

Charity registration number 1165519

CHEQUER MEAD ARTS AND COMMUNITY TRUST
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

CHEQUER MEAD ARTS AND COMMUNITY TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Cllr. F Osborne (ex-chairman)	
	Cllr. J A Mockford	
	S G Cole (independent)	
	Cllr. H Farren (Chairman)	
	N S Gibson (independent/Treasurer)	
	Cllr D Duly	
	Cllr S Barnett	(Appointed 24 May 2023)
	Cllr T Hughes	(Appointed 24 May 2023)
Charity number	1165519	
Registered office	Chequer Mead Theatre	
	De La Warr Road	
	East Grinstead	
	RH19 3BS	
Independent examiner	Darren Harding ACA FCCA DChA	
	Richard Place Dobson Services Limited	
	1-7 Station Road	
	Crawley	
	West Sussex	
	RH10 1HT	

CHEQUER MEAD ARTS AND COMMUNITY TRUST

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CHEQUER MEAD ARTS AND COMMUNITY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2024

The trustees present their annual report and financial statements for the year ended 31 March 2024.

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 charity's CIO Foundation Model, the Charities Act 2011 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)".

Objectives and activities

The Charity's objects are:

- To advance public education by fostering and promoting for the benefit of the public the improvement and development of artistic knowledge and taste, understanding and appreciation of the arts and crafts among the inhabitants of the Area of Benefit.
- To provide and assist in the provision of community facilities for recreation and other leisure occupation of the inhabitants of the Area of Benefit in the interests of social welfare and with the object of improving their conditions of life in particular but not exclusively by the provision and maintenance of a Community Arts Centre.
- To further such other charitable purposes for the benefit of the inhabitants of the Area of Benefit as the Managing Trustees see fit from time to time.
- To contribute to the quality of life of the people of East Grinstead and the wider area by expanding their horizons through the provision of exciting, challenging and accessible professional and community arts events.

The main objectives each year are the promotion and fostering of artistic knowledge and the appreciation of the arts by the provision of facilities for the education and entertainment of the public in the fields of art, craft, music and drama.

The strategies employed to achieve the Charity's objects are to:

- Offer opportunities for a broad range of sections of the community to get involved in arts and performance activities exploring and developing their creative skills and potential;
- Provide facilities for amateur and professional artists to develop. Amateur groups are given discounted rates for hire of space and access to professional advice;
- Concentrate on involving young people in the arts to help encourage a culture in which different age ranges play a complementary parts;
- Celebrate the diversity of cultures in our society by programming presentations by, and with, artists of different cultural backgrounds, and presenting a broad range of arts works;
- Create and maintain partnerships with local organisations and partners to maintain dialogue and create new projects and opportunities.

Public benefit

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

Activities

In normal circumstances the three major areas of activity are: concerts and stage performances; educational pro-grammes, and studio hires for community group rehearsals and meetings.

The artistic programme seeks to combine amateur community events together with professional events including classical plays, light opera, music, ballet, and dramatic modern performances to suit a range of public tastes with the emphasis on maintaining a popular programme, which underpins the viability of a Chequer Mead that reaches out to the community.

CHEQUER MEAD ARTS AND COMMUNITY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

The annual Christmas pantomime remains Chequer Mead's flagship event, from both a financial and a community perspective. Following the enormous success of the full in-house production, 'Alladin', the Trustees decided to continue with in-house pantomime productions, and the December 2023 pantomime, 'Snow White' continued the trend of successful Christmas shows, materially improving revenue to previous years.

During the financial year, Chequer Mead Theatre in East Grinstead successfully hosted a diverse array of shows that captivated audiences and bolstered community engagement. Highlights included the family-friendly Big Easter Panto, which brought classic tales like Cinderella and Aladdin to life, and Club 80's – The Ultimate 80s Party, which delighted music enthusiasts with nostalgic hits. The theatre's regular Comedy Club nights provided much-needed laughter, while the award-winning A Vision of Elvis tribute show paid homage to the King of Rock 'n' Roll. Additionally, the Crystal Palace Legends event featured football icons Mark Bright and Nigel Martyn, and the ABBA Reunion show starred the original 'Frida' from the London West End cast. These events contributed to Chequer Mead Theatre's strong reputation, reflected in its impressive 4.6 out of 5 rating on Facebook, indicating high levels of audience satisfaction and community support.

The Apron Bar and Coffee House started trading in September 2019 as an in-house subsidiary trading company to provide an integrated and informal structure for the provision of hot beverages, catering and bar operations, for events and as a community provision at other times. Profits generated by the trading company are gifted to the Trust as a charitable donation. The Trustees are delighted with the performance of the trading company, which finished the year 2023-2024 with a gross profit of £56,460 before the donation to the CIO (previous year a trading profit of £42,052). After allowance for taxes, a donation of £55,640 was made to the CIO by the trading subsidiary following the year end (previous year a donation of £40,990).

The Apron continues to be a valued asset to the community and goes from strength to strength, supporting the work of the CIO.

Despite commercial pressures to drive ticket sales from popular shows - our charitable objects dictate that we are re-quired to provide a very wide and balanced programme of types and styles of events - to suit the public needs. There-fore all programming is divided into eight different categories of: Music, Dance, Comedy, Musicals & Drama, Event Cinema, Family, Talks, Film.

Many of our Town and District primary and secondary schools continue to use Chequer Mead Theatre for their plays and productions, at discounted hire rates. We look forward to their return.

We have hosted many amateur dramatic groups, and there are a host of amateur youth dance schools and groups that were hiring the theatre - quite often all day on a Sunday.

The Trustees have observed different patterns of ticket sales following the return from the pandemic. Theatre-goers are now, in general, purchasing tickets for shows shortly before the event takes place: pre-pandemic we would see a much higher proportion of advance ticket sales. The new pattern makes it harder to gauge the success of an event until it takes place, although ticket sales generally are close to pre-pandemic levels.

As anticipated the numbers of attendees using e-tickets for entry grew within the year, this is expected to climb further in 2025.

Volunteers and Friends

The very loyal band of fifty core volunteers continue to provide a marvellous service to Chequer Mead operating the box office, as theatre stewards, and selling ice cream. Bar activities are now held within the trading subsidiary, and use of volunteers there has ceased.

Chequer Mead Premium Club was slowly growing pre-pandemic: for a modest yearly membership fee members enjoy a range of benefits such as ticket discounts and discounts at the Apron.

CHEQUER MEAD ARTS AND COMMUNITY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Achievements and performance

General Manager and staffing

The Trustees would like to extend their heartfelt thanks to the General Manager and all of the energetic current and former staff, for their efforts and dedication during the year. We have a stable and very capable group of staff within the CIO. Staffing for the trading company remains a continuing challenge, in common with the rest of the hospitality industry.

The General Manager and long-standing and new staff members continue to prioritise the safety and well-being of our staff and customers, whilst looking forward to building a new and engaging event schedule. With staffing now in place we can strengthen and restore our outreach to the community, as well as re-focusing on necessary improvements to the fabric of the building. During this challenging period the Trustees have continued to take a particular interest in the mental well-being of our staff, and continue to offer support.

Capital Investment and building works

The Trust remains a tenant at Chequer Mead, with the freehold being held by East Grinstead Town Council. The Trustees' continuing objective is to improve or enhance the property where this either increases the attractiveness to community patrons (as with the upgraded toilets) or provides a clear cost benefit to the Trust (the previously installed solar panels), with the spin-off benefit that the community ultimately owns an asset of which the value is maintained and enhanced.

Marketing and branding

The Trustees' objective is to deliver more effective and innovative marketing in order to promote the brand further and to attract more agents, promoters, acts, hirers, community groups, amateur dramatic groups etc - as well as to drive this process into increased tickets sales and revenue.

Looking forward, social media, digital marketing and targeted emails have continued this year and will intensify - however the two main traditional marketing tools remain the website and the Venue Guide - of which three had been produced each year (Jan to April/ May to August/ September to December). Post-year end, in order to reduce costs, the Trustees decided to reduce the frequency to twice each year and reduce the size, without sacrificing quality.

Financial review

During the year the Trust made a loss of £90,827 after the donation received from the trading company (previous year's loss £55,183, before the post-year end donation of £40,990 from the trading company). This continues the trend as seen in the previous year's accounts towards becoming profitable again.

The building has unavoidable base-line costs, whether or not revenue is generated from events, from mandatory maintenance to insurance. The Trustees are grateful to East Grinstead Town Council for their continued support and annual grant. Chequer Mead normally receives no other grants that support core running costs and has to earn income to enable the theatre to be self-supporting in normal times.

The Trust will continue to make applications to grant funding bodies to improve our existing facilities. Project funding will also be pursued to continue our programme of arts development and youth projects which were proving a popular addition to our work.

We had successfully obtained 'bounce back loans' of £50,000 each for the Charity and the trading company during the pandemic, which after an interest-free period, continue to charge a very low rate of interest. We have been repaying approximately £850 per month, which is obviously reflected in the result for the period. The balance at the year-end for the Charity stands at £27,388 including interest (previous year £37,207).

CHEQUER MEAD ARTS AND COMMUNITY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Going concern

It is the Trustees' view that it is prudent to ensure that there are sufficient reserves to provide financial flexibility over the course of each financial year. The policy sets a target of £150,000 in undesignated reserves (previously £250,000) representing approximately six months' expenditure in the absence of any events or hires (as in the pandemic). The target date for achieving the target was set as March 2024. Whilst this target has not been met, the trustees remain committed to reaching their goal in 2025, with continuing efforts in fundraising and event income.

Whilst the Trustees are budgeting for a return to profit for the year 2024-2025, we face (in common with the rest of the country) uncertainties around costs, particularly in respect of energy and logistics: we also face uncertainty in respect of the potential impact of inflation and interest rates on the discretionary spending of the theatre-going public and room hirers. We remain comfortable that we have adequate reserves to cover the charity against unforeseen and indeterminate rises in costs and/or reductions in revenue for the coming year.

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate re-sources 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.

Structure, governance and management

The Trust's affairs are overseen by the Board of Trustees. There is a mix of Council-appointed Trustees ("Nominated Trustees") and Independent Trustees, and the Trust's affairs are governed by its written Constitution which was revised and re-adopted during the year. Changes were to revise governance, but not the charity's objectives or operations. The Trustees meet monthly. Nominees appointed by East Grinstead Town Council are subject to the appointment process of this body and the guidelines on appointment to public office as they apply to local government nominees. Both Nominated and Independent Trustees are vetted and interviewed by the Board prior to appointment. All appointments are for fixed terms.

It is important to emphasise that the Chequer Mead Arts and Community Trust (a Charitable Incorporated Organisation) is a totally separate and independent legal and trading entity from East Grinstead Town Council: the Town Council is the landlord and freehold site and building owner, and appoints half of the Trustees. The Chairman, who carries a casting vote, must be a Nominated Trustee.

Chequer Mead Arts and Community Trust is legally bound principally by the Charities Act 2011 - and is required to report directly to the Charities Commission with an Annual Report including yearly accounts - as well as periodically on other administrative matters.

The Trustees who served during the year and up to the date of signature of the financial statements were:

Cllr. F Osborne (ex-chairman)

Cllr. J A Mockford

S G Cole (independent)

Cllr. H Farren (Chairman)

N S Gibson (independent/Treasurer)

Cllr D Duly

Cllr S Barnett

Cllr T Hughes

(Appointed 24 May 2023)

(Appointed 24 May 2023)

CHEQUER MEAD ARTS AND COMMUNITY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Recruitment and appointment of trustees

Board decisions are usually unanimous. In the event of a disagreement decisions are put to a vote of a simple majority, with dissenting views recorded in the Minutes. The Chairman has the casting vote.

The day-to-day running of the Trust is the responsibility of the General Manager, who is accountable to the Board of Trustees and reports to the Board at each monthly meeting on operational and financial issues. Each year the General Manager produces a detailed budget in conjunction with the Trustees, and reports on performance against budget each month.

Detailed policies are in place for discharging all mandatory responsibilities (e.g. Health and Safety, Diversity, Safeguarding etc).

Risk management

The Board and General Manager has a risk management strategy that comprises:

- Identifying and recording the risks that the Charity may face in a detailed risk register.
- The establishment of policies, systems and procedures to mitigate those risks.
- The implementation of procedures designed to minimise any potential impact of the Charity should those risks materialise.
- Particular attention has been given by the Trustees to non-financial risks arising from health and safety and artistic programmes.
- A key element in the management of the financial risk is the setting of a reserves policy and its regular review by all Trustees.
- The risk register is frequently reviewed

Conclusion

The year to 31st March 2024 was characterised by both challenges and achievements. Despite a financial loss of £90,827, the Trustees and the larger community continue to see the benefits of the decisions made in 2019 and 2021 to bring the catering operation and our pantomime production in-house, while maintaining high-quality events and improving our service standards. We remain committed to enhancing both the community experience and our revenues, with the continued tenancy of the Barclays Bank advisory hub within Chequer Mead being a prime example.

The Trustees extend their heartfelt thanks to the General Manager and all of our staff for their unwavering efforts to improve the Chequer Mead experience and further engage with the community. The feedback we receive clearly indicates that the community overwhelmingly supports and values Chequer Mead as an integral and vital part of the town.

Looking ahead to the 2024-2025 financial year, we are optimistic about our prospects. We are implementing strategic initiatives aimed at increasing revenue and reducing costs, and we are confident that these efforts will lead to a more stable financial position. The Trustees are dedicated to ensuring that Chequer Mead continues to thrive and serve as a cultural hub for East Grinstead.

.....
Cllr. H Farren (Chairman)

Trustee

Date:

CHEQUER MEAD ARTS AND COMMUNITY TRUST

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF CHEQUER MEAD ARTS AND COMMUNITY TRUST

I report to the trustees on my examination of the financial statements of Chequer Mead Arts and Community Trust (the charity) for the year ended 31 March 2024.

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act. In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of ICAEW, which is one of the listed bodies.

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

I understand that this has been done in order for financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 130 of the 2011 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

Darren Harding ACA FCCA DChA

Richard Place Dobson Services Limited
1-7 Station Road
Crawley
West Sussex
RH10 1HT

Dated:

CHEQUER MEAD ARTS AND COMMUNITY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2024

Current financial year

		Unrestricted funds general 2024 £	Unrestricted funds designated 2024 £	Restricted funds 2024 £	Total 2024 £	Total 2023 £
	Notes					
<u>Income and endowments from:</u>						
Donations and grants	3	132,660	-	-	132,660	123,004
<u>Charitable activities</u>						
In House Productions	4	164,514	-	-	164,514	148,672
Theatre operations	4	61,415	-	-	61,415	52,821
Studio Hire	4	65,466	-	-	65,466	103,895
Tenant income	4	76,595	-	-	76,595	59,805
Film & Events Cinema	4	4,103	-	-	4,103	-
Investments	5	7,645	-	-	7,645	2,350
Other income	6	59,148	-	-	59,148	56,603
Total income		571,546	-	-	571,546	547,150
<u>Expenditure on:</u>						
<u>Raising funds</u>						
<u>Charitable activities</u>						
Theatre operations	7	640,929	21,445	-	662,374	561,343
Total charitable expenditure		640,929	21,445	-	662,374	561,343
Net outgoing resources before transfers		(69,383)	(21,445)	-	(90,828)	(14,193)
Gross transfers between funds		48,101	(48,101)	-	-	-
Net expenditure for the year/ Net outgoing resources		(21,282)	(69,546)	-	(90,828)	(14,193)
Fund balances at 1 April 2023		137,603	506,426	123,054	767,083	781,276
Fund balances at 31 March 2024		116,321	436,880	123,054	676,255	767,083

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

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

CHEQUER MEAD ARTS AND COMMUNITY TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2024

Prior financial year

		Unrestricted funds general 2023 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
	Notes				
<u>Income and endowments from:</u>					
Donations and grants	3	123,004	-	-	123,004
<u>Charitable activities</u>					
In House Productions	4	148,672	-	-	148,672
Theatre operations	4	52,821	-	-	52,821
Studio Hire	4	103,895	-	-	103,895
Tenant income	4	59,805	-	-	59,805
Investments	5	2,350	-	-	2,350
Other income	6	56,603	-	-	56,603
Total income		<u>547,150</u>	<u>-</u>	<u>-</u>	<u>547,150</u>
<u>Expenditure on:</u>					
Raising funds					
<u>Charitable activities</u>					
Theatre operations	7	547,486	13,857	-	561,343
Total charitable expenditure		<u>547,486</u>	<u>13,857</u>	<u>-</u>	<u>561,343</u>
Net expenditure for the year/ Net movement in funds		(336)	(13,857)	-	(14,193)
Fund balances at 1 April 2022		<u>137,939</u>	<u>520,283</u>	<u>123,054</u>	<u>781,276</u>
Fund balances at 31 March 2023		<u>137,603</u>	<u>506,426</u>	<u>123,054</u>	<u>767,083</u>

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

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

CHEQUER MEAD ARTS AND COMMUNITY TRUST

BALANCE SHEET

AS AT 31 MARCH 2024

	Notes	2024 £	£	2023 £	£
Fixed assets					
Tangible assets	13		482,962		516,582
Investments	14		10,000		10,000
			<u>492,962</u>		<u>526,582</u>
Current assets					
Debtors	15	76,275		73,074	
Cash at bank and in hand		422,018		333,159	
		<u>498,293</u>		<u>406,233</u>	
Creditors: amounts falling due within one year	17	(297,689)		(138,101)	
Net current assets			<u>200,604</u>		<u>268,132</u>
Total assets less current liabilities			<u>693,566</u>		<u>794,714</u>
Creditors: amounts falling due after more than one year	18		(17,311)		(27,631)
Net assets			<u><u>676,255</u></u>		<u><u>767,083</u></u>
The funds of the charity					
Restricted income funds	21		123,054		123,054
Unrestricted funds - general	23		116,321		137,603
Unrestricted funds - designated	22		436,880		506,426
			<u><u>676,255</u></u>		<u><u>767,083</u></u>

The financial statements were approved by the trustees on

.....
Cllr. H Farren (Chairman)
Trustee

CHEQUER MEAD ARTS AND COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

Charity information

Chequer Mead Arts and Community Trust is a registered Charitable Incorporated Organisation (CIO).

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's CIO Foundation Model, the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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 charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities not to prepare a Statement of Cash Flows.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Preparation of Consolidated Financial Statements

The financial statements contain information about Chequer Mead Arts and Community Trust as an individual charity and do not contain consolidated financial information as the parent of a group. The Charity is exempt from the requirement to prepare consolidated accounts on the basis it qualifies as a small group.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Designated Funds are unrestricted funds earmarked by the trustees for particular purposes.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

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

CHEQUER MEAD ARTS AND COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

Grant income provides funding to support performance activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Income is deferred when admission fees or performance related grants are received in advance of the performance or event to which they relate.

Income from bar and ice cream sales is recognised as earned (as the related goods and services are provided).

Investment income is recognised on a receivables basis.

Activities in furtherance of charitable objects includes theatre operations, studio hire, in-house productions and tenant income. Charitable income is recognised on the date of the performance or as the room is hired.

Donations and similar incoming resources are included in the year in which they are receivable, which is when the charity becomes entitled to the resource.

Other Income

Other income consists of Spektrix commissions, income from marketing and postage and income from the premium club. It is recognised in the accounts when the charity has earned entitlement to the income, it is probable the income will be received and the amount can be reliably measured.

Legacy Income

For Legacies entitlement is taken at earlier of:

- the date on which the charity is aware that probate has been granted.
- the estate has been finalised and notification has been made by the executor to the charity that a distribution will be made.
- when distribution is received from the estate.

Receipt of a legacy, is whole or in part, is only considered probable when the amount can be reliably measured and the charity has been notified of the executor's intention to make distribution. Where legacies have been notified to the charity, or the charity is aware of granting probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

1.5 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 are allocated on the portion of the asset's use.

Liabilities are recognised as expenditure as soon as there is legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Allocation and apportionment of costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include governance costs. These costs have been allocated between the different charitable activities on a percentage basis. The bases on which support costs have been allocated are set out in note 8.

CHEQUER MEAD ARTS AND COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

1.6 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 assets costing more than £1,000 are capitalised at cost.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Leasehold improvements	Over the term of the lease
Fixtures, fittings & equipment	10-33% p.a. straight line
Computers	10-33% p.a. straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Fixed asset investments

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

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

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

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

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

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Debtors

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

Basic financial liabilities

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 reliably. Creditors and provisions are normally recognised at their settlement value after allowing for any discounts offered.

CHEQUER MEAD ARTS AND COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.10 Taxation

The charity is not subject to corporation tax or any other taxes on income or gains arising from its charitable objectives.

1.11 Employee benefits

The costs of short term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.12 Retirement benefits

Post costs and other post-retirement benefits

The charity operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

1.13 Irrecoverable VAT

All resources expended are classified under activity headings that aggregate all costs related to the category. Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

1.14 Operating Leases

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

Donated assets

Goods donated for on-going use by the charity in carrying out its activities are recognised as tangible fixed assets with the corresponding gain recognised as income from donations when goods are above the charities capitalisation limit of £1,000. Donated goods are measured at their fair value.

Volunteer time

The charity makes use of volunteers in carrying out the charitable activities. It is impractical to value the costs of the volunteer involved. No amount for volunteer time are included within the accounts.

2 Critical accounting estimates and judgements

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

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

CHEQUER MEAD ARTS AND COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

3 Income from donations and legacies

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Donations and gifts	62,660	49,004
Grants	70,000	74,000
	<u>132,660</u>	<u>123,004</u>
Grants		
Other	70,000	74,000
	<u>70,000</u>	<u>74,000</u>

4 Charitable activities

	In House Productions 2024 £	Theatre operations 2024 £	Studio Hire 2024 £	Tenant income 2024 £	Film & Events Cinema 2024 £	Total 2024 £	Total 2023 £
Income from charitable activities	<u>164,514</u>	<u>61,415</u>	<u>65,466</u>	<u>76,595</u>	<u>4,103</u>	<u>372,093</u>	<u>365,193</u>

For the year ended 31 March 2023

	In House Productions £	Theatre operations £	Studio Hire £	Tenant income £	Total 2023 £
Income from charitable activities	<u>148,672</u>	<u>52,821</u>	<u>103,895</u>	<u>59,805</u>	<u>365,193</u>
Analysis by fund					
Unrestricted funds - general	<u>148,672</u>	<u>52,821</u>	<u>103,895</u>	<u>59,805</u>	<u>365,193</u>

CHEQUER MEAD ARTS AND COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

5 Income from investments

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Other income	7,645	2,350

6 Other income

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Other income	7,295	15,611
Postage	5,648	4,866
Premium club	46,205	36,126
	59,148	56,603

7 Expenditure on charitable activities

	Theatre Operations 2024 £	Theatre Operations 2023 £
Direct costs		
Staff costs	261,151	237,548
Depreciation and impairment	33,620	33,074
Production & Events management	15,765	5,226
Advertising	138,563	112,924
IT, Repairs & Maintenance	35,585	35,385
Daily running costs	167,528	121,669
	652,212	545,826
Share of support and governance costs (see note 8)		
Governance	10,162	15,517
	662,374	561,343
Analysis by fund		
Unrestricted funds - general	640,929	547,486
Unrestricted funds - designated	21,445	13,857
	662,374	561,343

CHEQUER MEAD ARTS AND COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

8 Support costs

	Support costs	Governance costs	2024	2023
	£	£	£	£
Independent Examiners fee	-	2,438	2,438	1,750
Accountancy	-	-	-	2,750
Legal and professional	-	7,724	7,724	11,017
	-	10,162	10,162	15,517
Analysed between Charitable activities	-	10,162	10,162	15,517

9 Net movement in funds

	2024	2023
	£	£
The net movement in funds is stated after charging/(crediting):		
Fees payable for the independent examination of the charity's financial statements	2,438	1,750
Depreciation of owned tangible fixed assets	33,620	33,074

10 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year and none of them were reimbursed any expenses (2023- no expenses were reimbursed).

11 Employees

The average monthly number of employees during the year was:

	2024	2023
	Number	Number
Theatre management	1	1
Technical staff	2	2
Administration	4	4
Total	7	7

Employment costs

	2024	2023
	£	£
Wages and salaries	238,079	215,990
Social security costs	16,703	14,254
Other pension costs	4,985	4,044
	259,767	234,288

CHEQUER MEAD ARTS AND COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

11 Employees

(Continued)

There were no employees whose annual remuneration was more than £60,000.

Remuneration of key management personnel

The remuneration of key management personnel was as follows:

	2024 £	2023 £
Aggregate compensation	54,463	54,463

The charity has a close working relationship with East Grinstead Town Council. This body nominates the majority of trustees (see the trustees report) and provides funding to enable the charity to carry out its charitable activities. Grant income received in the year totalled £74,000 (2022: £74,000).

A subsidiary trading company Chequer Mead Trading Limited was incorporated on 15 May 2019 and began trading in September 2019. A donation of £40,990 (2022: £9,565) was made from the trading subsidiary to the charity during the year. At 31 March 2023 £38,247 was owed to the charity from the trading subsidiary.

12 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

13 Tangible fixed assets

	Leasehold improvements £	Fixtures, fittings & equipment £	Computers £	Total £
Cost				
At 1 April 2023	486,210	218,223	16,078	720,511
At 31 March 2024	486,210	218,223	16,078	720,511
Depreciation and impairment				
At 1 April 2023	72,598	118,746	12,585	203,929
Depreciation charged in the year	13,857	17,901	1,862	33,620
At 31 March 2024	86,455	136,647	14,447	237,549
Carrying amount				
At 31 March 2024	399,755	81,576	1,631	482,962
At 31 March 2023	413,612	99,478	3,492	516,582

CHEQUER MEAD ARTS AND COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

14 Fixed asset investments

		Other investments
Cost or valuation		
At 1 April 2023 & 31 March 2024		10,000
Carrying amount		
At 31 March 2024		10,000
At 31 March 2023		10,000

	Notes	2024 £	2023 £
Other investments comprise:			
Investments in subsidiaries	27	10,000	10,000

15 Debtors

	2024 £	2023 £
Amounts falling due within one year:		
Trade debtors	4,082	16,708
Amounts owed by subsidiary undertakings	48,179	38,247
Other debtors	-	1,395
Prepayments and accrued income	24,014	16,724
	76,275	73,074

16 Loans and overdrafts

	2024 £	2023 £
Other loans	27,388	37,207
Payable within one year	10,077	9,576
Payable after one year	17,311	27,631

The bounce back loan with Natwest bank was taken out during the Covid-19 pandemic. The amount borrowed was the max available of £50,000 at a fixed interest rate of 2.5%.

The loan which is repayable fully within 5 years had no interest charged in the first year and thereafter charged at the applicable rate above.

CHEQUER MEAD ARTS AND COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

17 Creditors: amounts falling due within one year

	Notes	2024 £	2023 £
Borrowings		10,077	9,576
Other taxation and social security		19,419	5,376
Deferred income	19	33,386	-
Trade creditors		60,469	65,631
Other creditors		7,352	833
Accruals		166,986	56,685
		<u>297,689</u>	<u>138,101</u>

18 Creditors: amounts falling due after more than one year

	2024 £	2023 £
Borrowings	17,311	27,631
	<u>17,311</u>	<u>27,631</u>

19 Deferred income

	2024 £	2023 £
Other deferred income	33,386	-
	<u>33,386</u>	<u>-</u>

Deferred income is included in the financial statements as follows:

	2024 £	2023 £
Deferred income is included within:		
Current liabilities	33,386	-
	<u>33,386</u>	<u>-</u>
Movements in the year:		
Deferred income at 1 April 2023	-	-
Resources deferred in the year	33,386	-
	<u>33,386</u>	<u>-</u>
Deferred income at 31 March 2024	<u>33,386</u>	<u>-</u>

20 Retirement benefit schemes

	2024 £	2023 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	4,985	4,044
	<u>4,985</u>	<u>4,044</u>

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

CHEQUER MEAD ARTS AND COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

21 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 April 2023	At 31 March 2024
	£	£
EGTC Bulding project	123,054	123,054

Previous year:

	At 1 April 2022	At 31 March 2023
	£	£
EGTC Bulding project	123,054	123,054

EGTC Building Project fund- This fund represents monies granted to the charity to carry out redevelopment work on the theatre.

22 Unrestricted funds - designated

These are unrestricted funds which are material to the charity's activities.

	At 1 April 2023	Resources expended	Transfers	At 31 March 2024
	£	£	£	£
Donated Equipment	52,015	(7,430)	(7,431)	37,154
Leasehold Improvements	413,613	(13,858)	(29)	399,726
Boiler	20,000	-	(20,000)	-
Theatre Seats	20,798	(157)	(20,641)	-
	506,426	(21,445)	(48,101)	436,880

Previous year:

	At 1 April 2022	Resources expended	Transfers	At 31 March 2023
	£	£	£	£
Donated Equiment	52,015	-	-	52,015
Leasehold Improvements	427,470	(13,857)	-	413,613
Boiler	20,000	-	-	20,000
Theatre Seats	20,798	-	-	20,798
	520,283	(13,857)	-	506,426

CHEQUER MEAD ARTS AND COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

23 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 April 2023	Incoming resources	Resources expended	Transfers	At 31 March 2024
	£	£	£	£	£
Unrestricted Funds	137,603	571,546	(640,929)	48,101	116,321
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Previous year:	At 1 April 2022	Incoming resources	Resources expended	Transfers	At 31 March 2023
	£	£	£	£	£
Unrestricted funds	137,939	547,150	(547,486)	-	137,603
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Theatre Seats Fund, Room Chairs Fund and Screen Projector fund all represents assets purchased with designated fund income. The balances are in line with the Net Book Value of these assets.

Leasehold improvements fund represents amounts that have been spend on leasehold improvements out of the EGTC building project grant including the annual depreciation charge.

The boiler fund represents funds set aside by the Trustees to upkeep the boilers on a regular basis.

24 Analysis of net assets between funds

	Unrestricted funds general	Unrestricted funds designated	Restricted funds	Total
	2024	2024	2024	2024
	£	£	£	£
At 31 March 2024:				
Tangible assets	46,082	436,880	-	482,962
Investments	10,000	-	-	10,000
Current assets/(liabilities)	77,550	-	123,054	200,604
Long term liabilities	(17,311)	-	-	(17,311)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	116,321	436,880	123,054	676,255
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

CHEQUER MEAD ARTS AND COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

24 Analysis of net assets between funds

(Continued)

	Unrestricted funds general 2023 £	Unrestricted funds designated 2023 £	Restricted funds 2023 £	Total 2023 £
At 31 March 2023:				
Tangible assets	10,156	506,426	-	516,582
Investments	10,000	-	-	10,000
Current assets/(liabilities)	145,078	-	123,054	268,132
Long term liabilities	(27,631)	-	-	(27,631)
	<u>137,603</u>	<u>506,426</u>	<u>123,054</u>	<u>767,083</u>

25 Financial commitments, guarantees and contingent liabilities

Contingent Liability

The S106 grants received from Mid Sussex District Council is potentially repayable if within 14 years the theatre facility ceases to be used for leisure activities or if any other conditions of the grant are not complied with.

26 Related party transactions

The charity has a close working relationship with East Grinstead Town Council. This body nominates the majority of trustees (see the trustees report) and provides funding to enable the charity to carry out its charitable activities. Grant income received in the year totalled £70,000 (2023: £74,000).

A subsidiary trading company Chequer Mead Trading Limited was incorporated on 15 May 2019 and began trading in September 2019. A donation of £55,183 (2023: £40,990) was made from the trading subsidiary to the charity during the year. At 31 March 2024 £48,179 (2023: £38,247) was owed to the charity from the trading subsidiary.

27 Subsidiaries

These financial statements are separate charity financial statements for Chequer Mead Arts and Community Trust

Details of the charity's subsidiaries at 31 March 2024 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct Indirect
Chequer Mead Trading Limited	De La Warr Road, East Grinstead, West Sussex, RH19 3BS	Hot beverages, food & catering and bar service to benefit the image of the Chequer Mead Theatre brand.	Ordinary	100.00

The aggregate capital and reserves and the result for the year of subsidiaries excluded from consolidation was as follows:

Name of undertaking	Profit/(Loss) £	Capital and Reserves £
Chequer Mead Trading Limited	-	10,000