

CHATS PALACE LIMITED

England & Wales · Charity number 283680

Details

Status Registered

Legal form Charitable company

Company number [01587922](#)

Registered 1982-12-16

Register [View on the Charity Commission register](#)

Contact

Address 42-44 Brooksby's Walk
Chats Palace Arts Centre
Hackney
London
England
E9 6DF

Phone 0208 533 0227

Email info@chatspalace.com

Website www.chatspalace.com

Activities

Objects: (A) TO PROMOTE THE BENEFIT OF INHABITANTS OF PARTICULAR NEIGHBOURHOODS AND AREAS IN THE UNITED KINGDOM WITHOUT DISTINCTION OF POLITICAL, RELIGIOUS OR OTHER OPINIONS. (B) TO ADVANCE EDUCATION ENCOURAGE THE ARTS AND TO PROVIDE FACILITIES IN THE INTERESTS OF SOCIAL WELFARE WITH THE OBJECT OF IMPROVING CONDITIONS OF LIFE FOR THE SAID INHABITANTS. (C) THE ESTABLISHING AND MANAGEMENT OF COMMUNITY CENTRES, ARTS CENTRES, WORKSHOPS, GROUPS FOR EDUCATIONAL PLAY. (D) TO PROMOTE, MAINTAIN, IMPROVE AND ADVANCE EDUCATION PARTICULARLY BY THE PRODUCTION AND PROMOTION OF EDUCATIONAL PERFORMANCE AND EXHIBITIONS AND ENCOURAGEMENT OF THE ARTS

Activities: Provision of performance and participatory arts activities for individuals, families and community groups in the London Borough of Hackney and the wider East End of London. Operation of arts centre and community hub.

Classification

- **How:** Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services
- **What:** Arts/culture/heritage/science
- **Who:** Children/young People, People With Disabilities, The General Public/mankind

Geography

- Hackney

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	-	-	-	-
2024-03-31	£130,610	£179,926	-	-
2023-03-31	£165,181	£232,187	-	-
2022-03-31	£172,383	£224,397	-	-
2021-03-31	£354,495	£174,907	-	-
2020-03-31	£202,456	£197,718	-	-

Trustees

Name	Role	Appointed
CALVIN NG		2018-09-03
GARY BRIDGEWOOD		2015-02-12
Hendrik Wittkopf		2025-04-30
IAN RATHBONE		2014-12-08
Jacquetta May		2006-11-01
Jacquetta Susan May		
ROBIN NORTON-HALE		2018-09-03

CHATS PALACE LIMITED

England & Wales - Charity number 283680

Accounts

REGISTERED COMPANY NUMBER: 01587922 (England and Wales)
REGISTERED CHARITY NUMBER: 283680

**REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024
FOR
CHATS PALACE LIMITED**

CHATS PALACE LIMITED

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FOR THE YEAR ENDED 31 MARCH 2024**

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CHATS PALACE LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2024

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2024. The trustees have adopted the provisions of 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

Objectives and aims

Summary of the objects of the Charity set out in its governing document

Chats Palace is governed by a memorandum of association. The objects for which the Company is registered are to "promote the benefit of inhabitants of particular neighbourhoods in the United Kingdom without distinction of political religious or other opinions by associating with local and other government authorities, statutory and voluntary organisations and individuals in efforts to advance education, encourage the arts and to provide facilities in the interests of social welfare with the object of improving conditions of life for the said inhabitants and to establish, manage or assist with the establishing and management of community centres, arts centres, workshops, groups for educational play, deprived youth and old people in need and centres residential or otherwise for activities in furtherance of the objects of the Company and generally to promote, maintain, improve and advance education particularly "by the production and promotion of educational performances and exhibitions and the encouragement of the Arts."

Public benefit

The Trustees have considered the Charity Commission guidance on public benefit and considered that the activities of the Charity meet its charitable activities and provide a benefit to the public.

CHATS PALACE LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2024

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Chats Palace Arts Centre is an east London community centre with civic role, empowering local people. We are a trusted body and our building a safe space, with reputation that goes back 40+ years. Our key focus areas are with those who are marginalised, excluded or without a voice; working in partnership we devise and deliver projects that combine artistic and social interaction to engender positive, life-long change. Our equality-driven programme is shaped by strong track record of engagement with our local community to identify and address issues of public concern.

Chats Palace is based in Hackney, London's 6th most ethnically diverse borough (GLA DI 2017): 1 of 10 most deprived English authorities (IMD 2019), ranking top 10% IDAOPi measuring Older People poverty, with 2 in 5 Elders experiencing income deprivation. We are passionate about the role we play in strengthening this distinctive, diverse community. With 40,000 annual visits to our building, we pride ourselves on developing inclusive local relationships and partnerships. Through proactive engagement 2016-19, we increased the number of local not-for-profit organisations using Chats Palace from 3 to 22 and community participants from 6,000 to 16,500 p/a: 80% of people we reach in our target groups live in Hackney and reflect our borough's diversity.

Chats Palace has a collaborative approach to realising our civic and cultural objectives. We continue to work with our existing partners as well as developing new partners to collaborate with us on delivery of our innovative new programmes. We see this as an essential route through which we may extend the reach of our projects and allow time and space for local people to be involved in their creation and delivery. A 2021 CCLORS grant from Power to Change funded a new civic project, Homerton Assembly, which reopened Chats Palace as a series of safe spaces created by and for targeted members of our community. We were already powerfully connected to Hackney residents: opening up our building and offering meeting space and a curated programme of civic-focused and inspired activities, we have continued to develop Homerton Assembly as a platform to support local people to come together to form a community with new bonds and strengthened commitment to each other.

In common with the wider community and arts sectors, the ongoing economic crisis has continued to present Chats Palace with a set of challenges that require an entrepreneurial approach. This year we have had to address the economic impact of our audience's reduced spending power with a contraction in small-scale touring arts productions - both live music and theatre. The outcome is what we had thought of as a temporary set-back post lockdowns, we can see is a new pattern requiring a fresh approach and a new business model. This year has therefore seen a transition from the pre-Covid business model to a new operating plan that provides core financial stability matched with increased creativity. Chats Palace is delivering co-commissioned and co-produced in-house projects, collaborating with key partners and focusing on a range of civic and arts objectives that continue to meet the changing needs of local people.

We continue to gratefully acknowledge the support of our key funding partners, including London Borough Hackney, London Legacy Development Corporation, The National Lottery, Mayor of London, Transport for London and from local people, who contributed to our Christmas Crowdfunder (Dec 2023). Our core ambition for this year was to ensure that we continued to grow and deliver our artistic and civic ambitions, developing our role as a key community resource and platform for community groups: we are confident that despite the challenges facing our sector, we have met with success.

Civic Programme: Homerton Assembly

Community platform:

We continued to offer space to our Muslim community partners, Abu Hurairah, for their Friday prayers. NHS Homerton continue to use Chats Palace as their base for a series of public consultation workshops.

Resident social enterprises:

Our partnership with Photochats continued to strengthen, with their community dark rooms now fully re-opened and supporting local amateur photographers. With Photochats input, we invited two visual artists to create retrospective exhibitions tailored to Chats Palace profile and history:

- Sheila Burnett: The Female Gaze (opened 8 Feb 2023)

Outputs included a private view and exhibition study day with artist-led guided tours and panel discussion with guests.

- Angry Dan: There Once Was a Man in a Palace... (opened 8 Sept 2023) - the first major retrospective of work by east London's leading street artist.

CHATS PALACE LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2024

Elders programme:

The Palace Club firmly established its position as our flagship civic programme, supporting Hackney's Elders (aged 65+yrs). This term, the Palace Club programme included a Christmas 2023 origami project led by Toshiko Kurata. Completed decorations were displayed in 6 local shops on Chatsworth Road as well as decorating our Bar and Christmas Tree.

We also launched the inaugural year of a new 3-year Spring/Summer Walking Club programme, funded by Mayor of London. Aimed at supporting health and fitness for local Elders, this programme delivered 29 walks - ranging from 15 minutes in a local park to longer cultural trips and hikes in Epping Forest and Walthamstow Wetlands.

Arts Programme

Creation Space: in 2022/23 we refocused our hires programme to one which allowed us to work to support local artists in a more impactful way. We built on this initiative in 2023/24 - offering our first-floor rehearsal and meeting room as a creative space and building to create a highly valued platform for creative collaboration.

Participating companies included:

- Asa Koudai West End Musical Theatre Masters Workshop offered a 6-day intensive training in musical theatre to strengthen the three skills of singing, dancing and acting for 20 young people.
- The Yard Theatre (Hackney Wick) created The Flea (Prem. Oct 2023) over a 1-month residency in the Studio. They continued their new partnership with us, holding a day of auditions in the Theatre and a two-day script development workshop in Studio.
- Seeta Patel Dance a company we have a long-established relationship with, re-rehearsed their current production, Rites of Spring, here before taking it on tour.
- Royal Central Schools of Speech and Drama (RCSSP) brought two sets of students to create work over a 5-wk period at Chats Palace as part of their curriculum. This culminated in a two-day exhibition of experimental, installation work with a public showing on 5 December 2023.
- Hackney Empire took over our building for their Oct Half Term Youth Project, creating a new show made with 35 young local performers, poets and musicians - which was then performed on the Hackney Empire stage.
- Frozen Light Theatre Company were in residence in our Theatre for 10 days, carrying out R&D for their next production. They are a Norwich-based company who create exciting and original multi-sensory theatre for audiences with profound and multiple learning disabilities (PMLD) and tour to theatres nationwide.
- Hackney Shed began a 3-month (Feb - April 2024) residency at Chats Palace for Hackney Shed Collective (16 - 25-year-olds with additional needs) delivering and presenting their NT Connections project. This was a long-term project, running on Wednesday evenings to rehearse a play commissioned by The National Theatre which was performed in April 2024 at Chats Palace and Southwark Playhouse.

Theatre for Children

Our reputation as one of Hackney's key venues presenting exceptional and accessible arts programme for children and families was further strengthened in 2023/24. Launched in 2021 with support from Hello Again Hackney funds from LB Hackney, Kids Club offers exuberant, exciting performance that reflect our local community in its demographics and subject matter.

Kid's Club programme highlights include:

- 6 performances by Aakash Odedra Company/Little Murmur
- 1 Alternative Royal Coronation Family Day
- 3 companies presented work for younger audiences as part of our Oct 2023 Arts Programme: Lempen Puppets, Long Nose Puppets and Booster Cushion.

Of the 6 performances, 2 sold-out in advance (Long Nose Puppets). In total we sold 298 tickets - an overall sales level of 80% against capacity. As with previous seasons of work for younger audiences, we continue to experience high demand with excellent feedback from parents and children on the quality of work offered and the continuing accessibility of tickets, held at £7.50 each (no booking fee).

Premier/Showcase events

- 1 Showcase Theatre performance: The United Kingdoms of Ghana/ Adowa Dancers UK - a showcase of Ghanaian culture, history and tradition through traditional dance, drumming and song
- 1 Half-day Workshop presented by Queer China (Hackney Pride 365/ LGBT+ HISTORY MONTH)
- 1 film screening + panel Q&A delivered in a new partnership with Castle Cinema.

CHATS PALACE LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2024

London premiere screening of Women Talking - Muscle: a question of power, a new short film made by filmmaker Kilian Waters in partnership with theatre artist and writer Anna Furse, filmed at Chats Palace earlier in the year. - 11 Christmas Makers Market. 30 local makers came together to share their wares with a welcoming local community.

FINANCIAL REVIEW

Financial position

Income for the year decreased by £34,571, to £130,610 (2023: £165,181), and expenditure decreased by £52,261, to £179,926 (2023: £232,187). This resulted in a planned overspend for the year of £49,316 (2023: £67,006).

Cash decreased by £6,934, to £22,469 (2023: £29,403), unrestricted reserves stood at £4,063 (2023: £42,237) and restricted reserves stood at £3,000 (2023: £14,142) at the year end. The trustees are satisfied with the charity's overall results for the year.

Reserves policy

Chats Palace's reserves policy is to hold three months of expenditure in unrestricted funds, not invested in fixed assets. From 2017 we have seen continued, positive movement in the diversification and hence sustainability of Chats Palace finances. Chats Palace Board continues to work steadily to achieve and maintain this policy through the development of an increasingly robust business model.

Due to the challenges of the current economic climate, a percentage of the charity's reserves have been used to underpin the current year's trading activity. Although the charity's reserve policy is not currently being met, the trustees believe that funds will be returned to an acceptable level in the forthcoming year.

Funding

London Borough of Hackney supports Chats Palace with a Specialist Grant of £38,500 p/annum, which includes a restricted fund element of £10,000 p/annum to be repaid to London Borough of Hackney as rent. This grant, which commenced in April 2018 for a two-year period ending March 2020, was extended by a further three years to March 2023 and renewed for the current period with a 5% increase.

We were pleased to progress in our lease discussions with London Borough of Hackney in its capacity as our landlord, and in translating the agreed Memorandum of Understanding into the desired outcome of a longer lease, enabling Chats Palace to plan a capital development plan of this heritage site. The trustees are now engaged in negotiation with our landlord for a new short bridging agreement, containing an option to take up a longer 25 year lease, conditional on fundraising targets being met.

Fundraising

Financial underpinning for this enhanced programme of collaboration and partnership was provided by a growing roster of grant aid, making a significant contribution to Chats Palace financial stability.

Our LB Hackney Specialist Grant - £38,500 continued as our sole core grant with several new-to-Chats Palace trusts and foundations offering matched funding. We are grateful for their support and contributions.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

01587922 (England and Wales)

Registered Charity number

283680

Registered office

42-44 Brooksby's Walk
London
E9 6DF

CHATS PALACE LIMITED

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2024**

Trustees

J May
C H F Ng
R S Norton-Hale
I D Rathbone
G D Bridgewood
Ms G Cossins (appointed 24.4.2024)

Independent Examiner

John Carroll FCCA CTA
Jones Hunt & Keelings
Chartered Certified Accountants and
Chartered Tax Advisers
71 Knowl Piece
Wilbury Way
Hitchin
Hertfordshire
SG4 0TY

Approved by order of the board of trustees on and signed on its behalf by:

.....
C H F Ng - Trustee

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
CHATS PALACE LIMITED**

Independent examiner's report to the trustees of Chats Palace Limited ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 March 2024.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under Section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under Section 145(5) (b) of the 2011 Act.

Independent examiner's statement

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:

1. accounting records were not kept in respect of the Company as required by Section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of Section 396 of the 2006 Act 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; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)).

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 accounts to be reached.

John Carroll FCCA CTA

Jones Hunt & Keelings
Chartered Certified Accountants and
Chartered Tax Advisers
71 Knowl Piece
Wilbury Way
Hitchin
Hertfordshire
SG4 0TY

Date:

CHATS PALACE LIMITED

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2024**

	Notes	Unrestricted fund £	Restricted fund £	2024 Total funds £	2023 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	46,214	13,000	59,214	94,637
Other trading activities	3	70,854	-	70,854	70,495
Investment income	4	542	-	542	49
Total		<u>117,610</u>	<u>13,000</u>	<u>130,610</u>	<u>165,181</u>
EXPENDITURE ON					
Raising funds		3,002	-	3,002	9,800
Charitable activities					
General		152,782	14,142	166,924	212,387
Rent		-	10,000	10,000	10,000
Total		<u>155,784</u>	<u>24,142</u>	<u>179,926</u>	<u>232,187</u>
NET INCOME/(EXPENDITURE)		(38,174)	(11,142)	(49,316)	(67,006)
RECONCILIATION OF FUNDS					
Total funds brought forward		42,237	14,142	56,379	123,385
TOTAL FUNDS CARRIED FORWARD		<u><u>4,063</u></u>	<u><u>3,000</u></u>	<u><u>7,063</u></u>	<u><u>56,379</u></u>

The notes form part of these financial statements

CHATS PALACE LIMITED

**BALANCE SHEET
31 MARCH 2024**

	Notes	Unrestricted fund £	Restricted fund £	2024 Total funds £	2023 Total funds £
FIXED ASSETS					
Tangible assets	9	6,427	-	6,427	8,569
CURRENT ASSETS					
Stocks	10	1,885	-	1,885	981
Debtors	11	7,778	-	7,778	35,975
Cash at bank		19,469	3,000	22,469	29,403
		<u>29,132</u>	<u>3,000</u>	<u>32,132</u>	<u>66,359</u>
CREDITORS					
Amounts falling due within one year	12	(31,496)	-	(31,496)	(18,549)
		<u>(2,364)</u>	<u>3,000</u>	<u>636</u>	<u>47,810</u>
NET CURRENT ASSETS					
		<u>4,063</u>	<u>3,000</u>	<u>7,063</u>	<u>56,379</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>4,063</u>	<u>3,000</u>	<u>7,063</u>	<u>56,379</u>
NET ASSETS					
		<u>4,063</u>	<u>3,000</u>	<u>7,063</u>	<u>56,379</u>
FUNDS					
Unrestricted funds	13			4,063	42,237
Restricted funds				3,000	14,142
TOTAL FUNDS					
				<u>7,063</u>	<u>56,379</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2024.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2024 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

CHATS PALACE LIMITED

BALANCE SHEET - continued
31 MARCH 2024

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

The financial statements were approved by the Board of Trustees and authorised for issue on
and were signed on its behalf by:

.....
C H F Ng - Trustee

CHATS PALACE LIMITED

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

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements are prepared on a going concern basis and under the historical cost convention. A significant proportion of the charity's income is derived from grants. Consequently, the applicability of the going concern basis is contingent upon the continued support of the charity's supporters. 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 at least the next twelve months.

The presentation currency of the financial statements is the Pound Sterling (£). The principal accounting policies adopted are set out below.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a 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.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 25% on reducing balance
Computer equipment	- 25% on reducing balance

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

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

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

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

CHATS PALACE LIMITED

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

1. ACCOUNTING POLICIES - continued

Significant judgements and estimates

Estimates and judgements are periodically evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The charity's significant accounting judgements and estimates are in respect of impairment of assets and depreciation.

Details of these judgements and estimates are described below:

- To determine whether there are indicators of impairment of the charity's tangible fixed assets. Factors taken into consideration include the economic viability and expected future financial performance of the asset and, where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.
- Tangible fixed assets are depreciated over their useful lives, taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Financial instruments

The charity has elected to apply the provisions of Section 11 'Accounting for financial assets and financial liabilities' of Charities SORP (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

Basic financial assets, which include debtors, are initially measured at transaction price, including transaction costs, and are subsequently carried at amortised cost, using the effective interest method, unless the arrangement constitutes a financing transaction, when the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Grants

Income from grants, whether capital or revenue, is recognised when the charity has entitlement to the funds, any conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably.

2. DONATIONS AND LEGACIES

	2024	2023
	£	£
Donations	4,714	2,507
Grants	54,500	92,130
	<u>59,214</u>	<u>94,637</u>

CHATS PALACE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2024**

2. DONATIONS AND LEGACIES - continued

Grants received, included in the above, are as follows:

	2024	2023
	£	£
London Borough of Hackney	38,500	40,961
London Legacy Development Corporation	-	25,000
Arts Council England	-	15,777
Unity Theatre Trust	-	600
Pipeline Investment Trust Grant	-	1,627
Walking and Cycling Grants London	3,000	4,665
The National Lottery Community Fund	-	3,500
Cost of Living Grant	10,000	-
Magic Little Grant	500	-
Hedley Grant	2,500	-
	<u>54,500</u>	<u>92,130</u>

3. OTHER TRADING ACTIVITIES

	2024	2023
	£	£
Space hire	59,659	46,939
Bar income	11,195	23,556
	<u>70,854</u>	<u>70,495</u>

4. INVESTMENT INCOME

	2024	2023
	£	£
Bank interest received	542	49
	<u>542</u>	<u>49</u>

5. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2024	2023
	£	£
Depreciation - owned assets	2,142	2,856
	<u>2,142</u>	<u>2,856</u>

CHATS PALACE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2024**

6. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2024 nor for the year ended 31 March 2023.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2024 nor for the year ended 31 March 2023.

7. STAFF COSTS

	2024	2023
	£	£
Wages and salaries	87,958	105,001
Social security costs	3,024	5,101
Other pension costs	2,713	3,276
	<u>93,695</u>	<u>113,378</u>

The average monthly number of employees during the year was as follows:

	2024	2023
Administration	3	3
Front of house	6	7
	<u>9</u>	<u>10</u>

No employees received emoluments in excess of £60,000.

8. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted fund £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	29,277	65,360	94,637
Other trading activities	70,495	-	70,495
Investment income	49	-	49
Total	<u>99,821</u>	<u>65,360</u>	<u>165,181</u>
EXPENDITURE ON			
Raising funds	9,800	-	9,800
Charitable activities			
General	191,615	20,772	212,387
Rent	-	10,000	10,000
Total	<u>201,415</u>	<u>30,772</u>	<u>232,187</u>
NET INCOME/(EXPENDITURE)	(101,594)	34,588	(67,006)
Transfers between funds	25,000	(25,000)	-
Net movement in funds	(76,594)	9,588	(67,006)

CHATS PALACE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2024**

8. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted fund £	Restricted fund £	Total funds £
RECONCILIATION OF FUNDS			
Total funds brought forward	118,831	4,554	123,385
	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS CARRIED FORWARD	<u>42,237</u>	<u>14,142</u>	<u>56,379</u>

9. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 April 2023 and 31 March 2024	<u>61,737</u>	<u>29,466</u>	<u>91,203</u>
DEPRECIATION			
At 1 April 2023	54,510	28,124	82,634
Charge for year	<u>1,807</u>	<u>335</u>	<u>2,142</u>
At 31 March 2024	<u>56,317</u>	<u>28,459</u>	<u>84,776</u>
NET BOOK VALUE			
At 31 March 2024	<u>5,420</u>	<u>1,007</u>	<u>6,427</u>
At 31 March 2023	<u>7,227</u>	<u>1,342</u>	<u>8,569</u>

10. STOCKS

	2024 £	2023 £
Stocks	<u>1,885</u>	<u>981</u>

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024 £	2023 £
Trade debtors	5,000	32,633
Prepayments and accrued income	<u>2,778</u>	<u>3,342</u>
	<u>7,778</u>	<u>35,975</u>

CHATS PALACE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2024**

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£	£
Social security and other taxes	4,213	2,078
Other creditors	13,795	7,299
Accrued expenses	13,488	9,172
	<u>31,496</u>	<u>18,549</u>

13. MOVEMENT IN FUNDS

	At 1.4.23	Net movement in funds	At 31.3.24
	£	£	£
Unrestricted funds			
General fund	42,237	(38,174)	4,063
Restricted funds			
Restricted funds	14,142	(11,142)	3,000
	<u>56,379</u>	<u>(49,316)</u>	<u>7,063</u>

Net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted funds			
General fund	117,610	(155,784)	(38,174)
Restricted funds			
Restricted funds	13,000	(24,142)	(11,142)
	<u>130,610</u>	<u>(179,926)</u>	<u>(49,316)</u>

Comparatives for movement in funds

	At 1.4.22	Net movement in funds	Transfers between funds	At 31.3.23
	£	£	£	£
Unrestricted funds				
General fund	118,831	(101,594)	25,000	42,237
Restricted funds				
Restricted funds	4,554	34,588	(25,000)	14,142
	<u>123,385</u>	<u>(67,006)</u>	<u>-</u>	<u>56,379</u>

CHATS PALACE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2024**

13. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	99,821	(201,415)	(101,594)
Restricted funds			
Restricted funds	65,360	(30,772)	34,588
TOTAL FUNDS	<u>165,181</u>	<u>(232,187)</u>	<u>(67,006)</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.4.22 £	Net movement in funds £	Transfers between funds £	At 31.3.24 £
Unrestricted funds				
General fund	118,831	(139,768)	25,000	4,063
Restricted funds				
Restricted funds	4,554	23,446	(25,000)	3,000
TOTAL FUNDS	<u>123,385</u>	<u>(116,322)</u>	<u>-</u>	<u>7,063</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	217,431	(357,199)	(139,768)
Restricted funds			
Restricted funds	78,360	(54,914)	23,446
TOTAL FUNDS	<u>295,791</u>	<u>(412,113)</u>	<u>(116,322)</u>

CHATS PALACE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2024**

14. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2024.

CHATS PALACE LIMITED

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2024**

	2024 £	2023 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	4,714	2,507
Grants	<u>54,500</u>	<u>92,130</u>
	59,214	94,637
Other trading activities		
Space hire	59,659	46,939
Bar income	<u>11,195</u>	<u>23,556</u>
	70,854	70,495
Investment income		
Bank interest received	<u>542</u>	<u>49</u>
Total incoming resources	130,610	165,181
EXPENDITURE		
Other trading activities		
Opening stock	981	1,161
Purchases	3,906	9,620
Closing stock	<u>(1,885)</u>	<u>(981)</u>
	3,002	9,800
Charitable activities		
Wages	87,958	105,001
Social security	3,024	5,101
Pensions	2,713	3,276
Rent, rates and water	10,136	11,776
Insurance	1,409	1,514
Light and heat	2,239	3,827
Telephone	3,084	2,778
Postage and stationery	338	767
Advertising and marketing	604	2,152
Sundries	197	492
Repairs and renewals	588	377
Cleaning	7,461	3,934
Subscriptions and membership	1,973	1,837
Licenses and royalties	1,594	844
Subcontractors	43,392	65,584
IT support and maintenance	2,419	3,653
Fixtures and fittings depreciation	1,807	2,409
Computer equipment depreciation	<u>335</u>	<u>447</u>
	171,271	215,769

This page does not form part of the statutory financial statements

CHATS PALACE LIMITED

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2024**

	2024 £	2023 £
Support costs		
Finance		
Bank and credit card charges	1,009	1,198
Governance costs		
Accountancy fees	3,000	3,300
Professional fees	1,644	2,120
	<u>4,644</u>	<u>5,420</u>
Total resources expended	<u>179,926</u>	<u>232,187</u>
Net expenditure	<u>(49,316)</u>	<u>(67,006)</u>

CHATS PALACE LIMITED

England & Wales - Charity number 283680

Accounts

Document Details:

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Signature Details

Name:	Calvin Ng
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REGISTERED COMPANY NUMBER: 01587922 (England and Wales)
REGISTERED CHARITY NUMBER: 283680

**REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023
FOR
CHATS PALACE LIMITED**

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

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Balance Sheet	7
Notes to the Financial Statements	8 to 14
Detailed Statement of Financial Activities	15 to 16

CHATS PALACE LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2023. The trustees have adopted the provisions of 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

Objectives and aims

Summary of the objects of the Charity set out in its governing document

Chats Palace is governed by a memorandum of association. The objects for which the Company is registered are to "promote the benefit of inhabitants of particular neighbourhoods in the United Kingdom without distinction of political religious or other opinions by associating with local and other government authorities, statutory and voluntary organisations and individuals in efforts to advance education, encourage the arts and to provide facilities in the interests of social welfare with the object of improving conditions of life for the said inhabitants and to establish, manage or assist with the establishing and management of community centres, arts centres, workshops, groups for educational play, deprived youth and old people in need and centres residential or otherwise for activities in furtherance of the objects of the Company and generally to promote, maintain, improve and advance education particularly "by the production and promotion of educational performances and exhibitions and the encouragement of the Arts."

Public benefit

The Trustees have considered the Charity Commission guidance on public benefit and considered that the activities of the Charity meet its charitable activities and provide a benefit to the public.

CHATS PALACE LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Chats Palace Arts Centre is an east London community centre with civic role, empowering local people. We are a trusted body and our building a safe space, with reputation that goes back 40+ years. Our key focus areas are with those who are marginalised, excluded or without a voice; working in partnership we devise/deliver projects that combine artistic and social interaction to engender positive, life-long change. Our equality-driven programme is shaped by strong track record of engagement with our local community to identify and address issues of public concern.

Chats Palace is based in Hackney, London's 6th most ethnically diverse borough (GLA DI 2017): 1 of 10 most deprived English authorities (IMD 2019), ranking top 10% IDAOPI measuring Older People poverty, with 2 in 5 Elders experiencing income deprivation. We are passionate about the role we play in strengthening this distinctive, diverse community. With 40,000 annual visits to our building, we pride ourselves on developing inclusive local relationships and partnerships. Through proactive engagement 2016-19, we increased the number of local not-for-profit organisations using Chats Palace from 3 to 22 and community participants from 6,000 to 16,500 p/a: 70% of people we reach in our target groups live in Hackney and reflect our borough's diversity.

Chats Palace has a collaborative approach to realising our civic and cultural objectives. We continue to work with our existing partners as well as developing new partners to collaborate with us on delivery of our innovative new programmes. We see this as an essential route through which we may extend the reach of our projects and allow time and space for local people to be involved in their creation and delivery. A 2021 CCLORS grant from Power to Change funded a new civic project, Homerton Assembly, which reopened Chats Palace as a series of safe spaces created by and for targeted members of our community. We were already powerfully connected to Hackney residents: opening up our building and offering meeting space and a curated programme of civic-focused and inspired activities, we have continued to develop Homerton Assembly as a platform to support local people to come together to form a community with new bonds and strengthened commitment to each other.

Following the economic devastation of Omicron and Plan B from Dec 21 - March 22, Chats Palace weathered the storm and welcomed a new financial year with a modest, low-risk programme designed to get our community back into the building and socialising. Our new Tues@Chats programme focused on events hosted in the Library Bar - a mixed programme of free activities, from live music to comedy nights, spoken word and chess. Running from April to July 2022, all events were well attended with chess club a surprise hit: around 30 people of all ages came together each month to play chess. Live music as part of Tues@Chats was our biggest draw, packing out the bar with between 40 - 50 people. The transition back to full-scale live music proved to be tougher, with many bands choosing not to tour. We only had two live gigs in this period, both of which were sell-out successes.

In the latter half of the year, and as forecast, the impact of the ongoing cost-of-living crisis had a detrimental effect on Chats Palace's earned income streams. A drop in event hires was matched by a contraction in touring arts productions - both live music and theatre. This year concluded a necessary transition from an old operational model to one significantly different from previous, pre-Covid years. Now we commission and produce our own projects, sharing the delivery with key partners and focusing on a range of civic and arts objectives that more closely match the needs of local people.

Arts Programme Highlights

Creation Space:

Five creative companies with established links to east London made their new shows at Chats Palace under our new Creation Space banner. This allowed each company a concentrated period to develop their new productions prior to taking them on tour as well as showcase opportunities in our theatre. All productions were supported by Arts Council England:

- " It Begins In Darkness (Seke Chimutengwende)
Touring: premiered Bristol Sept 2022
- " Quiet Rebels (Vital Xposure)
Touring: premiered Belgrade Coventry Sept 2022
- " The Crack (Athletes of the Heart) Chats Palace co-production
Chats Palace performances: 2 public performances
- " The Rite of Spring (Seeta Patel Dance)
Touring: Sadler's Wells
- " Nothing on Earth (Pursued by a Bear) Chats Palace co-production
Chats Palace performances: 3 public performances

Visual Art:

We commissioned and curated two new photography exhibitions in partnership with the respective photographers:

Justine Cal: In My Block (opened 7 July 2022)

Sheila Burnett: The Female Gaze (opened 8 Feb 2023)

CHATS PALACE LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023

Civic Programme Highlights:

Warm Spaces

Between January to March 2023, we operated as a Warm Spaces refuge for Elders aged 65+yrs living in Hackney, offering opportunities for people to relax, chat and play board games in our heated building. During each session we offered participants a free, nutritious hot meal from a local caterer along with free tea & coffee and plenty of biscuits. The majority of the people who accessed the service lived within walking distance of Chats Palace, many from the neighbouring estates.

Feedback from our Warm Spaces was very positive with participants commenting:

- Thank you for a great morning. Loved the group, the activities, and the food.
- Thank you for all your hard work and the lunches you provided for us each week without fail.
- I really don't want to miss a session as I found it most enjoyable last week.

FINANCIAL REVIEW

Financial position

Income for the year decreased by £7,202, to £165,181 (2022: £172,383), and expenditure increased by £7,790, to £232,187 (2022: £224,397). This resulted in a planned overspend for the year of £67,006 (2022: £52,014).

Cash decreased by £88,154, to £29,403 (2022: £117,557), unrestricted reserves stood at £42,237 (2022: £118,831) and restricted reserves stood at £14,142 (2022: £4,554) at the year end. The trustees are satisfied with the charity's overall results for the year.

Reserves policy

Chats Palace's reserves policy is to hold three months of expenditure in unrestricted funds, not invested in fixed assets. From 2017 we have seen continued, positive movement in the diversification and hence sustainability of Chats Palace finances. Chats Palace Board continues to work steadily to achieve and maintain this policy through the development of an increasingly robust business model. Although the charity's reserve policy is not currently being met, the trustees believe that funds will be returned to an acceptable level in the forthcoming year.

Funding

London Borough of Hackney supports Chats Palace with a Specialist Grant of £35,000.00 p/annum, which includes a restricted fund element of £10,000 p/annum to be repaid to London Borough of Hackney as rent. This grant commenced in April 2018 for a two-year period ending March 2020 and was extended by a further three years to March 2023.

We were pleased to progress in our lease discussions with London Borough of Hackney in its capacity as our landlord, and in translating the agreed Memorandum of Understanding into the desired outcome of a longer lease, enabling Chats Palace to plan a capital development plan of this heritage site. A new three-year lease was issued in June 2020, taking the Charity forward to the next step in delivery of our Capital Strategy.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

01587922 (England and Wales)

Registered Charity number

283680

Registered office

42-44 Brooksby's Walk
London
E9 6DF

Trustees

J May
C H F Ng
R S Norton-Hale
I D Rathbone
G D Bridgewood
R Rennison (resigned 26.4.2022)

CHATS PALACE LIMITED

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023**

REFERENCE AND ADMINISTRATIVE DETAILS

Independent Examiner

John Carroll FCCA CTA

Jones Hunt & Keelings

Chartered Certified Accountants and

Chartered Tax Advisers

71 Knowl Piece

Wilbury Way

Hitchin

Hertfordshire

SG4 0TY

Approved by order of the board of trustees on 18 December 2023 and signed on its behalf by:

C H F Ng - Trustee

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
CHATS PALACE LIMITED**

Independent examiner's report to the trustees of Chats Palace Limited ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 March 2023.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under Section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under Section 145(5) (b) of the 2011 Act.

Independent examiner's statement

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:

1. accounting records were not kept in respect of the Company as required by Section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of Section 396 of the 2006 Act 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; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)).

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 accounts to be reached.



John Carroll FCCA CTA

Jones Hunt & Keelings
Chartered Certified Accountants and
Chartered Tax Advisers
71 Knowl Piece
Wilbury Way
Hitchin
Hertfordshire
SG4 0TY

18 December 2023

CHATS PALACE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Unrestricted fund £	Restricted fund £	2023 Total funds £	2022 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	29,277	65,360	94,637	96,002
Other trading activities	3	70,495	-	70,495	76,381
Investment income	4	49	-	49	-
Total		<u>99,821</u>	<u>65,360</u>	<u>165,181</u>	<u>172,383</u>
EXPENDITURE ON					
Raising funds		9,800	-	9,800	7,501
Charitable activities					
General		191,615	20,772	212,387	206,896
Rent		-	10,000	10,000	10,000
Total		<u>201,415</u>	<u>30,772</u>	<u>232,187</u>	<u>224,397</u>
NET INCOME/(EXPENDITURE)					
Transfers between funds	13	(101,594) <u>25,000</u>	34,588 <u>(25,000)</u>	(67,006) <u>-</u>	(52,014) <u>-</u>
Net movement in funds		(76,594)	9,588	(67,006)	(52,014)
RECONCILIATION OF FUNDS					
Total funds brought forward		118,831	4,554	123,385	175,399
TOTAL FUNDS CARRIED FORWARD		<u>42,237</u>	<u>14,142</u>	<u>56,379</u>	<u>123,385</u>

The notes form part of these financial statements

CHATS PALACE LIMITED

**BALANCE SHEET
31 MARCH 2023**

	Notes	Unrestricted fund £	Restricted fund £	2023 Total funds £	2022 Total funds £
FIXED ASSETS					
Tangible assets	9	8,569	-	8,569	11,425
CURRENT ASSETS					
Stocks	10	981	-	981	1,161
Debtors	11	35,975	-	35,975	20,421
Cash at bank		<u>15,261</u>	<u>14,142</u>	<u>29,403</u>	<u>117,557</u>
		52,217	14,142	66,359	139,139
CREDITORS					
Amounts falling due within one year	12	<u>(18,549)</u>	-	<u>(18,549)</u>	<u>(27,179)</u>
NET CURRENT ASSETS		<u>33,668</u>	<u>14,142</u>	<u>47,810</u>	<u>111,960</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>42,237</u>	<u>14,142</u>	<u>56,379</u>	<u>123,385</u>
NET ASSETS		<u><u>42,237</u></u>	<u><u>14,142</u></u>	<u><u>56,379</u></u>	<u><u>123,385</u></u>
FUNDS	13				
Unrestricted funds				42,237	118,831
Restricted funds				<u>14,142</u>	<u>4,554</u>
TOTAL FUNDS				<u><u>56,379</u></u>	<u><u>123,385</u></u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2023.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2023 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

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

The financial statements were approved by the Board of Trustees and authorised for issue on 18 December 2023 and were signed on its behalf by:

C H F Ng - Trustee

The notes form part of these financial statements

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

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements are prepared on a going concern basis and under the historical cost convention. A significant proportion of the charity's income is derived from grants. Consequently, the applicability of the going concern basis is contingent upon the continued support of the charity's supporters. 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 at least the next twelve months.

The presentation currency of the financial statements is the Pound Sterling (£). The principal accounting policies adopted are set out below.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a 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.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 25% on reducing balance
Computer equipment	- 25% on reducing balance

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

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

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

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

Significant judgements and estimates

Estimates and judgements are periodically evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The charity's significant accounting judgements and estimates are in respect of impairment of assets and depreciation.

Details of these judgements and estimates are described below:

- To determine whether there are indicators of impairment of the charity's tangible fixed assets. Factors taken into consideration include the economic viability and expected future financial performance of the asset and, where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

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

1. ACCOUNTING POLICIES - continued

Significant judgements and estimates

- Tangible fixed assets are depreciated over their useful lives, taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Financial instruments

The charity has elected to apply the provisions of Section 11 'Accounting for financial assets and financial liabilities' of Charities SORP (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

Basic financial assets, which include debtors, are initially measured at transaction price, including transaction costs, and are subsequently carried at amortised cost, using the effective interest method, unless the arrangement constitutes a financing transaction, when the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Grants

Income from grants, whether capital or revenue, is recognised when the charity has entitlement to the funds, any conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably.

2. DONATIONS AND LEGACIES

	2023	2022
	£	£
Donations	2,507	188
Grants	<u>92,130</u>	<u>95,814</u>
	<u>94,637</u>	<u>96,002</u>

Grants received, included in the above, are as follows:

	2023	2022
	£	£
London Borough of Hackney	40,961	40,000
London Legacy Development Corporation	25,000	20,000
Voice4Change England	-	21,826
City & Hackney Together Contact Point	-	13,988
Arts Council England	15,777	-
Unity Theatre Trust	600	-
Pipeline Investment Trust Grant	1,627	-
Walking and Cycling Grants London	4,665	-
The National Lottery Community Fund	<u>3,500</u>	-
	<u>92,130</u>	<u>95,814</u>

CHATS PALACE LIMITED

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

3. OTHER TRADING ACTIVITIES

	2023	2022
	£	£
Space hire	46,939	40,274
Bar income	23,556	15,219
Government Grants	<u>-</u>	<u>20,888</u>
	<u>70,495</u>	<u>76,381</u>

4. INVESTMENT INCOME

	2023	2022
	£	£
Bank interest received	<u>49</u>	<u>-</u>

5. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2023	2022
	£	£
Depreciation - owned assets	<u>2,856</u>	<u>3,808</u>

6. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2023 nor for the year ended 31 March 2022.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2023 nor for the year ended 31 March 2022.

7. STAFF COSTS

	2023	2022
	£	£
Wages and salaries	127,333	111,134
Social security costs	5,101	3,045
Other pension costs	<u>3,276</u>	<u>2,456</u>
	<u>135,710</u>	<u>116,635</u>

The average monthly number of employees during the year was as follows:

	2023	2022
Administration	3	3
Front of house	<u>7</u>	<u>7</u>
	<u>10</u>	<u>10</u>

No employees received emoluments in excess of £60,000.

CHATS PALACE LIMITED

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

8. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted fund £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	25,188	70,814	96,002
Other trading activities	<u>76,381</u>	<u>-</u>	<u>76,381</u>
Total	<u>101,569</u>	<u>70,814</u>	<u>172,383</u>
EXPENDITURE ON			
Raising funds	7,501	-	7,501
Charitable activities			
General	173,196	33,700	206,896
Rent	<u>-</u>	<u>10,000</u>	<u>10,000</u>
Total	<u>180,697</u>	<u>43,700</u>	<u>224,397</u>
NET INCOME/(EXPENDITURE)			
Transfers between funds	(79,128)	27,114	(52,014)
	<u>82,816</u>	<u>(82,816)</u>	<u>-</u>
Net movement in funds	3,688	(55,702)	(52,014)
RECONCILIATION OF FUNDS			
Total funds brought forward	115,143	60,256	175,399
	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL FUNDS CARRIED FORWARD	<u>118,831</u>	<u>4,554</u>	<u>123,385</u>

9. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 April 2022 and 31 March 2023	<u>61,737</u>	<u>29,466</u>	<u>91,203</u>
DEPRECIATION			
At 1 April 2022	52,101	27,677	79,778
Charge for year	<u>2,409</u>	<u>447</u>	<u>2,856</u>
At 31 March 2023	<u>54,510</u>	<u>28,124</u>	<u>82,634</u>
NET BOOK VALUE			
At 31 March 2023	<u>7,227</u>	<u>1,342</u>	<u>8,569</u>
At 31 March 2022	<u>9,636</u>	<u>1,789</u>	<u>11,425</u>

CHATS PALACE LIMITED

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

10. STOCKS

	2023	2022
	£	£
Stocks	<u>981</u>	<u>1,161</u>

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Other debtors	32,633	18,159
Prepayments and accrued income	<u>3,342</u>	<u>2,262</u>
	<u>35,975</u>	<u>20,421</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Social security and other taxes	2,078	3,049
Other creditors	7,299	10,179
Accrued expenses	<u>9,172</u>	<u>13,951</u>
	<u>18,549</u>	<u>27,179</u>

13. MOVEMENT IN FUNDS

	At 1.4.22	Net movement in funds	Transfers between funds	At 31.3.23
	£	£	£	£
Unrestricted funds				
General fund	118,831	(101,594)	25,000	42,237
Restricted funds				
Restricted funds	4,554	34,588	(25,000)	14,142
TOTAL FUNDS	<u>123,385</u>	<u>(67,006)</u>	<u>-</u>	<u>56,379</u>

Net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted funds			
General fund	99,821	(201,415)	(101,594)
Restricted funds			
Restricted funds	65,360	(30,772)	34,588
TOTAL FUNDS	<u>165,181</u>	<u>(232,187)</u>	<u>(67,006)</u>

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

13. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.4.21 £	Net movement in funds £	Transfers between funds £	At 31.3.22 £
Unrestricted funds				
General fund	115,143	(79,128)	82,816	118,831
Restricted funds				
Restricted funds	60,256	27,114	(82,816)	4,554
TOTAL FUNDS	<u>175,399</u>	<u>(52,014)</u>	<u>-</u>	<u>123,385</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	101,569	(180,697)	(79,128)
Restricted funds			
Restricted funds	70,814	(43,700)	27,114
TOTAL FUNDS	<u>172,383</u>	<u>(224,397)</u>	<u>(52,014)</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.4.21 £	Net movement in funds £	Transfers between funds £	At 31.3.23 £
Unrestricted funds				
General fund	115,143	(180,722)	107,816	42,237
Restricted funds				
Restricted funds	60,256	61,702	(107,816)	14,142
TOTAL FUNDS	<u>175,399</u>	<u>(119,020)</u>	<u>-</u>	<u>56,379</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	201,390	(382,112)	(180,722)
Restricted funds			
Restricted funds	136,174	(74,472)	61,702
TOTAL FUNDS	<u>337,564</u>	<u>(456,584)</u>	<u>(119,020)</u>

CHATS PALACE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023**

14. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2023.

CHATS PALACE LIMITED

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2023

	2023 £	2022 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	2,507	188
Grants	<u>92,130</u>	<u>95,814</u>
	94,637	96,002
Other trading activities		
Space hire	46,939	40,274
Bar income	23,556	15,219
Government Grants	<u>-</u>	<u>20,888</u>
	70,495	76,381
Investment income		
Bank interest received	<u>49</u>	<u>-</u>
Total incoming resources	165,181	172,383
EXPENDITURE		
Other trading activities		
Opening stock	1,161	1,181
Purchases	9,620	7,481
Closing stock	<u>(981)</u>	<u>(1,161)</u>
	9,800	7,501
Charitable activities		
Wages	127,333	111,134
Social security	5,101	3,045
Pensions	3,276	2,456
Rent, rates and water	11,776	10,255
Insurance	1,514	1,292
Light and heat	3,827	1,465
Telephone	2,778	2,380
Postage and stationery	767	2,474
Advertising and marketing	2,152	8,860
Sundries	492	527
Repairs and renewals	377	23,923
Cleaning	3,934	1,768
Subscriptions and membership	1,837	1,856
Licenses and royalties	844	2,095
Subcontractors	43,252	33,990
IT support and maintenance	3,653	-
Fixtures and fittings depreciation	2,409	3,212
Computer equipment depreciation	<u>447</u>	<u>596</u>
	215,769	211,328
Support costs		
Finance		
Bank and credit card charges	1,198	562

CHATS PALACE LIMITED

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2023**

	2023 £	2022 £
Finance		
Governance costs		
Accountancy fees	3,300	3,300
Professional fees	<u>2,120</u>	<u>1,706</u>
	<u>5,420</u>	<u>5,006</u>
Total resources expended	<u>232,187</u>	<u>224,397</u>
Net expenditure	<u>(67,006)</u>	<u>(52,014)</u>

CHATS PALACE LIMITED

England & Wales - Charity number 283680

Accounts

REGISTERED COMPANY NUMBER: 01587922 (England and Wales)
REGISTERED CHARITY NUMBER: 283680

**REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022
FOR
CHATS PALACE LIMITED**

Arithma Accountants Limited
9 Mansfield Street
London
W1G 9NY

CHATS PALACE LIMITED

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FOR THE YEAR ENDED 31 MARCH 2022**

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CHATS PALACE LIMITED
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2022. The trustees have adopted the provisions of 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

Objectives and aims

Summary of the objects of the Charity set out in its governing document

Chats Palace is governed by a memorandum of association. The objects for which the Company is registered are to "promote the benefit of inhabitants of particular neighbourhoods and areas in the United Kingdom without distinction of political, religious or other opinions by associating with local and other government authorities statutory and voluntary organisations and individuals in efforts to advance education, encourage the arts and to provide facilities in the interests of social welfare with the object of improving conditions of life for the said inhabitants and to establish, manage or assist with the establishing and management of community centres, arts centres, workshops, groups for educational play, deprived youth and old people in need and centres residential or otherwise for activities in furtherance of the objects of the Company and generally to promote, maintain, improve and advance education particularly "by the production and promotion of educational performances and exhibitions and the encouragement of the Arts."

Public benefit

The Trustees have considered the Charity Commission guidance on public benefit and considered that the activities of the Charity meet its charitable activities and provide a benefit to the public.

CHATS PALACE LIMITED
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Chats Palace Arts Centre was founded in 1976 from community-focused spirit of local, civic activism to provide arts & education opportunities for local people. We are a monument of community resilience expressed through culture: for more than 40yrs we have continued to honour this tradition with a governing body made up of local people & a programme that is socially engaged, accessible & invites debate. From our 2015 relaunch, our programme has engaged with our community in response to a growing appreciation of the wide-spread reduction in community-based, free-to-access resources designed to grow individual/collective creativity & wellbeing.

Chats Palace is based in Hackney, London's 6th most ethnically diverse borough (GLA DI 2017) & 11th (up from 2nd) most deprived borough (IMD 2015). It has the 4th highest level of child poverty in London, with 37% living below the poverty line. Yet there is strong feeling of community: Hackney Council's 2019 Report noted 9 of 10 residents view Hackney as a place where people from different backgrounds get on well together. Delivering participatory arts projects like Helen Chadwick's opera, Dalston Songs (2016), with its choir of local people, we agree that the collaborative ethos of our community is undeniable.

By offering outstanding cultural, educational, and social experiences for our community we are an exemplary model for future cultural venues. With 40,000 visits per year, the initial 3 years of our new programme (2015-18) has made a demonstrable contribution to the growth in cultural engagement in Hackney: ACE Active Lives Survey (2015-17) records Hackney's arts engagement figures with attendance and participation higher than national average: a 2010 ACE study profiled Hackney as having one of the country's lowest levels of adult arts engagement.

Post Covid-19

April to September 2021 was defined by a gradual shift from lockdown to a re-opened society. In parallel Chats Palace moved from remote access and digital to smaller in-person activities. The final step - the return to live, in-person performances - commenced in October 2021 with the relaunch of Chats Palace live music programme.

The impact of the government's December 2021 Plan B and the spread of Omicron had a devastating impact on this cautious but confident reopening plan:

Advance sales: from mid-December 2021 advance ticket sales dropped by 75%. This was in stark contrast with October-early December 2021, where events, including 5 live music gigs, ran at 100% capacity.

Halt in programming: promoter partners could not guarantee future programmed events will go ahead. Initially events remain on-sale, however this proved unsustainable for all parties and all planned promoter events through to April 2022 were pulled.

Guest Company/CIC hires: hires income stream in 2021 has increased with 25% of turnover coming from hires including rehearsal/ creation space for ACE funded projects. All hire enquiries halted mid-December 2021 and zero income was generated from hires between January to March 2022.

Job Retention Scheme

Chats Palace concluded its use of the Job Retention Scheme in June 2021. From 7 June 2021, the core staff team returned to office-based working.

Retail Hospitality and Leisure Grant

A one-off £4,000 payment of Government Plan B aid was received plus a top-up payment of £214 from London Borough of Hackney.

Digital Programme

June 2021: Virtual Stage launched with 3 commissions for 3 artist/s working in diverse music genres, each with an established strong connection to Chats Palace. From an emerging indie band to a string ensemble and a mature folk artist, each artist/s was live streamed from Chats Palace in June 2021 as part of this new Arts Council England supported digital music programme. By giving fresh exposure to artists/bands who historically had been given less stage time, we stimulated creative conversation and encouraged our audiences to engage with genres and artists they may previously have been unfamiliar with.

CHATS PALACE LIMITED
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022

Civic Programme

Chats Palace new civic programme - Homerton Assembly - was launched in Jan 2021. With a remit to support the poorest and most deprived people in an already deprived borough, Homerton Assembly has specific focus on areas in Homerton and South Hackney that are amongst top 10% most deprived in the country.

Project 1: Chats Palace was appointed one of two **Hackney Contact Points**, trusted by London Borough of Hackney and Public Health England to deliver their vital Covid-19 awareness strategy, tackling scams and misinformation, and encouraging take-up of the vaccine.

Project 2: Chats Palace was designated one of thirteen nationwide **Windrush Community Projects**. In August 2018, Hackney was the first council in the UK to pass a comprehensive motion regarding the Windrush generation. The Council also celebrates Windrush Day on 22 June - the date the ship HMT Empire Windrush landed at Tilbury Docks in 1948. The starting point for our project was the platform our Council has already created for the Windrush generation and using some of the Windrush source material already gathered in Hackney Archives. All 13 nationwide Windrush Community Projects were adversely affected by Omicron and project dates were extended to enable the group as whole to undertake a programme of smaller public events highlighting the Windrush Community Schemes.

Project 3: **The Palace Club**, for Hackney's residents over 65yrs, has become one of Chats Palace most valued civic programmes since its launch in 2018. The Palace Club relaunched in January 2022 after 21 months closure and is an important part of many of the participants social calendar, with many elders commenting that it is one of the only opportunities they have to socialise within the week. The majority of our elders live within walking distance of Chats Palace and have commented on how valuable it is to be able access an experience like the Palace Club on their doorstep. Many among them have mobility issues and travelling the distance to another similar activity in the area is simply not possible, making the Palace Club a truly invaluable resource.

"Thank you for a great morning. Loved the group, the activities, and the food."
Palace Club participant

Saturday Kid's Club

Every child has the right to a safe and happy childhood. In light of Covid-19 and its inevitable impacts on vulnerable children and young people across London, in November 2021 Chats Palace launched a new Saturday programme of live theatre and music performances offering affordable, accessible first theatre experience for children aged 0-8yrs and their families.

This programme was extended in February and March 2022 including new work from The Egg/ Theatre Royal Bath, Half Moon Theatre, Second Hand Dance and Norwich Puppet Theatre. An additional grant from London Borough of Hackney under the Hello Again Hackney banner, ensure that reduced ticket process offered to families across Hackney made this programme accessible to all.

The positive support this project received was overwhelming, with 518/ 77% tickets sold of 670 tickets available.

Breakdown by age range targeting:

- * 0-3 years: 1 show/2 performances - 130 tickets.
Both shows sold out/ overall 100% sales
- * 2-5 years: 1 show/2 performances - 120 tickets.
1 sold out show/ overall 79% sales
- * 3-8 years: 3 shows/6 performances - 360 tickets.
2 sold out shows/ overall 70% sales
- * 7+ years: 1 show/1 performance - 60 tickets.
35 tickets sold /58% sales

Postcode analysis confirms that 76% of tickets were booked by parents living at a Hackney postcode. Of this 76%, 70% were in Homerton postcodes suggesting that our audience was very local and in most cases resident within walking distance of our venue.

CHATS PALACE LIMITED
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022

We surveyed 98 parents who bought tickets for this programme and asked them to feedback on their experience.

* 71% of respondents said that the show they saw as 'Outstanding - I have not seen children's theatre this good before'

* 24% said the show was 'Good - this is the calibre of children's theatre I would expect from a venue that cared about young audiences.'

* 100% of respondents said that they would support Kids Club being a permanent fixture in our programme, seeing this as a benefit for them and the wider Homerton community.

We invited respondents to provide statements in support of our new programme:

'It is extremely rare to find creative, cultural activities for toddler on a Saturday, for us working parents that don't have the opportunity to take our kids to activities during week nursery hours. It's very rare to find theatre/performance for young toddlers, and I really hope this won't be the last chance. All parents of toddlers I know would love this activity.'

'Such a wonderful start to the weekend. And love how the shows target specific and varying age ranges. Very relaxed and enjoyable for all the family! THANK YOU!'

'This is a wonderful venue, and children have a huge appetite for theatre and exploring their imagination through music, art, and dance. It is great to be able to do that in our local neighbourhood.'

'This sort of thing is hugely important in fostering a sense of community - it was really heart-warming to be at a stellar play with my little boy moments from our house.'

FINANCIAL REVIEW

Reserves policy

Chats Palace's reserves policy is to hold three months of expenditure in unrestricted funds, not invested in fixed assets. From 2017 we have seen continued, positive movement in the diversification and hence sustainability of Chats Palace finances. Leading up to March 2020, Chats Palace Board had continued to work steadily to achieve and maintain this policy through the development of a more robust business model.

The events of 2020/21 and the impact of the Covid-19 pandemic clearly demonstrated that in the short-term our reserves fund needs to be greater in order to protect Chats Palace against the negative impact of further interruptions to business continuity. After our closure in March 2020, our reserve funds were exhausted by May 2020. We have therefore allocated funds to reinflate our reserves through an operational reserves fund of £50,000. We have successfully maintained this level of cash reserves through to year end 2022. This secures Chats Palace stability as we move forward into the new financial year.

In order to support the further implementation of our capital development strategy in partnership with London Borough of Hackney, Chats Palace Board have also elected to create a new designated fund. The reserves held in the 'Capital Development Fund' will be used to finance our feasibility study, to be commissioned in the period to 31 March 2023:

Designated Funds:

Operational Reserve £50,000

Capital Development Fund £35,000

CHATS PALACE LIMITED
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022

FINANCIAL REVIEW

Funding

London Borough of Hackney supports Chats Palace with a Specialist Grant of £35,000 p/annum, which includes a restricted fund element of £10,000 p/annum to be repaid to London Borough of Hackney as rent. This grant commenced in April 2018 for a two-year period ending March 2020 and was extended by a further three years to March 2023. We would like to acknowledge the support of London Borough of Hackney who continue to support Chats Palace with payment of this grant during successive National and local lockdowns to reopening in October 2021.

We were pleased to progress in our lease discussions with London Borough of Hackney in its capacity as our landlord, and in translating the agreed Memorandum of Understanding into the desired outcome of a longer lease, enabling Chats Palace to plan a capital development plan of this heritage site. A new three-year lease was issued in June 2020, taking the Charity forward to the next step in delivery of our Capital Strategy. In 2021/22 Chats Palace received the statutory business rates relief of 80% in addition to the discretionary 20% rates relief offered by London Borough of Hackney.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Risk management

The Trustees have considered the risks to which the Charity is exposed and have reviewed those risks, establishing systems and procedures to manage them. Under our current business plan (2018-22/extended due to National Lockdowns 2020-2021), we are developing the Charity on a sustainable financial platform that maintains our current levels of income (with only a notional growth target) over the period to the financial year ending 31 March 2022. At the end of that period, the Trustees will seek to reassess the growth target in light of circumstances at the time.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

01587922 (England and Wales)

Registered Charity number

283680

Registered office

42-44 Brooksby's Walk
London
E9 6DF

Trustees


G D Bridgewood
J May
C H F Ng
R S Norton-Hale
I D Rathbone
R Rennison (resigned 26.4.22)

Independent Examiner

Arithma Accountants Limited
9 Mansfield Street
London
W1G 9NY

Approved by order of the board of trustees on 15 December 2022 and signed on its behalf by:

CHATS PALACE LIMITED
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022



C H F Ng - Trustee

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
CHATS PALACE LIMITED**

Independent examiner's report to the trustees of Chats Palace Limited ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 March 2022.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under Section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under Section 145(5) (b) of the 2011 Act.

Independent examiner's statement

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:

1. accounting records were not kept in respect of the Company as required by Section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of Section 396 of the 2006 Act 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; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)).

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 accounts to be reached.

Arithma Accountants Limited

Narendrakumar K Mistry
ICAEW
Arithma Accountants Limited
9 Mansfield Street
London
W1G 9NY

15 December 2022

CHATS PALACE LIMITED

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2022**

	Notes	Unrestricted fund £	Restricted fund £	2022 Total funds £	2021 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	25,188	70,814	96,002	256,495
Other trading activities	3	76,381	-	76,381	98,000
Total		<u>101,569</u>	<u>70,814</u>	<u>172,383</u>	<u>354,495</u>
EXPENDITURE ON					
Raising funds		7,501	-	7,501	2,814
Charitable activities					
General		173,196	33,700	206,896	162,093
Rent		-	10,000	10,000	10,000
Total		<u>180,697</u>	<u>43,700</u>	<u>224,397</u>	<u>174,907</u>
NET INCOME/(EXPENDITURE)					
Transfers between funds	12	(79,128)	27,114	(52,014)	179,588
		<u>82,816</u>	<u>(82,816)</u>	-	-
Net movement in funds		3,688	(55,702)	(52,014)	179,588
RECONCILIATION OF FUNDS					
Total funds brought forward		115,143	60,256	175,399	(4,189)
TOTAL FUNDS CARRIED FORWARD		<u><u>118,831</u></u>	<u><u>4,554</u></u>	<u><u>123,385</u></u>	<u><u>175,399</u></u>

The notes form part of these financial statements

CHATS PALACE LIMITED

**BALANCE SHEET
31 MARCH 2022**

	Notes	Unrestricted fund £	Restricted fund £	2022 Total funds £	2021 Total funds £
FIXED ASSETS					
Tangible assets	8	11,425	-	11,425	12,950
CURRENT ASSETS					
Bar stock	9	1,161	-	1,161	1,181
Debtors	10	20,421	-	20,421	17,476
Cash at bank		113,003	4,554	117,557	154,868
		<u>134,585</u>	<u>4,554</u>	<u>139,139</u>	<u>173,525</u>
CREDITORS					
Amounts falling due within one year	11	(27,179)	-	(27,179)	(11,076)
		<u>107,406</u>	<u>4,554</u>	<u>111,960</u>	<u>162,449</u>
NET CURRENT ASSETS					
		<u>118,831</u>	<u>4,554</u>	<u>123,385</u>	<u>175,399</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>118,831</u>	<u>4,554</u>	<u>123,385</u>	<u>175,399</u>
NET ASSETS					
		<u>118,831</u>	<u>4,554</u>	<u>123,385</u>	<u>175,399</u>
FUNDS					
	12			118,831	115,143
Unrestricted funds				4,554	60,256
Restricted funds				<u>123,385</u>	<u>175,399</u>
TOTAL FUNDS					

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2022.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2022 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

The notes form part of these financial statements

CHATS PALACE LIMITED

BALANCE SHEET - continued
31 MARCH 2022

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

The financial statements were approved by the Board of Trustees and authorised for issue on 15 December 2022 and were signed on its behalf by:

A handwritten signature in black ink, appearing to be 'C H F Ng', written in a cursive style.

C H F Ng - Trustee

The notes form part of these financial statements

CHATS PALACE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1. ACCOUNTING POLICIES

BASIS OF PREPARING THE FINANCIAL STATEMENTS

The financial statements of the charitable company have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective 1 January 2015) and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

INCOME

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

EXPENDITURE

Liabilities are recognised as expenditure as soon as there is a 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.

TANGIBLE FIXED ASSETS

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 25% on reducing balance
Computer equipment	- 25% on reducing balance

STOCKS

Bar stock are valued at the lower of cost and estimated selling price less costs to sell.

TAXATION

The charity is exempt from corporation tax on its charitable activities.

FUND ACCOUNTING

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

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

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

PENSION COSTS AND OTHER POST-RETIREMENT BENEFITS

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

CHATS PALACE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**

2. DONATIONS AND LEGACIES

	2022	2021
	£	£
Donations	188	11,059
Grants	95,814	245,436
	<u>96,002</u>	<u>256,495</u>
Grants received:	2022	2021
	£	£
London Borough of Hackney	40,000	35,000
London Legacy Development Corporation	20,000	-
Voice4Change England	21,826	-
Art Council England	-	141,326
Power to Change	-	58,315
City & Hackney Together Contact Point	13,988	5,995
London Catalyst	-	2,000
The Childhood Trust	-	1,300
Sylvia Waddilove Foundation Grant	-	1,000
Tesco Bags of Help Covid 19 Community Fund	-	500
	<u>95,814</u>	<u>245,436</u>

3. OTHER TRADING ACTIVITIES

	2022	2021
	£	£
Space Hire	40,274	3,054
Bar income	15,219	-
Insurance Compensation (Emergency Action)	-	25,000
Government Grants	20,888	69,946
	<u>76,381</u>	<u>98,000</u>

4. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2022	2021
	£	£
Depreciation - owned assets	<u>3,808</u>	<u>4,317</u>

CHATS PALACE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**

5. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2022 nor for the year ended 31 March 2021.

TRUSTEES' EXPENSES

There were no trustees' expenses paid for the year ended 31 March 2022 nor for the year ended 31 March 2021.

6. STAFF COSTS

	2022	2021
	£	£
Wages and salaries	111,134	96,953
Social security costs	3,045	1,717
Other pension costs	2,456	1,871
	<u>116,635</u>	<u>100,541</u>

The average monthly number of employees during the year was as follows:

	2022	2021
Administration	3	3
Front of house	7	7
	<u>10</u>	<u>10</u>

No employees received emoluments in excess of £60,000.

7. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted fund £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	34,339	222,156	256,495
Other trading activities	98,000	-	98,000
Total	<u>132,339</u>	<u>222,156</u>	<u>354,495</u>
EXPENDITURE ON			
Raising funds	2,814	-	2,814
Charitable activities			
General	158,713	3,380	162,093
Rent	-	10,000	10,000
Total	<u>161,527</u>	<u>13,380</u>	<u>174,907</u>
NET INCOME/(EXPENDITURE)	(29,188)	208,776	179,588
Transfers between funds	151,900	(151,900)	-
Net movement in funds	<u>122,712</u>	<u>56,876</u>	<u>179,588</u>

CHATS PALACE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**

7. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued	Unrestricted fund £	Restricted fund £	Total funds £
RECONCILIATION OF FUNDS			
Total funds brought forward	(7,569)	3,380	(4,189)
TOTAL FUNDS CARRIED FORWARD	115,143	60,256	175,399
8. TANGIBLE FIXED ASSETS	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 April 2021	59,672	29,248	88,920
Additions	2,065	218	2,283
At 31 March 2022	61,737	29,466	91,203
DEPRECIATION			
At 1 April 2021	48,889	27,081	75,970
Charge for year	3,212	596	3,808
At 31 March 2022	52,101	27,677	79,778
NET BOOK VALUE			
At 31 March 2022	9,636	1,789	11,425
At 31 March 2021	10,783	2,167	12,950
9. BAR STOCK		2022 £	2021 £
Stocks		1,161	1,181
10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		2022 £	2021 £
Other debtors		18,159	14,134
Prepayments and accrued income		2,262	3,342
		20,421	17,476

CHATS PALACE LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Social security and other taxes	3,049	-
Other creditors	10,179	1,388
Accrued expenses	13,951	9,688
	<u>27,179</u>	<u>11,076</u>

12. MOVEMENT IN FUNDS

	At 1.4.21 £	Net movement in funds £	Transfers between funds £	At 31.3.22 £
Unrestricted funds				
General fund	115,143	(79,128)	82,816	118,831
Restricted funds				
Restricted funds	60,256	27,114	(82,816)	4,554
TOTAL FUNDS	<u>175,399</u>	<u>(52,014)</u>	<u>-</u>	<u>123,385</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	101,569	(180,697)	(79,128)
Restricted funds			
Restricted funds	70,814	(43,700)	27,114
TOTAL FUNDS	<u>172,383</u>	<u>(224,397)</u>	<u>(52,014)</u>

Comparatives for movement in funds

	At 1.4.20 £	Net movement in funds £	Transfers between funds £	At 31.3.21 £
Unrestricted funds				
General fund	(7,569)	(29,188)	151,900	115,143
Restricted funds				
Restricted funds	3,380	208,776	(151,900)	60,256
TOTAL FUNDS	<u>(4,189)</u>	<u>179,588</u>	<u>-</u>	<u>175,399</u>

CHATS PALACE LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

12. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	132,339	(161,527)	(29,188)
Restricted funds			
Restricted funds	222,156	(13,380)	208,776
TOTAL FUNDS	<u>354,495</u>	<u>(174,907)</u>	<u>179,588</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.4.20 £	Net movement in funds £	Transfers between funds £	At 31.3.22 £
Unrestricted funds				
General fund	(7,569)	(108,316)	234,716	118,831
Restricted funds				
Restricted funds	3,380	235,890	(234,716)	4,554
TOTAL FUNDS	<u>(4,189)</u>	<u>127,574</u>	<u>-</u>	<u>123,385</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	233,908	(342,224)	(108,316)
Restricted funds			
Restricted funds	292,970	(57,080)	235,890
TOTAL FUNDS	<u>526,878</u>	<u>(399,304)</u>	<u>127,574</u>

CHATS PALACE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**

13. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2022.

CHATS PALACE LIMITED

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2022**

	2022 £	2021 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	188	11,059
Grants	95,814	245,436
	96,002	256,495
Other trading activities		
Space Hire	40,274	3,054
Bar income	15,219	-
Insurance Compensation (Emergency Action)	-	25,000
Government Grants	20,888	69,946
	76,381	98,000
Total incoming resources	172,383	354,495
EXPENDITURE		
Other trading activities		
Opening stock	1,181	2,145
Purchases	7,481	591
Bad debts	-	1,259
Closing stock	(1,161)	(1,181)
	7,501	2,814
Charitable activities		
Wages	111,134	96,953
Social security	3,045	1,717
Pensions	2,456	1,871
Rent, rates and water	10,255	10,621
Insurance	1,292	1,303
Light and heat	1,465	3,033
Telephone	2,380	2,437
Postage and stationery	2,474	142
Advertising and marketing	8,860	3,624
Sundries	527	113
Repairs and renewals	23,923	14,714
Cleaning	1,768	1,329
Subscriptions and membership	1,856	968
Licenses and royalties	2,095	1,888
Subcontractors	33,990	23,006
Fixtures and fittings depreciation	3,212	3,595
Computer equipment depreciation	596	722
	211,328	168,036

This page does not form part of the statutory financial statements

CHATS PALACE LIMITED

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2022**

	2022 £	2021 £
Support costs		
Finance		
Bank and credit card charges	562	84
Governance costs		
Accountancy fees	3,300	2,520
Professional fees	1,706	1,453
	5,006	3,973
Total resources expended	224,397	174,907
Net (expenditure)/income	(52,014)	179,588

This page does not form part of the statutory financial statements

CHATS PALACE LIMITED

England & Wales - Charity number 283680

Accounts

REGISTERED COMPANY NUMBER: 01587922 (England and Wales)
REGISTERED CHARITY NUMBER: 283680

**REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020
FOR
CHATS PALACE LIMITED**

Arithma Accountants Limited
9 Mansfield Street
London
W1G 9NY

CHATS PALACE LIMITED

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

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**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2020**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2020. The trustees have adopted the provisions of 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

Objectives and aims

Summary of the objects of the Charity set out in its governing document

Chats Palace is governed by a memorandum of association. The objects for which the Company is registered are to "promote the benefit of inhabitants of particular neighbourhoods and areas in the United Kingdom without distinction of political, religious or other opinions by associating with local and other government authorities statutory and voluntary organisations and individuals in efforts to advance education, encourage the arts and to provide facilities in the interests of social welfare with the object of improving conditions of life for the said inhabitants and to establish, manage or assist with the establishing and management of community centres, arts centres, workshops, groups for educational play, deprived youth and old people in need and centres residential or otherwise for activities in furtherance of the objects of the Company and generally to promote, maintain, improve and advance education particularly "by the production and promotion of educational performances and exhibitions and the encouragement of the Arts."

Public benefit

The Trustees have considered the Charity Commission guidance on public benefit and considered that the activities of the Charity meet its charitable activities and provide a benefit to the public.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2020

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Chats Palace is based in Hackney, London's 6th most ethnically diverse borough (GLA DI 2017) and 11th (up from 2nd) most deprived borough in the country (IMD 2015). It has 4th highest level of child poverty in London, with over 37% living below the poverty line. Yet there is strong feeling of community: Hackney Council's 2019 Report noted 9 out of 10 residents view Hackney as a place where people from different backgrounds get on well together.

At Chats Palace we are passionate about artists and the role they play in strengthening this distinctive, vibrant community. By offering outstanding artistic experiences for our community and operating as a robust social enterprise, we present an exemplary model for future cultural venues. With 40,000 visits per year, our commitment to showcasing cross-artform creative collaboration, performance and debate has made a demonstrable contribution to the growth in artistic engagement in Hackney: ACE Active Lives Survey (2015-17) records Hackney arts engagement figures with attendance and participation significantly higher than national average: in 2010 ACE study profiles Hackney as having one of the country's lowest levels of adult arts engagement.

Our key focus areas are with those who are marginalised, excluded or without a voice; working in partnership we devise and deliver projects that combine artistic and social interaction to engender positive, life-long change. Our programme builds on strong foundations with an artist-led creative plan that attracts new audiences, encourages participation, and stimulates creative and professional development.

In 2019/20 our headline achievements included a growing number of in-house produced live events, professional development opportunities and events presented for specific target audiences:

- As a grassroots music venue our programme went from strength to strength. We worked with 4 local and 1 national music promoters, hosting performances by ground-breaking London artists - Jerkcurb, Sophie Jamieson, I Told You I Would Eat You. International artists included Major Parkinson (Sweden) & Lady Lamb (USA). Jarvis Cocker debuted his new band Jarv Is at Chats Palace in May 2019.

- As a theatre for political and civically-minded performance we expanded our professional development work with a new showcase, Bad Fruit. Its 3 editions (May/Sept & Dec) invited 30 established artists to take over our building to try out cutting-edge new work in front of a live audience. Through our new BAME Artists residency programme we offered free and/or subsidised space often with technical support for several artists including Seeta Patel & Seke Chimutengwende.

- As a destination for local families we programmed **Crowded** an exciting collaboration by Half Moon TC, UK's leading small-scale young people's company (2017 Off West End Award winner for Best Production for Young People Aged 13+) and Apples and Snakes, England's leading spoken word poetry organisation. Developed in direct response to the growing number of teenagers in the UK struggling with their mental health, **Crowded** was a powerful story about the hidden desires and anxieties of young people. We were thrilled that the entire audience remained after the show, for a deeply personal Q & A with company and creatives.

- As a space for young artists with disabilities we continued to play our valued role in Hackney Carnival Collective, hosting Access All Areas and Hackney Shed's joint Hackney Carnival Collective 2019 summer school. Engaging local young people 16 - 25yrs with learning difficulties/disabilities, this two-week residency was a wonderful, fun opportunity to work with professional artists on creating music, movement and costume.

Our work with local Elders continues to be a key priority area, with project funding for 2 2019/20 terms from London Legacy Corporation Neighbourhood Priorities Fund, London City Airport Community Fund, Loughborough University London Open Fund and Magic Little Grants. According to Age UK, more than 2 million people in England aged 75+ live alone, and more than a million older people say they go for over a month without speaking to friends, neighbours, or family. From short term benefits around enjoyment of a shared social event to longer term impact on mental health and wellbeing, we created The Palace Club as the best way to assist our local Elders (aged 65+ years) in becoming more physically, creatively and socially active and engaged.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2020**

We were delighted to continue our participation in the official programme for architecture festival, **London Open House 2019**. Over a weekend in September 400+ visitors came for guided tours and to enjoy a new exhibition by local photographer and art director, Gillian Hyland. Hyland published her first fine art series 'Words in Sight' in 2014; since then her photographs have been exhibited around the world most recently with solo shows in London (After Nyne Gallery & Amar Gallery), Rome (Mucciaccia Contemporary), Lisbon (Palacio Galveias) and Sydney (Head on Photo Festival). This Chats Palace exhibition was her first invitation to exhibit her work in her local east London community.

Queen Mary University of London (QMUL) continued using Chats Palace as their base for delivery of their performing arts module in academic year 19/20. We were disappointed to learn from **Guildhall School of Music and Drama (GSMD)** of their decision to conclude teaching their community performing arts module. This placed a temporarily suspension on their relationship with Chats Palace with no presentation of their annual student Dialogue Festival.

These specialist projects have been delivered against a backdrop of a regular participatory arts and health & wellbeing classes programme. Running April to March, this programme offered between 25 to 34 affordable classes each week for local people, delivered by local practitioners and small CIC businesses.

FINANCIAL REVIEW

Reserves policy

To date Chats Palace's reserves policy has been to hold three months of expenditure in unrestricted funds, not invested in fixed assets. 2019/20 saw continued, positive movement in the diversification and hence sustainability of Chats Palace finances. Chats Palace Board continues to work steadily to maintain this policy in the confident belief that through the development of a more robust business model, in the future our reserves policy will be more realistic.

Funding & Expenditure

London Borough of Hackney supports Chats Palace with a Specialist Grant of £35,000 p/annum, which includes a restricted fund element of £10,000 p/annum to be repaid to London Borough of Hackney as rent. This grant commenced in April 2018 for a two-year period ending March 2020 and was extended by a further year to March 2021. We were pleased to progress in our lease discussions with London Borough of Hackney in its capacity as our Landlord, and in translating the agreed Memorandum of Understanding into the desired outcome of a longer lease, enabling Chats Palace to plan a capital development plan of this heritage site. In 2019/20 Chats Palace received the statutory business rates relief of 80% in addition to the discretionary 20% rates relief offered by London Borough of Hackney.

Restricted fund project grants were received from London Legacy Corporation Neighbourhood Priorities Fund (£9,500), London City Airport Community Fund (£2,500), Loughborough University London Open Fund (£1,000) and Magic Little Grants Small Grants Fund (£500).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Risk management

The Trustees have considered the risks to which the Charity is exposed and have reviewed those risks, establishing systems and procedures to manage them. Under our current business plan (2018-21) we are developing the Charity on a sustainable financial platform that maintains our current levels of income (with only a notional growth target) over the period to the financial year ending 31 March 2021. At the end of that period, the Trustees will seek to reassess the growth target in light of circumstances at the time.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

01587922 (England and Wales)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2020

Registered Charity number

283680

Registered office

42-44 Brooksby's Walk
London
E9 6DF

Trustees

G D Bridgewood
G F Holland Groen (resigned 2.1.20)
J May
C H F Ng
R S Norton-Hale
I D Rathbone
R Rennison

Independent Examiner

Arithma Accountants Limited
9 Mansfield Street
London
W1G 9NY

Approved by order of the board of trustees on 8 September 2020 and signed on its behalf by:

R Rennison - Trustee

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
CHATS PALACE LIMITED**

Independent examiner's report to the trustees of Chats Palace Limited ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 March 2020.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

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:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act 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; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)).

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 accounts to be reached.

Narendrakumar K Mistry
ICAEW
Arithma Accountants Limited
9 Mansfield Street
London
W1G 9NY

8 September 2020

CHATS PALACE LIMITED

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2020**

	Notes	Unrestricted fund £	Restricted fund £	2020 Total funds £	2019 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies		35,355	23,500	58,855	59,595
Other trading activities	2	143,601	-	143,601	131,568
Total		178,956	23,500	202,456	191,163
EXPENDITURE ON					
Raising funds		16,729	-	16,729	15,871
Charitable activities					
General		160,869	-	160,869	156,833
Rent		-	10,000	10,000	10,000
The Palace Club		-	10,120	10,120	-
Total		177,598	20,120	197,718	182,704
NET INCOME		1,358	3,380	4,738	8,459
RECONCILIATION OF FUNDS					
Total funds brought forward		(8,927)	-	(8,927)	(17,386)
TOTAL FUNDS CARRIED FORWARD		(7,569)	3,380	(4,189)	(8,927)

The notes form part of these financial statements

CHATS PALACE LIMITED (REGISTERED NUMBER: 01587922)

**BALANCE SHEET
31 MARCH 2020**

	Notes	Unrestricted fund £	Restricted fund £	2020 Total funds £	2019 Total funds £
FIXED ASSETS					
Tangible assets	7	1,685	-	1,685	650
CURRENT ASSETS					
Bar stock	8	2,145	-	2,145	819
Debtors	9	5,751	3,380	9,131	10,334
Cash at bank		209	-	209	772
		<u>8,105</u>	<u>3,380</u>	<u>11,485</u>	<u>11,925</u>
CREDITORS					
Amounts falling due within one year	10	(17,359)	-	(17,359)	(21,502)
		<u>(17,359)</u>	<u>-</u>	<u>(17,359)</u>	<u>(21,502)</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>(9,254)</u>	<u>3,380</u>	<u>(5,874)</u>	<u>(9,577)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(7,569)</u>	<u>3,380</u>	<u>(4,189)</u>	<u>(8,927)</u>
NET ASSETS/(LIABILITIES)		<u>(7,569)</u>	<u>3,380</u>	<u>(4,189)</u>	<u>(8,927)</u>
FUNDS					
	11				
Unrestricted funds				(7,569)	(8,927)
Restricted funds				3,380	-
TOTAL FUNDS				<u>(4,189)</u>	<u>(8,927)</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2020.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2020 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

The notes form part of these financial statements

**BALANCE SHEET - continued
31 MARCH 2020**

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

The financial statements were approved by the Board of Trustees and authorised for issue on 8 September 2020 and were signed on its behalf by:

R Rennison - Trustee

CHATS PALACE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

1. ACCOUNTING POLICIES

BASIS OF PREPARING THE FINANCIAL STATEMENTS

The financial statements of the charitable company have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective 1 January 2015) and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

INCOME

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

EXPENDITURE

Liabilities are recognised as expenditure as soon as there is a 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.

TANGIBLE FIXED ASSETS

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 25% on reducing balance
Computer equipment	- 25% on reducing balance

STOCKS

Bar stock are valued at the lower of cost and estimated selling price less costs to sell.

TAXATION

The charity is exempt from corporation tax on its charitable activities.

FUND ACCOUNTING

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

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

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

PENSION COSTS AND OTHER POST-RETIREMENT BENEFITS

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

CHATS PALACE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020**

2. OTHER TRADING ACTIVITIES

	2020	2019
	£	£
Space Hire	95,236	83,012
Box office	6,700	4,855
Bar income	41,665	43,701
	<u>143,601</u>	<u>131,568</u>

3. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2020	2019
	£	£
Depreciation - owned assets	561	216
	<u>561</u>	<u>216</u>

4. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2020 nor for the year ended 31 March 2019.

TRUSTEES' EXPENSES

There were no trustees' expenses paid for the year ended 31 March 2020 nor for the year ended 31 March 2019.

5. STAFF COSTS

	2020	2019
	£	£
Wages and salaries	110,305	107,405
Social security costs	3,447	3,366
Other pension costs	2,107	1,596
	<u>115,859</u>	<u>112,367</u>

The average monthly number of employees during the year was as follows:

	2020	2019
Administration	4	3
Front of house	8	11
	<u>12</u>	<u>14</u>

No employees received emoluments in excess of £60,000.

CHATS PALACE LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020

6. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted fund £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	49,595	10,000	59,595
Other trading activities	131,568	-	131,568
Total	181,163	10,000	191,163
EXPENDITURE ON			
Raising funds	15,871	-	15,871
Charitable activities			
General	156,833	-	156,833
Rent	-	10,000	10,000
Total	172,704	10,000	182,704
NET INCOME	8,459	-	8,459
RECONCILIATION OF FUNDS			
Total funds brought forward	(17,386)	-	(17,386)
TOTAL FUNDS CARRIED FORWARD	(8,927)	-	(8,927)

7. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 April 2019	45,531	26,211	71,742
Additions	661	935	1,596
At 31 March 2020	46,192	27,146	73,338
DEPRECIATION			
At 1 April 2019	44,995	26,097	71,092
Charge for year	299	262	561
At 31 March 2020	45,294	26,359	71,653
NET BOOK VALUE			
At 31 March 2020	898	787	1,685
At 31 March 2019	536	114	650

CHATS PALACE LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020

8. BAR STOCK		2020	2019
		£	£
Stocks		<u>2,145</u>	<u>819</u>
9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		2020	2019
		£	£
Other debtors		6,175	6,039
Prepayments and accrued income		<u>2,956</u>	<u>4,295</u>
		<u>9,131</u>	<u>10,334</u>
10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		2020	2019
		£	£
Social security and other taxes		4,570	6,571
Other creditors		7,283	8,938
Accrued expenses		<u>5,506</u>	<u>5,993</u>
		<u>17,359</u>	<u>21,502</u>
11. MOVEMENT IN FUNDS		Net movement	At
	At 1.4.19	in funds	31.3.20
	£	£	£
Unrestricted funds			
General fund	(8,927)	1,358	(7,569)
Restricted funds			
Restricted funds	-	3,380	3,380
TOTAL FUNDS	<u>(8,927)</u>	<u>4,738</u>	<u>(4,189)</u>
Net movement in funds, included in the above are as follows:			
	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted funds			
General fund	178,956	(177,598)	1,358
Restricted funds			
Restricted funds	23,500	(20,120)	3,380
TOTAL FUNDS	<u>202,456</u>	<u>(197,718)</u>	<u>4,738</u>

CHATS PALACE LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020

11. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.4.18 £	Net movement in funds £	At 31.3.19 £
Unrestricted funds			
General fund	(17,386)	8,459	(8,927)
TOTAL FUNDS	<u>(17,386)</u>	<u>8,459</u>	<u>(8,927)</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	181,163	(172,704)	8,459
Restricted funds			
Restricted funds	10,000	(10,000)	-
TOTAL FUNDS	<u>191,163</u>	<u>(182,704)</u>	<u>8,459</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.4.18 £	Net movement in funds £	At 31.3.20 £
Unrestricted funds			
General fund	(17,386)	9,817	(7,569)
Restricted funds			
Restricted funds	-	3,380	3,380
TOTAL FUNDS	<u>(17,386)</u>	<u>13,197</u>	<u>(4,189)</u>

CHATS PALACE LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020

11. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	360,119	(350,302)	9,817
Restricted funds			
Restricted funds	33,500	(30,120)	3,380
TOTAL FUNDS	<u>393,619</u>	<u>(380,422)</u>	<u>13,197</u>

12. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2020.