residency and rehearsal space providing a vital resource for artists to create and develop work and it was undoubtedly this in-house expertise that enabled our ambitions to present the out of doors festival.

By the Autumn and for our annual pantomime, we had removed our socially distanced seating but were still offering audiences the opportunity to see work with gaps left between customers in the balcony whilst operating at full capacity in the stalls. We prioritised maintaining the range and breadth of our programme whilst balancing reduced capacities and attendance alongside rescheduling cancelled events from 2020. Highlights included Rhum & Clay's *War of the Worlds* Burnt Lemon's *Tokyo Rose* and New Old Friends *Crimes In Egypt*, *Voloz Collective's* *The Man Who Thought he Knew Too Much*, Jose Agudo's *Carmen*; comedians including Ed Byrne, Iain Stirling and Reginald D Hunter; family shows include *The Tiger Who Came To Tea*, *Nick Cope*, *Shlomo's Beatbox Adventure* and *The Smartest Giant In Town*.

Throughout the period, audiences were hesitant about returning. Family audiences and those with tickets for rescheduled events were most likely to attend, but audiences for theatre, dance and music were much more affected. Booking patterns became very last minute with an implication on marketing campaigns and spend and even though we took a cautious approach as restrictions eased, with many mitigation measures still in place, these were not always adhered to by customers.

The latter part of the year saw the Trust manage the rise of the Omicron variant at a critical time of year for the financial success of the annual pantomime. As well as the impact on audience attendance, the very real challenge of keeping the building open and ensuring performances could take place was incredibly difficult for everyone involved. We increased our covid safety precautions in line with government guidance, maintaining regular testing and very strict protocols to keep our building a covid-free space. We have also (in common with venues up and down the country) been managing staff retention and recruitment since the end of the furlough scheme; staff with transferable skills are choosing to leave the arts and due to the exodus across the industry, more junior members of staff are being offered incredibly swift career progression opportunities by other organisations. As identified by the Culture in Crisis report from the Centre for Cultural Value the UK's cultural workforce is at risk of imminent burnout, alongside significant skills and workforce gaps. The Corn Exchange has been no exception so there has been a particular focus on supporting and retaining our staff during the period under review.

In addition this year

- Delivered two very successful fundraising campaigns, continuing to raise vital funds and awareness of our work within the local community. We have also continued to see the step-change in our Trust & Foundation giving
- Received funding from the second and third round of Culture Recovery Funding and successfully submitted an application to Arts Council England for the 22/23 NPO extension year
- Welcomed the return of our traditional processional based lantern parade, filling the town with traditional candle-lit willow lanterns made by school children, community groups and participants from across the district to audiences of 4,000 in line with government guidance at the time
- Completed delivery of Contactless Creativity with National Lottery reaching community funds, supporting those isolating/shielding with creative and cultural activities. Delivering over 3,000 creativity bags to residents across the District and nominated for the age-friendly outreach award at the Fantastic For Families awards
- Delivered the first year of activity as part of our five year Ageing Creatively programme, achieving 4760 engagements across our programme working in care homes and assisted living accommodation as well as rural locations across the District
- Received funding to lead and deliver a pilot programme of arts on prescription activity for the District which began in September 2021

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Trustees' Report

- Delivered the impact and evaluation report from our five year ambition for excellence programme at 101; alongside a major symposium with speakers including Lyn Gardner, Kully Thiarai and Ajay Chhabra launching the national strategy paper we produced with David Micklem and Sud Basu

The work of the Trust is only possible thanks to its team of dedicated volunteers. Supporting them and helping them to stay connected while we were closed has been a priority for the Trust. We have continued to keep in touch with all the volunteers who support the wide-ranging activities of the charity, assist with the operational running of the Corn Exchange, support our engagement activities and the outdoor programme and have provided over 5,000 volunteer hours for the Trust (11,000 in 2019/20). Working with our volunteers enhances our audiences experience, enables longer opening hours and lower staff costs than would otherwise be the case and helps deepen our connection to the community we serve. Volunteers sign a volunteer agreement on joining and are managed by staff members receiving safety and operational training. The contribution made by the volunteers to the organisation goes well beyond pure figures, but this year the estimated financial value amounts to in the region of £80,000.

In the year the Trust also continued its support of The Base (now a registered charity). This visual art and craft venue on Greenham Business Park presents the highest quality touring exhibitions, supports 8 visual arts and craft makers with studios at a peppercorn rent as well as a workshop space for participatory workshops. The Trust supports The Base with expertise in curation and marketing support, enabling this new organisation to operate more efficiently.

Financial Review

The 2021/22 financial year has again been affected the Covid-19 pandemic with a reduction in our earned income as a result of enforced closures, reduced capacities and audience hesitancy, particularly during the key pantomime period due to the rise of the Omicron variant.

The Trust continues to enjoy a strong relationship with Greenham Trust, who have continued to support the Trust's activities at normal levels in spite of the reduction in engagements. Greenham Trust supports three distinct strands of the charity's activities; the Corn Exchange, Learning Centre and 101 & the outdoor programmes.

We have also received a variety of smaller grants from trusts and foundations to support the work of our Learning and Participation programme together with successful fundraising campaigns to maintain our support from the local community to help ensure the survival and resilience of the organisation.

The Trust also receives funding as an Arts Council England, National Portfolio Organisation with £239,234 per year secured until 2023 and an application to join the 2023-36 portfolio has now been made.

Throughout the year, we continued to make the very best use of our funds and the government support available through the coronavirus job retention scheme and we have also been fortunate to receive emergency funding through the Culture Recovery Fund. This support, alongside successful fundraising has ensured the resilience and recovery path of the Trust during this unprecedented time.

Income (£2,521,200) was higher than in 2020/21 with expenditure at £2,449,500. The Trust has made an operating surplus of £71,700, excluding the actuarial gain on the pension scheme of £192,000.

Complying with FRS102 means reporting any liability on the defined benefit pension schemes in the annual account. Last year's pension fund deficit showed a liability of £847,000 This was decreased this year to £655,000 for further details see note 20.

Reserves Policy

The Corn Exchange holds reserves to cover unforeseen circumstances, unplanned emergency repairs and other exceptional expenditure. This enables us to bridge the gap between the spending and receiving of resources, and also ensure that we can respond to unexpected alterations in income. During this extraordinary year, the Trustees agreed use of the reserves to ensure sufficient cashflow for the organisation, and the Trust will need to rebuild its free reserves over the coming years as the Trustees consider £350,000 the minimum level of reserves, equating to 3 months operational costs as advised by The Charities Commission. A future target would be the more ideal level of £700,000 equating to 6 months operating costs. This figure has been calculated by considering the charity's income, its potential vulnerability to a decline in particular funding sources, the impact of the general economic situation, and also considers this an appropriate timeframe to enable the Trust to adjust its business model in the event of a major change in its funding levels.

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As at 31 March 2022, the free unrestricted reserves are £575,400 (2021:£535,100). In calculating the reserve figure the Trustees have excluded from total funds the restricted income funds (£180,900), fixed assets, the pension liability and current designated funds (£544,300).

Designated funds are unrestricted funds that are earmarked (designated) for essential future spending to fund repairs, refurbishment and capital investment of its buildings. With the approval of the Trustees, the Executive team prioritise projects to ensure the organisation maintains a high level of customer and performer experience, whilst also ensuring staff are provided with the appropriate tools to successfully deliver the activities of the organisation. It is expected that repairs and improvements will be an on-going financial need, particularly given the age of the Corn Exchange.

Following an extraordinary period, the reserves are now below Trustee's aspirations, however government support via the CRJS and CRF, and the £192,000 reduction in pension liability means that the balance sheet remains strong in the circumstances with net current assets of £1,310,300. Given the continued support of our key funders (Greenham Trust and Arts Council England) the Trustees consider the Trust to be a sound commercial concern although the challenge of limited audiences as a result of Covid-19 remains a cause for concern. The Trust aspires to rebuild the reserves through the development of small annual surpluses (year on year) generated via ancillary trading sales and the sale of tickets to work that is programmed and produced at the Corn Exchange once more normal levels of activity can be resumed.

Plans for Future Periods

The impact of Covid-19 has been huge. Now more than ever, we are focused on sharing the wellbeing benefits that involvement in creativity, arts and culture can bring to our community. We continue to work in partnership with Greenham Trust to develop plans for a permanent home for our Learning Centre activities as we expand the scale of work we deliver within this area.

Our key priorities for the year ahead include

- A focus on audience development as we aim to return to normal levels of activity and audiences
- Continuing to grow engagement with our Ageing Creatively programme
- Developing our ambition to lead on social prescribing across the District increasing our engagement with the hardest to reach groups
- Reviewing our cinema programming strategy with current attendance levels significantly impacted
- Developing and delivering a major capital fundraising campaign to support the development of a new permanent home for our learning and wellbeing focused activities
- Revising our business plan and submitting our 2023-2026 NPO funding application
- Making a successful claim on our business interruption insurance for the periods during which we were mandated closed
- Exploring new ways to retain and invest in our staff
- Embedding the investment principles we have prioritised as part of our ACE NPO funding application planning
- Increasing our work with young people focused on improving employability prospects and life chances through Careers in the Arts, a joint initiative with the Watermill Theatre
- Prioritising changes that will increase our environmental sustainability as we work towards becoming carbon neutral.

Structure, Governance and Management

Governing Document

The Corn Exchange (Newbury) Trust is a registered charity (registered 1080567) limited by guarantee. It is governed by its Memorandum and Articles of Association incorporated 13 January 2000 as amended 20 April 2000.

Appointment of trustees

The directors of the charitable company ("the Trust") are trustees for the purpose of company law and throughout this report are collectively referred to as the Trustees. As set out in the Memorandum and Articles of Association, the Board of the Trust comprises of no less than five and no more than fifteen Trustees. Nominations are put to the Trust and membership is determined against the requirements of a role profile, the policy on corporate governance and the needs of the Trust on a strictly equal opportunities basis. Each Trustee will be appointed for a period of three years. Since West Berkshire Council stopped providing core funding for the Trust's activities in 2018, there is no longer an obligation for one of the Trustees to provide WBC representation, however the Trust continues to offer representation on the Board to J Beck who has represented the local authority since the building was refurbished over 20 years ago.

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Trustee induction and training

New Trustees meet with the Chair and Director who provide them with a written Trustee Induction Pack and briefs them on their legal obligations under charity and company law, the board and its decision making processes as well as the Trust's objectives, strategic plan and recent financial performance. During this meeting they can meet key employees and other Trustees and are invited to witness and participate in administering the Trust. Trustees are encouraged to attend appropriate external training events where it will help facilitate the undertaking of their role. This year, the Trust appointed three new trustees to increase the range of expertise and lived experience on the Board, particularly in the areas of wellbeing and public health, HR and employee wellbeing and arts and arts education.

Organisation

The day-to-day operation of the Trust's affairs is delegated to the Director which is a Board appointed position. The Director works with an Executive team of four and a wider management team of seven. Financial matters are reported on a quarterly basis to a finance sub-committee that includes the Chairman of the Trust. Strategic and policy matters are referred to the full Board at quarterly Trustee's meetings, where they also receive reports on attendances, future programme plans, personnel, finance, health and safety issues and other matters arising. Four such meetings were held in the year ending 31st March 2022 in addition to the AGM in November.

The Trustees are pleased to report that a small surplus for the year has been achieved. Not to dampen this achievement, as the organisation has worked tirelessly to resolve the financial gap created as a result of staggered release of restrictions and gradual return of audiences, but it is important to note that this year end figure creates something of a false snapshot built up by significant fundraising efforts. We continue to build income from charitable activities and trading operations and to navigate the road to full recovery; to a destination which will not look the same as pre pandemic but will offer a vastly changed arts landscape, and new opportunities and challenges that we are still discovering. These accounts include designations for costs and quotes associated with managing these challenges and seizing new opportunities.

The Trustees would like to formally recognise the continuing efforts and dedication of both staff and volunteers at the Trust in these unprecedented times.

Related Parties

The Trust has a very close association with both Arts Council England and Greenham Trust who provide funding to enable the Trust to carry out its charitable objectives. A summary regarding transactions with them, and other related parties, is set out within the notes to the financial statements.

The charity's wholly owned subsidiary, Corn Exchange (Newbury) Trading Company was established to operate the commercial bars and conferencing facilities at The Corn Exchange. The Trading Company Gift Aids its profits to the charity. (see note 7 in the accounts).

The Corn Exchange (Newbury) Productions Limited was incorporated to independently operate the ticketing and producing aspects of the organisation's arts programme and is non-profit making.

Pay policy for senior staff

The strategic management of the organisation is delegated by the board of directors, who are the Trust's Trustees, to the executive management team comprising of the Director, Katy Griffiths; Deputy Director, Jessica Jhundoo-Evans, Head of Technical and Operations, Guy Dickens; Head of Communications and Audiences, Gemma Twiselton and Head of 101, Danielle Corbishley. 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 10 to the accounts.

Pay is reviewed annually and the Trustees make any increases that are possible each year on the basis of the financial health of the organisation and future budgets and forecasts. In view of the nature of the charity, the Trustees benchmark against pay levels in other provincial arts centres of a similar size.

Risk Management

The Trustees review the major risks on an annual basis and this is further delegated to the Finance Sub-committee to review on a quarterly basis. They review the risks and ensure that systems and procedures are established to mitigate any risks identified as part of the organisation's strategic planning process.

This work has identified that financial sustainability is the biggest financial risk for the charity following the enforced closures as a result of Covid-19; this is an ongoing concern with attendance likely to be affected for some time as a result of consumer confidence and a changing consumption of arts and culture. Looking ahead financial risks include the soaring utility costs and the ever increasing cost-of-living impacting ancillary spending and fundraising efforts.

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A key element in the management of financial risk is a regular review of available liquid funds to settle debts as they fall due, regular liaison with the bank, and active management of trade debtors and creditors balances to ensure sufficient working capital by the Trust and its subsidiary company. In addition, the Director ensures regular communication with key stakeholders, Greenham Trust and Arts Council England.

Attention has also been focused on non-financial risks particularly those arising as a result of Covid-19. Increased risk assessment processes and protocols have all been put in place, activities and events have been reimagined to ensure they can take place and remain accessible to all. Staff recruitment and retention is also an identified risk, ensuring greater focus on staff wellbeing, satisfaction and adaptations including hybrid and flexible working practices. Additionally, risks arising from fire, health and safety of artists and audience, management of performing rights and food hygiene are all taken into consideration. These risks are managed by ensuring accreditation is up to date, having robust policies and procedures in place, and regular awareness training for staff working in these operational areas.

The Trustees are satisfied that there are adequate systems in place to mitigate financial and non-financial risks in the current circumstances.

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Trustees' Report

Trustees' responsibilities in relation to the financial statements

The charity trustees (who are also the directors of the Corn Exchange (Newbury) Trust for the purposes of company law) are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing the 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;
- state whether applicable UK accounting standards 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 charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities Act 1993 and the Charity (Accounts and Reports) 2008. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement as to disclosure to our auditors

In so far as the trustees are aware at the time of approving our trustees' annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the group's auditor is unaware, and
 - the trustees, having made enquiries of fellow directors and the group's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

Following a resolution proposed at the Annual General Meeting the Trust went out to tender for new auditors and UHY Ross Brooke were selected and appointed by the Trustees to undertake the audit for 2021/22.

This report has been prepared in accordance with the special provisions relating to small companies within part 15 of the Companies Act 2006.

By order of the board of Trustees

R C Holland

Trustee

Date:

The Corn Exchange (Newbury) Trust

Independent Auditor's Report to the Members of The Corn Exchange (Newbury) Trust

Opinion

We have audited the financial statements of The Corn Exchange (Newbury) Trust (the 'charitable company') for the year ended 31 March 2022 which comprise the Consolidated Statement of Financial Activities, Balance Sheets and Statements 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 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.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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 trustees 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.

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Independent Auditor's Report to the Members of The Corn Exchange (Newbury) Trust

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report, which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Trustees' Annual Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or 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' exemption in preparing the Trustees' Annual Report and take advantage of the small companies exemption from the requirement to prepare a Strategic Report.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the charity trustees (who are also the directors of the Corn Exchange (Newbury) Trust for the purposes of company law) are responsible for the preparation of a trustees' annual report and 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 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 Corn Exchange (Newbury) Trust

Independent Auditor's Report to the Members of The Corn Exchange (Newbury) Trust

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

We have considered:

- the nature of the charity and sector, control environment and operating performance;
- the charity's own assessment, including assessments made by key management, of the risks that irregularities may occur either as a result of fraud or error;
- any matters we identified having reviewed the charity's policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed amongst the audit engagement team.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the areas in which management is required to exercise significant judgement, such as the disclosure of adjusting items. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context were the Companies Act, Charities Act and tax legislation.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Caroline Webster (Senior Statutory Auditor)
for and on behalf of UHY Ross Brooke, Statutory Auditor

Suite I Windrush Court
Abingdon Business Park
Abingdon
Oxfordshire
OX14 1SY

Date:

The Corn Exchange (Newbury) Trust
Consolidated Statement of Financial Activities
(including Consolidated Income and Expenditure account)
for year ending 31 March 2022

	Note	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Total Funds 2022 £'000	Total Funds 2021 £'000
Income:						
Donations and grants	4	1,133.8	2.2	153.2	1,289.2	1,179.9
<i>Income from charitable activities:</i>						
Operation of theatre and art centre	5	924.0	-	162.4	1,086.4	851.4
<i>Income from other trading activities:</i>						
Commercial trading operations	7	144.8	-	-	144.8	15.6
Investment income	6	0.8	-	-	0.8	1.6
Total income		2,203.4	2.2	315.6	2,521.2	2,048.5
Expenditure:						
<i>Cost of generating funds:</i>						
Commercial trading operations	7	76.2	-	-	76.2	23.0
Charitable activities:						
Operation of theatre and arts centre	7	2,000.3	4.3	368.7	2,373.3	1,666.5
Total expenditure		2,076.5	4.3	368.7	2,449.5	1,689.5
Net income / (expenditure) before investment gains / (losses)		126.9	(2.1)	(53.1)	71.7	359.0
Transfers between funds	21	(135.0)	135.0	-	-	-
Other recognised gains/losses: Gains/(losses) on defined benefit pension scheme	20	192.0	-	-	192.0	(322)
Net income / (expenditure) and net movement in funds for the year		183.9	132.9	(53.1)	263.7	37.0
Reconciliation of funds						
Total Funds brought forward		131.2	411.4	234.0	776.6	739.6
Total funds carried forward		315.1	544.3	180.9	1040.3	776.6

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

**The Corn Exchange
(Newbury) Trust
Consolidated and Trust
Balance Sheets
as at 31 March 2022**

	Note	Group 2022 £'000	Group 2021 £'000	Trust 2022 £'000	Trust 2021 £'000
Fixed assets					
Tangible assets	13	394.7	443.1	394.7	442.3
Investments	14	-	-	-	-
Total Fixed Assets		394.7	443.1	394.7	442.3
Current assets					
Stock	15	5.3	4.5		
Debtors	16	467.7	277.8	466.4	327.2
Cash at bank and in hand		1,653.8	1,276.9	1,647.1	1,237.8
Total Current Assets		2,126.8	1,559.2	2,113.5	1,565.0
Liabilities					
Creditors falling due within one year	17	(816.5)	(362.3)	(803.2)	(359.9)
Net Current assets		1,310.3	1,196.9	1,310.3	1,205.1
Creditors falling due after one year	17	(9.7)	(16.4)	(9.7)	(16.4)
Net assets excluding pension liability		1,695.3	1,623.6	1,695.3	1,631.0
Pension scheme liability	20	(655.0)	(847.0)	(655.0)	(847.0)
Net assets including pension liability		1,040.3	776.6	1,040.3	784.0
The funds of the charity:					
Unrestricted income funds	21	970.1	978.2	970.1	985.6
Designated funds	21	544.3	411.4	544.3	411.4
Restricted income funds	21	180.9	234.0	180.9	234.0
Pension fund surplus/(deficit)		(655.0)	(847.0)	(655.0)	(847.0)
Total charity funds		1,040.3	776.6	1,040.3	784.0

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

The notes at pages 16 to 33 form part of these accounts

.....
R C Holland, Trustee on behalf of the Board of Trustees

Approved by the Trustees on:

The Corn Exchange (Newbury) Trust
Statement of Cash Flows and Consolidated Statement of Cash Flows for year
ending 31 March 2022

	Note	Group 2022 £'000	Group 2021 £'000	Trust 2022 £'000	Trust 2021 £'000
Cash used in operating activities	24	394.6	119.5	427.0	77.3
Cash flows from investing activities					
Interest income		0.8	1.6	0.8	1.6
Loss on fixed asset disposal		12.6	-	12.6	-
Purchase of tangible fixed assets		(24.4)	(2.2)	(24.4)	(2.2)
Cash provided by (used in) investing activities		(11.0)	(0.6)	(11.0)	(0.6)
Cash flows from financing activities					
Proceeds/(repayment) of long-term borrowings		(6.7)	(8.2)	(6.7)	(8.2)
Cash used in financing activities		(6.7)	(8.2)	(6.7)	(8.2)
Increase/(decrease) in cash and cash equivalents in the year		376.9	110.7	409.3	68.5
Cash and cash equivalents at the beginning of the year		1,276.9	1,166.2	1,237.8	1,169.3
Total cash and cash equivalents at the end of the year		1,653.8	1,276.9	1,647.1	1,237.8

The Corn Exchange (Newbury) Trust

Notes to the Accounts for the Year Ended 31 March 2022

1 Accounting Policies

The Corn Exchange (Newbury) Trust is a private company limited by guarantee incorporated in England and Wales. The registered office is Belmont House, Station Way, Crawley, West Sussex, RG10 1JA.

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) Basis of preparation

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

The Corn Exchange (Newbury) Trust 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 note(s).

The financial statements are prepared in Sterling, which is the function currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1,000.

b) Preparation of the accounts on a going concern basis

The trust reported a surplus of £71.7k before the gain on the pension scheme for the year. The financial statements have been prepared on a going concern basis.

At the time of approving these financial statements, the long term effect of the macroeconomic issue of COVID-19 on the company, and the arts industry more widely, and its future performance cannot be ascertained with complete certainty. There are significant changes in the way society consumes arts and culture post COVID and the benefits people attribute to their engagement. Management are working appropriately to navigate these changes to maintain, alter and enhance the performance of the company.

In particular, the film industry and the lack of interest in so called niche arts like dance and drama are significant areas of financial uncertainty which the Trustees are mitigating by reviewing the artistic programme on a regular basis. As well as looking at other opportunities to deliver what the community would like, including wellbeing activity and seasonal events. Also, activity which diversifies income streams.

We are also pleased to report that we will continue to receive core funding from Arts Council England as one of their National Portfolio Organisations for 2023-2026.

c) Group financial statements

The financial statements consolidate the results of the charity and its wholly owned subsidiary, The Corn Exchange (Newbury) Trading Limited on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented because the Trust has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

d) Income

Income including donations, gifts, legacies, grants and donated assets that provide core funding or are of a general nature, are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions that must be met before the Trust has unconditional entitlement.

The Corn Exchange (Newbury) Trust

Notes to the Accounts for the Year Ended 31 March 2022

Donated assets are valued by reference to their replacement value as stated by the donor or an independent third party.

The Trusts leases the Corn Exchange building from West Berkshire Council on a 99 year lease at a peppercorn rent payable under the terms of the lease. No value has been recognised in incoming resources in relation to this lease as the possible market value cannot be ascertained or estimated.

Investment income is recognised on a receivable basis.

Income from charitable activities, which includes income received under contract or where entitlement to grant fund is subject to specific conditions, is recognised as earned (as the related goods or services are provided). Grant income included in this category provides funding to support performance activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient accuracy.

Income is deferred when:

- Admission fees or performance related grants are received in advance of the performances or event to which they relate.

e) Volunteers and donated services and facilities

The value of services provided by volunteers is not incorporated into these accounts. Further details of the contribution made by volunteers can be found in the Trustees' annual report. Where services are provided to the Trust as a donation that would normally be purchased from other suppliers, this contribution is included in the accounts at an estimate based on the value of the contribution to the Trust.

f) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

g) Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for areas of the Trust's work or for specific projects being undertaken by the Trust.

h) Expenditure and irrecoverable VAT

Expenditure is recognised when a liability is incurred. Contractual arrangements and performance related grants are recognised as goods or services are supplied. Other grant payments are recognised when a constructive obligation arises that results in the payment being unavoidable. Irrecoverable VAT is included within the associated cost.

Costs of generating funds are those costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities include expenditure directly and indirectly associated with the staging of concerts, stage productions, showing films, art exhibitions and educational programmes and include both the direct costs and support costs relating to these activities.

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

i) Allocation of support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

j) Operating leases

The Corn Exchange (Newbury) Trust

Notes to the Accounts for the Year Ended 31 March 2022

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

k) Tangible fixed assets

Tangible fixed assets are depreciated over their estimated useful economic lives on as follows:

Asset Category	Annual rate
Plant and machinery	10% to 20% straight line
Fixtures, fittings and office equipment	5% to 25% straight line
Piano	20% reducing balance
Computer equipment	33% straight line

l) Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

m) Cash at bank and in hand

Cash at bank and cash 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.

n) Creditors and provisions

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

o) Financial instruments

The trust 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.

p) Pensions

The Trust participates in a defined benefit scheme. Pension costs are assessed in accordance with actuarial advice and based on the most recent actuarial valuation of the scheme. These costs are accounted for on the basis of charging the cost of providing pensions over the period during which the Trust benefits from the employees' services. Any resulting pension asset or liability is fully provided for in the accounts.

2 Legal status of the Trust

The Trust is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.

The Corn Exchange (Newbury) Trust

Notes to the Accounts for the Year Ended 31 March 2022

3 Financial Performance of the charity

The consolidated statement of financial activities includes the results of the charity's wholly owned subsidiary which is the trading body of the group.

The summary financial performance of the charity alone is:

	2022	2021
	£'000	£'000
Income	2,438.9	2,032.9
Expenditure on charitable activities	(2,374.6)	(1,666.5)
Gains/(loss) on pension scheme	192.0	(322.0)
Net income	256.3	44.4
Total funds brought forward	784.0	739.6
Total funds carried forward	1,040.3	784.0
Represented by:		
Restricted income funds	180.9	234.0
Unrestricted income funds	859.4	550.0
	1,040.3	784.0

4 Income from donations and grants

	2022	2021
	£'000	£'000
Donations	168.9	206.3
Membership	19.5	20.0
Grants	1,100.8	953.6
	1,289.2	1,179.9

The income from donations and grants was £1,289.2k (2021: £1,179.9k) of which £1,133.8k was unrestricted (2021: £1,115.2k) and £155.4k restricted (2021: £64.7k).

5 Income from charitable activities

	Restricted funds	Unrestricted funds	Total funds	Total funds
	£'000	£'000	2022	2021
			£'000	£'000
Income from films	-	42.1	42.1	10.7
Performance grants and sponsorships	162.4	587.1	749.5	671.7
Rent, and costs recharged	-	218.8	218.8	140.0
Sales commissions	-	50.5	50.5	9.2
Other related income	-	25.5	25.5	19.8
Total income from charitable activities	162.4	924.0	1,086.4	851.4

The Corn Exchange (Newbury) Trust

Notes to the Accounts for the Year Ended 31 March 2022

6 Investment income

All of the group's investment income of £806 (2021: £1,600) arises from money held in interest bearing deposit accounts.

7 Analysis of expenditure on charitable activities

	Designated funds £'000	Restricted funds £'000	Unrestricted funds £'000	Total funds 2022 £'000	Total funds 2021 £'000
Live programme costs	-	-	7.3	7.3	4.8
Film costs	-	-	20.6	20.6	9.1
Specific projects – productions	-	-	100.2	100.2	98.7
Specific projects - other	-	368.7	512.8	881.5	360.5
Marketing and advertising	-	-	105.7	105.7	50.5
Staff costs	-	-	766.8	766.8	701.6
Premises costs	4.3	-	136.5	140.8	266.9
Repairs and renewals	-	-	136.0	136.8	39.6
General overheads	-	-	96.0	96.0	42.9
Depreciation	-	-	60.2	59.4	59.9
Support costs (see note 8)	-	-	58.2	58.2	32.0
	4.3	368.7	2,000.3	2,373.3	1,666.5

The summary financial performance of the subsidiary alone is:

	2022 £'000	2021 £'000
Turnover	144.8	15.6
Cost of sales and administrative expenses	(76.2)	(23.0)
Amount gifted to the Trust	(62.5)	-
Net profit/(loss) retained	6.1	(7.4)

The assets and liabilities of the subsidiary were:

Fixed assets	-	0.7
Current assets	13.4	45.0
Current liabilities	(13.4)	(51.8)
Total net assets	-	(6.1)
Aggregate share capital and reserves	-	(6.1)

The Corn Exchange (Newbury) Trust

Notes to the Accounts for the Year Ended 31 March 2022

8 Analysis of governance and support costs

The Trust initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. Refer to the table below for the basis for apportionment and the analysis of support and governance costs.

	Basis of apportionment	General support £'000	Governance function £'000	Total £'000
Audit and accountancy fees	Governance	-	16.0	16.0
Professional fees	Governance	-	18.3	18.3
Interest and charges	General support	27.1	-	27.1
Total		27.1	34.3	61.4

9 Net income/(expenditure) for the year

This is stated after charging:

	2022 £'000	2021 £'000
Depreciation	60.2	61.5
Auditor's remuneration:		
Audit fees	14.5	14.5

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

	2022 £'000	2021 £'000
Salaries and wages	687.2	630.3
Social security costs	46.2	44.7
Pension costs	26.6	24.1
Other staff costs	6.8	2.5
	766.8	701.6

No employees had employee benefits (2021: £nil). Pension costs are allocated to activities in proportion to the related staffing costs incurred and are wholly charged to unrestricted funds.

The charity trustees were not paid or received any other benefits from employment with the Trust or its subsidiary in the year (2021: £nil) neither were they reimbursed expenses during the year (2021: £nil) other than those disclosed in note 11. No charity trustee received payment for professional or other services supplied to the charity (2021: £nil).

The Corn Exchange (Newbury) Trust

Notes to the Accounts for the Year Ended 31 March 2022

The monthly average number of persons (including senior management / leadership team) employed by the charity during the year expressed as full time equivalents was as follows:

	2022 No	2021 No
Concert and stage performers	8	5
Management	5	3
Administration	9	6
Marketing	3	4
Front of House	12	13
Community and Arts	8	8
	<hr/> 45	<hr/> 39

No employee received emoluments of more than £60,000 during the year.

The total employee benefits of the key management personnel of the charity were £185,926 (2021 - £154,200).

11 Related party transactions

The Corn Exchange (Newbury) Productions Limited is a company limited by guarantee that was incorporated to operate independently the cultural arts programme at the centre managed by the Trust.

Recharges to the company from the Trust include £135,295 (2021: £45,000) in respect of supply of labour for employees with joint contracts of employment and £13,268 (2021: £1,990) for other costs charged under a cost sharing agreement entered into in June 2006. At the balance sheet date the Trust was owed £101,295 (2021: £89,547) from this company.

At the balance sheet date the Trust held £202,506 (2021: £101,214) in respect of ticket income collected on behalf of the Corn Exchange (Newbury) Productions Limited. This amount is included in "Deferred Income" in the accounts.

The Base Greenham is a company limited by guarantee that was incorporated to operate independently the visual arts programme at the new location known as The Base.

Recharges to this company from the Trust include £85,313 (2021: £100,390) for costs paid by the Trust on behalf of the Base. At the balance sheet date the Trust was owed £114,564 (2021: £87,335) from this company.

The Trust has paid an agreed profit share of £31,500 at the end of March 2022 plus a commissioning fee of £75,000 to the Base as part of an ongoing partnership agreement. The Base has also recharged £120 (2021: £6,152) of costs to the Trust during the year. At the balance sheet date the Trust owes the Base £nil (2021: £30,000).

At the balance sheet date the Trust held £9,715 (2021: £2,350) in respect of ticket income collected on behalf of the Base Greenham. This amount is included in the accounts.

12 Corporation Taxation

The charity is a registered charity and is therefore exempt from taxation.

The Corn Exchange (Newbury) Trust

Notes to the Accounts for the Year Ended 31 March 2022

13 Tangible fixed assets – charity (also comprising that of the group)

	Plant & machinery, fixtures, fittings & equipment	Assets Bought with Funding	Capital Refurb Project	Total
	£'000	£'000	£'000	£'000
Cost:				
As at 1 April 2021	638.0	232.9	300.0	1,170.9
Additions	9.4	15	-	24.4
Disposals	-	-	(12.5)	(12.5)
As at 31 March 2022	647.4	247.9	287.5	1,182.8
Depreciation:				
As at 1 April 2021	573.4	86.2	68.3	727.9
Charge for the year	16.8	32.5	10.9	60.2
Disposals	-	-	-	-
As at 31 March 2022	590.2	118.7	79.2	788.1
Net book value:				
As at 1 April 2021	64.6	146.7	231.7	443.0
As at 31 March 2022	57.2	129.2	208.3	394.7

14 Investments

Charity	Shares in subsidiary undertakings £	Other investments £	Total £
Cost:			
As at 1 April 2021	2	-	2
Movement	-	-	-
As at 31 March 2022	2	-	2
Group	Shares in subsidiary undertakings £	Other investments £	Total £
Cost:			
As at 1 April 2021	-	-	-
Movement	-	-	-
As at 31 March 2022	-	-	-

The Corn Exchange (Newbury) Trading Limited

The charity holds 2 ordinary shares of £1 each in its wholly owned trading subsidiary company The Corn Exchange (Newbury) Trading Limited which is incorporated in the United Kingdom and undertakes the group's operation of café-bar facilities made available to theatre audiences, hirers of facilities and the general public. These are the only shares allotted, called up and fully paid. The activities and results of this company are summarised in note 7.

The Corn Exchange (Newbury) Trust

Notes to the Accounts for the Year Ended 31 March 2022

15 Stock

	Group		Trust	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Goods held for resale	5.3	4.5	-	-
	5.3	4.5	-	-

16 Debtors

	Group		Trust	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Trade debtors	238.7	203.2	238.7	203.2
Other debtors	187.3	49.4	186.0	49.4
Prepayments & accrued income	41.7	25.2	41.7	25.2
Amounts due from subsidiary undertaking	-	-	-	49.4
	467.7	277.8	466.4	327.2

17 Creditors: amounts falling due within one year

	Group		Trust	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Trade creditors	200.6	75.9	190.8	75.6
Other creditors & accruals	147.4	172.4	144.0	170.3
Deferred income (note 19)	461.8	108	461.7	108.0
Other loans	6.7	6.7	6.7	6.7
Taxation & social security	-	(0.7)	-	(0.7)
	816.5	362.3	803.2	359.9

Creditors: amounts falling due after more than one year

	Group		Trust	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Other loans	9.7	16.4	9.7	16.4
	9.7	16.4	9.7	16.4

The Corn Exchange (Newbury) Trust

Notes to the Accounts for the Year Ended 31 March 2022

18 Borrowings

	Trust 2022 £'000	Trust 2021 £'000
Repayable within 1 year	6.7	6.7
Repayable within 5 years	9.8	16.4
Repayable after 5 years	-	-
	<u>16.5</u>	<u>23.1</u>

Borrowings consist of £3,500 (2021: £6,500) for the upgrade of the box office and £12,934 (2021: £16,588) for the Front of House refurbishment. All loans are owed to Greenham Common Trust. Interest is charged at 2% above base for the box office loan, 4% for the cinema screen and Front of House refurbishment loan. In addition the Front of House loan agreement includes additional payments being made if The Corn Exchange (Newbury) Trading Company Limited makes a gift aidable profit of more than £80,000, at which point 1.5% of any amount above £80,000 will be paid to Greenham Common Trust.

19 Deferred income

	Group £ £'000	Trust £ £'000
Balance as at 1 April 2021	108.0	108.0
Amount released to income earned from charitable activities	(108.0)	(108.0)
Amount deferred in year	<u>461.8</u>	<u>461.7</u>
Balance as at 31 March 2022	<u>461.8</u>	<u>461.7</u>

20 Pension and other schemes

Defined benefit pension schemes

Pension benefits are provided under the Local Government Pension scheme ('the LGPS') to certain employees of the charity. The LGPS is a defined benefit statutory scheme, administered in accordance with the Local Government Pension Scheme Regulations 2013. Changes to the LGPS came into effect from 1 April 2014 with various protections in place for those members in the scheme before the changes took effect. It is contracted out of the State Second Pension. An independent firm of actuaries and consultants, Barnett Waddingham, were instructed by the Royal Borough of Windsor and Maidenhead, the Administering authority to the Royal Country of Berkshire Fund ('the Fund') to undertake the calculations required and provide the disclosures following.

The calculations are in accordance with IAS19 and comply with FRS102. They use the results of the Triennial Actuarial Valuation as at 31 March 2022 and roll forward the value of the employer's liabilities. The projected unit method of valuation has been used to calculate the service cost.

Assets are valued on a 'bid value' basis (not at 'mid market') where available, or otherwise an appropriate assumption has been used.

Reconciliation of scheme assets and liabilities to assets and liabilities recognised

The amounts recognised in the balance sheet are as follows:

	2022 £'000	2021 £'000
Fair value of scheme assets	1,080	994
Present value of defined benefit obligation	<u>(1,735)</u>	<u>(1,841)</u>
Defined benefit pension scheme liability	<u>(655)</u>	<u>(847)</u>

The Corn Exchange (Newbury) Trust

Notes to the Accounts for the Year Ended 31 March 2022

Defined benefit obligation

Changes in the defined benefit obligation are as follows:

	2022 £'000
Present value at start of year	(1,841)
Current service cost	(16)
Interest cost	(36)
Actuarial gains and losses	100
Experience gain/(loss) on defined benefit obligation	(4)
Benefits paid	64
Contributions by scheme participants	(2)
Present value at end of year	<u>(1,735)</u>

Fair value of scheme assets

Changes in the fair value of scheme assets are as follows:

	2022 £'000
Fair value at start of year	994
Interest income	19
Return on plan assets, excluding amounts included in interest income/(expense)	115
Administration expenses	(1)
Employer contributions	15
Contributions by scheme participants	2
Benefits paid	(64)
Fair value at end of year	<u><u>1,080</u></u>

Analysis of total income/(expense) recognised in the Statement of Financial Activities

	2022 £'000	2021 £'000
Current service cost	(16)	(12)
Contributions by employer	15	14
Other finance income/(cost)	113	111
Actuarial (losses)/gains	80	(435)
	<u>192</u>	<u>(322)</u>

The Corn Exchange (Newbury) Trust

Notes to the Accounts for the Year Ended 31 March 2022

Analysis of assets

The major categories of scheme assets are as follows:

	2022	2021
	%	%
Cash and cash equivalents	2	5
Equity instruments	62	60
Other bonds	16	16
Property	12	12
Target return portfolio	1	4
Infrastructure	12	8
Longevity insurance	(5)	(5)
	<u>100</u>	<u>100</u>

Return on scheme assets

	2022	2021
	£'000	£'000
Return on scheme assets	<u>15</u>	<u>14</u>

The pension scheme has not invested in any of the charity's own financial instruments or in properties or other assets used by the charity.

Principal actuarial assumptions

The principal actuarial assumptions at the balance sheet date are as follows:

	2022	2021
	%	%
Discount rate	2.60	2.00
Future salary increases	4.20	3.90
Future pension increases	<u>3.20</u>	<u>2.90</u>

Post retirement mortality assumptions

	2022	2021
	Years	Years
Current UK pensioners at retirement age - male	21.00	21.00
Current UK pensioners at retirement age - female	24.00	24.00
Future UK pensioners at retirement age - male	23.00	23.00
Future UK pensioners at retirement age - female	<u>25.00</u>	<u>25.00</u>

The Corn Exchange (Newbury) Trust

Notes to the Accounts for the Year Ended 31 March 2022

21 Analysis of charitable funds

Analysis of movements in unrestricted funds

	Balance 1 April 2021	Income	Expenditure	Gains and losses	Transfers	Funds 31 March 2022
	£'000	£'000	£'000	£'000	£'000	£'000
General fund	978.2	2,203.4	(2,076.5)	-	(135.0)	970.1
Pension asset/(deficit)	(847.0)	-	-	192.0	-	(655.0)
Total	131.2	2,203.4	(2,076.5)	192.0	(135.0)	315.1

Analysis of movements in unrestricted funds - previous year

	Balance 1 April 2020	Income	Expenditure	Gains and losses	Transfers	Funds 31 March 2021
	£'000	£'000	£'000	£'000	£'000	£'000
General fund	845.4	1,667.8	(1,378.7)	-	(156.3)	978.2
Pension asset/(deficit)	(525.0)	-	(322.0)	-	-	(847.0)
Total	320.4	1,667.8	(1,700.7)	-	(156.3)	131.2

The Corn Exchange (Newbury) Trust

Notes to the Accounts for the Year Ended 31 March 2022

Analysis of movements in designated funds

	Balance 1 April 2021	Income	Expenditure	Gains and losses	Transfers	Funds 31 March 2022
	£'000	£'000	£'000	£'000	£'000	£'000
Learning Projects	43.5	-	-	-	-	43.5
Repairs and replacement	50.0	-	-	-	-	50.0
Future Fund	242.9	-	-	-	18.0	260.9
Covid recovery fund	75.0	-	(4.3)	-	-	70.7
Cinema and Bar upgrade	-	-	-	-	55.0	55.0
101 Funds	-	-	-	-	52.0	52.0
Green Shoots	-	2.2	-	-	-	2.2
IT costs	-	-	-	-	10.0	10.0
Total	411.4	2.2	(4.3)	-	135.0	544.3

Analysis of movements in designated funds - previous year

	Balance 1 April 2020	Income	Expenditure	Gains and losses	Transfers	Funds 31 March 2021
	£'000	£'000	£'000	£'000	£'000	£'000
Learning Projects	43.5	-	-	-	-	43.5
Repairs and replacement	50.0	-	-	-	-	50.0
Future Fund	112.9	-	-	-	130.0	242.9
COVID recovery fund	-	-	-	-	75.0	75.0
Total	206.4	-	-	-	205.0	411.4

The Corn Exchange (Newbury) Trust

Notes to the Accounts for the Year Ended 31 March 2022

Name of designated fund	Description, nature and purposes of the fund
Learning Projects	Funding for a variety of educational projects run by the Trust
Repairs and replacement	Fund for planned building repairs and replacement of capital items
Future Fund	Donations from the Save Your Corn Exchange campaign. This has been designated to help sustain the future of the Corn Exchange.
Covid recovery fund	Fund set aside for any future costs associated with Covid and its ongoing affects.
Cinema and Bar upgrade	A fund set up for costs to upgrade and refurbish the cinema to allow it to operate as intended. Additionally the balcony bar needs some work to allow better utilisation of the space and generate further income from hires etc.
101 Funds	A fund to support 101 in continuing its work with the Ambition for Arts funding ceasing at the end of the 2021/22 financial year
Green shoots	A small fund to support green initiatives throughout the organisation.
IT costs	Fund to upgrade and/or purchase IT systems with a view to increasing productivity and streamlining processes.

Analysis of movements in restricted funds

	Balance 01 April 2021	Income	Expenditure	Transfers	Funds 31 March 2022
	£'000	£'000	£'000	£'000	£'000
Outdoor events	6.3	-	-	-	6.3
Learning and development projects	14.0	72.0	(31.5)	-	54.5
Evolve	59.8	-	(5.5)	-	54.3
Ambition for excellence	125.5	150.0	(275.5)	-	-
Ageing creatively	-	71.6	(56.2)	-	15.4
101	-	22.0	-	-	22.0
Other restricted fund	28.4	-	-	-	28.4
Total	234.0	315.6	(368.7)	-	180.9

The Corn Exchange (Newbury) Trust

Notes to the Accounts for the Year Ended 31 March 2022

Analysis of movements in restricted funds - previous year

	Balance 1 April 2020 £'000	Income £	Expenditure £	Transfers £	Funds 31 March 2021 £
Outdoor events	6.3	64.7	(64.7)	-	6.3
Learning and development projects	10.4	152.3	(100.0)	(48.7)	14.0
Catalyst	9.4	-	(9.4)	-	-
Evolve	59.8	-	-	-	59.8
Ambition for excellence	98.5	163.7	(136.7)	-	125.5
Other restricted funds	28.4	-	-	-	28.4
Total	212.8	380.7	(310.8)	(48.7)	234.0

Outdoor events balance carried forward represents funding of outdoor events.

Learning and development projects balance carried forwards represents funding received for a variety of educational run by the Trust.

Catalyst project balance carried forward represents funding received to fund specific posts with the organisation.

Evolve restricted funds to support the Corn Exchange's artistic programme

Ambition for excellence represents funding received from Art's Council England for a new programme of outdoor activities for 101 centre for the creation of outdoor arts.

22 Analysis of group net assets between funds

	General fund £'000	Designated funds £'000	Restricted funds £'000	Total £'000
Fixed assets	394.7	-	-	394.7
Cash at bank and in hand	928.6	544.3	180.9	1,653.8
Long term liabilities	(9.7)	-	-	(9.7)
Pension Scheme deficit	(655.0)	-	-	(655.0)
Other net current assets/(liabilities)	(343.5)	-	-	(343.5)
Total	315.1	544.3	180.9	1,040.3

The Corn Exchange (Newbury) Trust

Notes to the Accounts for the Year Ended 31 March 2022

Analysis of group net assets between funds – previous year

	General fund	Designated funds	Restricted funds	Total
	£'000	£'000	£'000	£'000
Fixed assets	443.1	-	-	443.1
Cash at bank and in hand	631.5	411.4	234.0	1,276.9
Long term liabilities	(16.4)	-	-	(16.4)
Pension scheme deficit	(847.0)	-	-	(847.0)
Other net current assets/(liabilities)	(80.0)	-	-	(80.0)
Total	131.2	411.4	234.0	776.6

23 Operating lease commitments

Lessee

At the reporting end date, the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group		Trust	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Within one year	58.4	79.7	58.4	79.7
Between two and five years	-	118.7	-	118.7
	58.4	198.4	58.4	198.4

Land and Buildings

The Trust leases the Corn Exchange building from West Berkshire Council on a 99 year lease. The council can charge a peppercorn rent under the terms of the lease. The amount to be paid in the following year, if demanded, is expected to be £1 (2021: £nil).

The Corn Exchange (Newbury) Trust

Notes to the Accounts for the Year Ended 31 March 2022

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

	Group		Charity	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Net movement in funds	263.7	37.0	256.3	44.4
Add back depreciation charge	60.2	61.6	59.4	59.5
Dividends, interest and rents from investments	(0.8)	(1.6)	(0.8)	(1.6)
(Increase)/decrease in stocks	(0.8)	0.6	-	-
Decrease/(increase) in debtors	(189.9)	(165.3)	(139.2)	(165.4)
Increase/(decrease) in provisions	(192.0)	322.0	(192.0)	322.0
Increase/(decrease) in creditors	454.2	(134.8)	443.3	(181.6)
	394.6	119.5	427.0	77.3