

Charity registration number 1165519

CHEQUER MEAD ARTS AND COMMUNITY TRUST
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

CHEQUER MEAD ARTS AND COMMUNITY TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Cllr. F Osborne (ex-chairman)	
	Cllr. J A Mockford	
	S G Cole (independent)	
	Cllr. H Farren (Chairman)	
	N S Gibson (independent/Treasurer)	
	Cllr D Duly	(Appointed 25 May 2022)
	Cllr S Barnett	(Appointed 24 May 2023)
	Cllr T Hughes	(Appointed 24 May 2023)

Charity number 1165519

Registered office Chequer Mead Theatre
De La Warr Road
East Grinstead
RH19 3BS

Independent examiner Darren Harding ACA FCCA DChA
Richard Place Dobson Services Limited
1-7 Station Road
Crawley
West Sussex
RH10 1HT

CHEQUER MEAD ARTS AND COMMUNITY TRUST

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CHEQUER MEAD ARTS AND COMMUNITY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The trustees present their annual report and financial statements for the year ended 31 March 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's [governing document], the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

The Charity's objects are:

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

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

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

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

Activities

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

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

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

CHEQUER MEAD ARTS AND COMMUNITY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

The annual Christmas pantomime remains Chequer Mead's flagship event, from both a financial and a community perspective. Following the enormous success of the first full in-house production, 'Jack and the Beanstalk', the Trustees decided to continue with in-house pantomime productions, and the December 2022 pantomime, 'Aladdin', was even more successful than Jack and the Beanstalk, generating revenue materially higher than even the last pre-pandemic pantomime, Cinderella, with a very high level of complimentary and positive feedback from the local community. As in previous years, a 'relaxed performance' was included, aimed at those in our community who benefit from a quieter performance.

Musical highlights of the year included the monthly East Grinstead Jazz Club, The Carpenters Experience, Show of Hands, Shakatak, T.Rextasy, The Drifters, The Unthanks, Steeleye Span, Dynamo Quartet, Seth Lakeman, and Ralph McTell; comedy shows featured high profile performers Gary Delaney, Suzi Ruffell, Mark Watson, and Hal Cruttend-en; and Psychic Sally. During the year, the well-attended 'West End Cabaret Club' performances continued and sold well. East Grinstead Comedy Club was started as a co-production between the Trust and Rangatainment (Romesh Ranganathan's family). The monthly performances are selling well and continue to go from strength to strength.

The Apron Bar and Coffee House started trading in September 2019 as an in-house subsidiary trading company to provide an integrated and informal structure for the provision of hot beverages, catering and bar operations, for events and as a community provision at other times. Profits generated by the trading company are gifted to the Trust as a charitable donation. The Trustees are delighted with the performance of the trading company, which finished the year 2022-2023 with a gross profit of £42,052 before the donation to the CIO (previous year a trading profit of £22,922). After allowance for taxes, a donation of £40,990 was made to the CIO by the trading subsidiary following the year end (previous year a donation of £9,565).

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

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

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

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

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

We are delighted that 77% of those who attended events were happy to use e-tickets for entry, and we anticipate this figure will climb.

Volunteers and Friends

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

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

CHEQUER MEAD ARTS AND COMMUNITY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Achievements and performance

General Manager and staffing

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

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

Capital Investment and building works

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

Marketing and branding

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

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

Online sales for the year reached 74% of all sales for the year, which was almost identical to the previous year, and now seems a continuing trend post-pandemic.

Financial review

During the year the Trust made a loss of £14,193 after the donation received from the trading company (previous year's loss £35,832 before the post-year end donation of £9,565 from the trading company). This continues the trend as seen in the previous year's accounts towards becoming profitable again.

During the year, following the 2021-22 audit, our auditors recommended that the CIO trustees formally appoint one of their number as Treasurer. After due consideration, Nick Gibson (independent) was voted into the role.

The building has unavoidable base-line costs, whether or not revenue is generated from events, from mandatory maintenance to insurance. The installation of solar panels continues to help to defray energy costs during the financial year and going forward, which is of some help in current circumstances. The Trustees are grateful to East Grinstead Town Council for their continued support and annual grant. Chequer Mead normally receives no other grants that support core running costs and has to earn income to enable the theatre to be self-supporting in normal times.

The Trust will continue to make applications to grant funding bodies to improve our existing facilities. Project funding will also be pursued to continue our programme of arts development and youth projects which were proving a popular addition to our work. During the previous year Chequer Mead had received £68,125 in grant funding from Mid Sussex District Council for the toilet refurbishment project, which has now been completed to a high standard, and the funds released from restricted reserves in settlement. The Trustees are grateful to MSDC for their continuing support.

We had successfully obtained 'bounce back loans' of £50,000 each for the Charity and the trading company during the pandemic, which after an interest-free period, continue to charge a very low rate of interest. We have been repaying approximately £850 per month, which is obviously reflected in the result for the period. The balance at the year-end for the Charity stands at £37,207 including interest (previous year £46,857).

CHEQUER MEAD ARTS AND COMMUNITY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

It is the Trustees' view that it is prudent to ensure that there are sufficient reserves to provide financial flexibility over the course of each financial year. The reserves policy was reviewed at the end of 2022 and a revised policy adopted on 18th January 2023. The new policy sets a target of £150,000 in undesignated reserves (previously £250,000) representing approximately six months' expenditure in the absence of any events or hires (as in the pandemic). The target date for achieving the new target was set as March 2024. The policy is scheduled for review as of March 2024, and then every two years thereafter.

Whilst the Trustees are budgeting for a return to profit for the year 2023-2024, we face (in common with the rest of the country) uncertainties around costs, particularly in respect of energy and logistics; we also face uncertainty in respect of the potential impact of inflation and interest rates on the discretionary spending of the theatre-going public and room hirers. We remain comfortable that we have adequate reserves to cover the charity against unforeseen and indeterminate rises in costs and/or reductions in revenue for the coming year.

Going Concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate re-sources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

Plans for future periods

Future Plans

Chequer Mead's objectives for 2023/24 include the following:

- Maintain tight budgetary control
- Continue to source new revenue streams
- Continue to attract higher profile mainstream acts
- Present the annual pantomime production in-house again
- Bring back studio hirers and attract new hirers
- Further develop the success of The Apron offering
- Continue to invest in the professionalism and well-being of our staff team
- Drive up theatre revenue through show and ticket sales volume growth, competitive pricing, and improved contract arrangements
- Sustain and enhance marketing intensity and brand awareness
- Continue to invest in the building infrastructure where cost-effective
- Identify and manage risks to our activities in the 'new normal' on a dynamic basis

Structure, governance and management

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

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

CHEQUER MEAD ARTS AND COMMUNITY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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

After the year end and prior to the signing of these accounts Council elections were held on 4th May 2023. Councillors cease to serve as Councillors once an election is formally called. The Constitution requires that Nominated Trustees should be serving Councillors; consequently the Nominated Trustees then ceased to be eligible to serve as Trustees. The new Council nominated four Councillors to serve as Trustees on 16th May 2023. The remaining Members of the CIO passed a Written Resolution on 17th May 2023 approving the re-appointments of Councillors Farren and Mockford as Nominated Trustees and approving the appointments of former Councillors Osborne and Duly as Independent Trustees. Councillors Barnett and Hughes were appointed as new Nominated Trustees at an Extraordinary General Meeting held on 24th May 2023.

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

Cllr. F Osborne (ex-chairman)

Cllr. J A Mockford

S G Cole (independent)

Cllr. H Farren (Chairman)

N S Gibson (independent/Treasurer)

Cllr. F Visser

(Resigned 1 April 2022)

Cllr D Duly

(Appointed 25 May 2022)

Cllr S Barnett

(Appointed 24 May 2023)

Cllr T Hughes

(Appointed 24 May 2023)

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

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

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

Risk management

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

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

CHEQUER MEAD ARTS AND COMMUNITY TRUST

TRUSTEES' REPORT (CONTINUED)

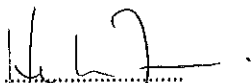
FOR THE YEAR ENDED 31 MARCH 2023

Conclusion

The year to 31st March 2023 was characterised by regrouping and consolidation. The Trustees and the larger community are seeing the benefits of the decisions in 2019 and 2021 respectively to bring the catering operation and our pantomime production in-house whilst continuing to provide high quality events and maintaining and improving our service standards. We continue to look for ways to enhance both the community experience and our revenues - the recent continuing tenancy of the Barclays Bank advisory hub within Chequer Mead from July this year being but one example.

The Trustees extend their thanks to the General Manager and all of our staff for their ceaseless efforts to improve the Chequer Mead experience and reach out further to the community. It seems clear from the feedback we receive that the community overwhelmingly supports and values Chequer Mead as an integral and vital part of the town.

The trend in overall profitability over the last three years, post-pandemic, is very positive, and we are budgeting for a small profit in the 2023-2024 financial year.



Cllr. H Farren (Chairman)

Trustee

Date: 30.01.2024

CHEQUER MEAD ARTS AND COMMUNITY TRUST

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF CHEQUER MEAD ARTS AND COMMUNITY TRUST

I report to the trustees on my examination of the financial statements of Chequer Mead Arts and Community Trust (the charity) for the year ended 31 March 2023.

Responsibilities and basis of report

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

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

Independent examiner's statement

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

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

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

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

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

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



Darren Harding ACA FCCA DChA

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

Dated: 31 January 2024

CHEQUER MEAD ARTS AND COMMUNITY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

Current financial year

		Unrestricted funds general 2023 £	Unrestricted funds designated 2023 £	Restricted funds 2023 £	Total 2023 £	Total 2022 £
	Notes					
<u>Income and endowments from:</u>						
Donations and grants	3	123,004	-	-	123,004	182,134
<u>Charitable activities</u>						
In House Productions	4	148,672	-	-	148,672	124,008
Theatre operations	4	52,821	-	-	52,821	8,586
Studio Hire	4	103,895	-	-	103,895	25,201
Tenant income	4	59,805	-	-	59,805	43,751
Investments	5	2,350	-	-	2,350	1,692
Other income	6	56,603	-	-	56,603	4,379
Total income		547,150	-	-	547,150	389,751
<u>Expenditure on:</u>						
<u>Raising funds</u>						
<u>Charitable activities</u>						
Theatre operations	7	547,486	13,857	-	561,343	414,584
Total charitable expenditure		547,486	13,857	-	561,343	414,584
Other	11	-	-	-	-	1,434
Total resources expended		547,486	13,857	-	561,343	416,018
Net expenditure for the year/ Net outgoing resources		(336)	(13,857)	-	(14,193)	(26,267)
Fund balances at 1 April 2022		137,939	520,283	123,054	781,276	807,543
Fund balances at 31 March 2023		137,603	506,426	123,054	767,083	781,276

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

All income and expenditure derive from continuing activities.

CHEQUER MEAD ARTS AND COMMUNITY TRUST

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

FOR THE YEAR ENDED 31 MARCH 2023

Prior financial year

		Unrestricted funds general 2022 £	Unrestricted funds designated 2022 £	Restricted funds 2022 £	Total 2022 £
	Notes				
<u>Income and endowments from:</u>					
Donations and grants	3	114,009	-	68,125	182,134
<u>Charitable activities</u>					
In House Productions	4	124,008	-	-	124,008
Theatre operations	4	8,586	-	-	8,586
Studio Hire	4	25,201	-	-	25,201
Tenant income	4	43,751	-	-	43,751
Investments	5	1,692	-	-	1,692
Other income	6	4,379	-	-	4,379
Total income		321,626	-	68,125	389,751
<u>Expenditure on:</u>					
<u>Raising funds</u>					
<u>Charitable activities</u>					
Theatre operations	7	400,727	13,857	-	414,584
Total charitable expenditure		400,727	13,857	-	414,584
Other	11	1,434	-	-	1,434
Total resources expended		402,161	13,857	-	416,018
Net outgoing resources before transfers		(80,535)	(13,857)	68,125	(26,267)
Gross transfers between funds		68,125	-	(68,125)	-
Net expenditure for the year/ Net movement in funds		(12,410)	(13,857)	-	(26,267)
Fund balances at 1 April 2021		150,349	534,140	123,054	807,543
Fund balances at 31 March 2022		137,939	520,283	123,054	781,276

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

All income and expenditure derive from continuing activities.

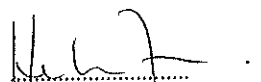
CHEQUER MEAD ARTS AND COMMUNITY TRUST

BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	13		516,582		514,267
Investments	14		10,000		10,000
			<u>526,582</u>		<u>524,267</u>
Current assets					
Debtors	15	73,074		47,847	
Cash at bank and in hand		333,159		421,314	
		<u>406,233</u>		<u>469,161</u>	
Creditors: amounts falling due within one year	17	(138,101)		(174,871)	
Net current assets			<u>268,132</u>		<u>294,290</u>
Total assets less current liabilities			<u>794,714</u>		<u>818,557</u>
Creditors: amounts falling due after more than one year	18		(27,631)		(37,281)
Net assets			<u><u>767,083</u></u>		<u><u>781,276</u></u>
Income funds					
Restricted funds	19		123,054		123,054
<u>Unrestricted funds</u>					
Designated funds	20	506,426		520,283	
General unrestricted funds		<u>137,603</u>		<u>137,939</u>	
			<u>644,029</u>		<u>658,222</u>
			<u><u>767,083</u></u>		<u><u>781,276</u></u>

The financial statements were approved by the Trustees on 17.01.24



Cllr. H Farren (Chairman)
Trustee

CHEQUER MEAD ARTS AND COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Charity information

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

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's CIO Foundation Model, the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

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

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

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

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

Preparation of Consolidated Financial Statements

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

1.2 Going concern

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

1.3 Charitable funds

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

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

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

1.4 Income

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

CHEQUER MEAD ARTS AND COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

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

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

Investment income is recognised on a receivables basis.

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

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

Other Income

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

Legacy Income

For Legacies entitlement is taken at earlier of:

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

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

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Liabilities are recognised as expenditure as soon as there is legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Allocation and apportionment of costs

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

CHEQUER MEAD ARTS AND COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.6 Tangible fixed assets

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

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

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

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

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

1.7 Fixed asset investments

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

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

1.8 Cash and cash equivalents

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

1.9 Financial instruments

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

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

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

Basic financial assets

Debtors

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

Basic financial liabilities

Creditors and provisions

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

CHEQUER MEAD ARTS AND COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

Derecognition of financial liabilities

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

1.10 Taxation

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

1.11 Employee benefits

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

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

1.12 Retirement benefits

Post costs and other post-retirement benefits

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

1.13 Irrecoverable VAT

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

1.14 Operating Leases

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

Donated assets

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

Volunteer time

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

2 Critical accounting estimates and judgements

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

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

CHEQUER MEAD ARTS AND COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

3 Donations and grants

	Unrestricted funds general 2023 £	Unrestricted funds general 2022 £	Restricted funds 2022 £	Total 2022 £
Donations and gifts	49,004	39,176	-	39,176
Grants	74,000	74,833	68,125	142,958
	<u>123,004</u>	<u>114,009</u>	<u>68,125</u>	<u>182,134</u>
Grants receivable for core activities				
Other	74,000	74,833	68,125	142,958
	<u>74,000</u>	<u>74,833</u>	<u>68,125</u>	<u>142,958</u>

4 Charitable activities

	In House Productions 2023 £	Theatre operations 2023 £	Studio Hire 2023 £	Tenant income 2023 £	Total 2023 £	Total 2022 £
Income from charitable activities	148,672	52,821	103,895	59,805	365,193	201,546
	<u>148,672</u>	<u>52,821</u>	<u>103,895</u>	<u>59,805</u>	<u>365,193</u>	<u>201,546</u>

For the year ended 31 March 2022

	In House Productions £	Theatre operations £	Studio Hire £	Tenant income £	Total 2022 £
Income from charitable activities	124,008	8,586	25,201	43,751	201,546
	<u>124,008</u>	<u>8,586</u>	<u>25,201</u>	<u>43,751</u>	<u>201,546</u>
Analysis by fund					
Unrestricted funds - general	124,008	8,586	25,201	43,751	201,546
	<u>124,008</u>	<u>8,586</u>	<u>25,201</u>	<u>43,751</u>	<u>201,546</u>

CHEQUER MEAD ARTS AND COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

5	Investments		Unrestricted funds general 2023 £	Unrestricted funds general 2022 £
		Deposit account interest	2,350	1,692
6	Other income			
		Other income	15,611	-
		Postage	4,866	3,377
		Premium Club	36,126	1,002
			56,603	4,379
7	Charitable activities			
			Theatre operations 2023 £	Theatre operations 2022 £
		Staff costs	237,548	137,226
		Depreciation and impairment	33,074	32,561
		Production & Events management	5,226	53,629
		Advertising	112,924	31,866
		IT, Repairs & Maintenance	35,385	28,799
		Daily running costs	121,669	113,827
			545,826	397,908
		Share of governance costs (see note 8)	15,517	16,676
			561,343	414,584
		Analysis by fund		
		Unrestricted funds - general	547,486	400,727
		Unrestricted funds - designated	13,857	13,857
			561,343	414,584

CHEQUER MEAD ARTS AND COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

8 Support costs

	Support costs	Governance costs	2023	2022
	£	£	£	£
Independent Examiners fee	-	1,750	1,750	2,750
Accountancy	-	2,750	2,750	8,735
Legal and professional	-	11,017	11,017	5,191
	-	15,517	15,517	16,676
Analysed between				
Charitable activities	-	15,517	15,517	16,676

9 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year and none of them were reimbursed any expenses (2022- no expenses were reimbursed).

10 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Theatre management	1	1
Technical staff	2	6
Administration	4	4
Total	7	11

Employment costs

	2023 £	2022 £
Wages and salaries	215,990	126,449
Social security costs	14,254	7,914
Other pension costs	4,044	2,395
	234,288	136,758

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

CHEQUER MEAD ARTS AND COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

11 Other

	Total	Unrestricted funds general
	2023	2022
	£	£
Net loss on disposal of tangible fixed assets	-	1,434
	-	1,434

12 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

13 Tangible fixed assets

	Leasehold improvements	Fixtures, fittings & equipment	Computers	Total
	£	£	£	£
Cost				
At 1 April 2022	486,210	184,502	14,412	685,124
Additions	-	33,722	1,666	35,388
At 31 March 2023	486,210	218,224	16,078	720,512
Depreciation and impairment				
At 1 April 2022	58,740	101,247	10,869	170,856
Depreciation charged in the year	13,858	17,499	1,717	33,074
At 31 March 2023	72,598	118,746	12,586	203,930
Carrying amount				
At 31 March 2023	413,612	99,478	3,492	516,582
At 31 March 2022	427,470	83,255	3,542	514,267

CHEQUER MEAD ARTS AND COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

14 Fixed asset investments

		Other investments
Cost or valuation		
At 1 April 2022 & 31 March 2023		10,000
Carrying amount		
At 31 March 2023		10,000
At 31 March 2022		10,000

	Notes	2023 £	2022 £
Other investments comprise:			
Investments in subsidiaries	24	10,000	10,000

15 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	16,708	6,593
Amounts owed by subsidiary undertakings	38,247	9,565
Other debtors	1,395	5,892
Prepayments and accrued income	16,724	25,797
	73,074	47,847

16 Loans and overdrafts

	2023 £	2022 £
Other loans	37,207	46,857
Payable within one year	9,576	9,576
Payable after one year	27,631	37,281

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

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

CHEQUER MEAD ARTS AND COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

17 Creditors: amounts falling due within one year

	2023 £	2022 £
Borrowings	9,576	9,576
Other taxation and social security	5,376	192
Trade creditors	65,631	48,219
Amounts owed to subsidiary undertakings	-	16,733
Other creditors	833	411
Accruals and deferred income	56,685	99,740
	<u>138,101</u>	<u>174,871</u>

18 Creditors: amounts falling due after more than one year

	2023 £	2022 £
Borrowings	<u>27,631</u>	<u>37,281</u>

19 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			Movement in funds		
	Balance at 1 April 2021 £	Income £	Transfers £	Balance at 1 April 2022 £	Income £	Balance at 31 March 2023 £
EGTC Bulding project	123,054	-	-	123,054	-	123,054
MSDC Toilet Refurbishment	<u>-</u>	<u>68,125</u>	<u>(68,125)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>123,054</u>	<u>68,125</u>	<u>(68,125)</u>	<u>123,054</u>	<u>-</u>	<u>123,054</u>

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

Mid Sussex District Council have given the Charity a grant to be used for the purpose of refurbishing the toilets. Work was carried out on this during the year.

CHEQUER MEAD ARTS AND COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

20 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 April 2021	Expenditure	Balance at 1 April 2022	Expenditure	Balance at 31 March 2023
	£	£	£	£	£
Donated Equipment	52,015	-	52,015	-	52,015
Leasehold improvements	441,327	(13,857)	427,470	(13,857)	413,613
Boiler	20,000	-	20,000	-	20,000
Theatre Seats	20,798	-	20,798	-	20,798
	<u>534,140</u>	<u>(13,857)</u>	<u>520,283</u>	<u>(13,857)</u>	<u>506,426</u>

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

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

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

CHEQUER MEAD ARTS AND COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

21 Analysis of net assets between funds

	Unrestrcited Funds 2023 £	Designated Funds 2023 £	Restricted Funds 2023 £	Total 2023 £	Unrestrcited Funds 2022 £	Designated Funds 2022 £	Restricted Funds 2022 £	Total 2022 £
Fund balances at 31 March 2023 are represented by:								
Tangible assets	10,156	506,426	-	516,582	86,797	427,470	-	514,267
Investments	10,000	-	-	10,000	10,000	-	-	10,000
Current assets/(liabilities)	145,078	-	123,054	268,132	78,423	92,813	123,054	294,290
Long term liabilities	(27,631)	-	-	(27,631)	(37,281)	-	-	(37,281)
	<u>137,603</u>	<u>506,426</u>	<u>123,054</u>	<u>767,083</u>	<u>137,939</u>	<u>520,283</u>	<u>123,054</u>	<u>781,276</u>

CHEQUER MEAD ARTS AND COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

22 Financial commitments, guarantees and contingent liabilities

Contingent Liability

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

23 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2023	2022
	£	£
Aggregate compensation	54,463	47,740

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

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

24 Subsidiaries

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

Details of the charity's subsidiaries at 31 March 2023 are as follows:

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

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

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