

Registered number: 02848282
Charity number: 1032846

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

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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

CONTENTS

	Page
Reference and Administrative Details of the Charitable Company, its Trustees and Advisers	1 - 2
Trustees' Report	3 - 14
Independent Auditors' Report on the Financial Statements	15 - 18
Consolidated Statement of Financial Activities	19
Consolidated Balance Sheet	20
Charitable Company Balance Sheet	21
Consolidated Statement of Cash Flows	22
Notes to the Financial Statements	23 - 47

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

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITABLE COMPANY, ITS TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 31 MARCH 2022**

Trustees	M Fay, Chair L G Barrett (appointed 25 April 2022) R R Berkley (appointed 14 July 2021, resigned 26 May 2022) J Blacklock (resigned 1 March 2023) C E Cooke D G Cottam E Czeszochowski (appointed 25 April 2022) K C Dawes (appointed 13 June 2022) I Farrar (appointed 25 April 2022) S Fannon S A Hatton Jr (appointed 26 April 2021, resigned 1 February 2022) D Hymers (resigned 15 March 2022) N Laverick (appointed 25 April 2022) K A Leng (resigned 8 November 2021) S J Mitchell M Patterson (appointed 5 September 2022) A Plouviez (appointed 27 March 2023) C N Simmons J Smith (appointed 25 April 2022) G Thompson (resigned 28 March 2023) V C Wiggins
Company registered number	02848282
Charity registered number	1032846
Registered office	The Customs House Mill Dam South Shields Tyne & Wear NE33 1ES
Company secretary	K Anders
Chief executive officer	R Spencer
Independent auditors	Clive Owen LLP Chartered Accountants and Statutory Auditors 140 Coniscliffe Road Darlington Co Durham DL3 7RT
Bankers	HSBC Bank Plc 110 Grey Street Newcastle upon Tyne NE1 6JG

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

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITABLE COMPANY, ITS TRUSTEES AND
ADVISERS (CONTINUED)**
FOR THE YEAR ENDED 31 MARCH 2022

Solicitors

PGS Law
22 Denmark Centre
Fowler Street
South Shields
NE33 2LR

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

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2022

The Trustees present their annual report together with the audited financial statements of the Charitable Company for the year 1 April 2021 to 31 March 2022. The Annual Report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

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

Objectives and activities

Policies and objectives

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

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

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

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

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

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

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

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Objectives and activities (continued)

Strategies for achieving objectives

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

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

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

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

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

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

Sadly, we have had to recognise and accept this year that the demographic of our pre-pandemic audience has changed considerably. Therefore, extensive work has been undertaken in reviewing our audience development plan to ensure we can develop existing and attract new audiences and adapt our programming accordingly.

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

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Objectives and activities (continued)

Activities undertaken to achieve objectives

As a producing and receiving house, The Customs House produces an annual Christmas pantomime, 4 mini pantomimes and 3 main drama productions per year. The rest of our commercial programme is received from visiting companies and is largely comprised of a broad range of acts including but not limited to music, magic, dance, drama and children's shows.

In 2021/2022, we provided 1,060 events throughout the year, and saw numbers of bookers reach 13,095 (selling 79,247 tickets) which is encouraging after the pandemic but we are also aware that this has not fully returned to pre-covid levels so more work needs to be done to aid our recovery.

The Customs House continues to offer development opportunities and progression routes for emerging artistic talent, providing resources for work to reach its potential. For example, our annual Young Writer in Residence scheme. In 2021, emerging writer Andrew Finnigan was successful in having his play, 'Cherryade Supernova' staged by The Customs House, and he was shortlisted in the 2021 Journal Culture Awards in the Best Newcomer category.

The Customs House has been successful over the last year in gaining support through Trusts and Foundations to develop the venue's young people's drama offer, offering free places for those in need, paid-for accreditation through Arts Award. We also ran a two-year programme in Jarrow School as a satellite branch for young people who had never performed before.

January 2022 saw the launch of The Customs House Young Performers Company, which provides musical theatre training to 30 children from the borough each week. The course content is delivered by industry professionals and two performances per year are held in our main theatre for the young people.

For young people in the borough, The Takeover Festival is a highlight in our venue's programming. This annual festival has five milestone events which are all executed at a professional standard in the main theatre, and gallery spaces. Our partnerships with specialists in their fields have enabled the young people in the Takeover Team to gain impressive leadership qualities as well as offering a fantastic audience experience. Takeover 2021, also saw us being able to deliver our first 'Queer Prom', supporting young LGBTQ+ people within South Tyneside and beyond.

~~In November 2019 we began 'Ours us We' which is an arts group for young people who identify as being LGBTQ+ to address an identified unmet need within our borough. This group has continued to meet weekly throughout 2021/2022, thanks to continued funding.~~

We design and deliver the regional Arts Award programme on behalf of Culture Bridge North East and remain integral to the growth and development of Arts Award in the North East. The Customs House also remains a nationally recognised centre for Arts Award having been awarded Trinity College's Champion Status for 2020-21/21-22.

We work in partnership with South Tyneside College to offer a one-year performing arts course which will help students to learn in a professional working environment.

Volunteers

The Trust places a great value on the contributions that volunteers made to the organisation. Over the course of the year, the involvement of volunteers was reduced, as we emerged from the pandemic, however we continue to recognise the positive contribution made to the Trust by those who donate their time to support our work.

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

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Objectives and activities (continued)

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

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

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

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

Achievements and performance

Main achievements of the Charitable Company

The year under review was one of challenge with the spectre of COVID still hanging over our industry and our audiences. We were able to open our doors to performances on 17 May 2021 following social distancing rules, these restrictions remained in place until September when audiences were eventually able to return. The shortage of touring product and audiences slow to return to both cinema and theatre has clearly impacted ticket sales and reduced ancillary sales of merchandise, food, and beverages. The sector was very tentative in returning to full operations with several shows being cancelled at the last minute and we faced endless rebooking situations. The Pantomime was particularly hit hard with audience figures down by approximately 8,000 as schools and organised parties did not book. However, although income generated from ticket sales was badly hit, we were very fortunate to receive significant sums from Charitable Trusts and Foundations together with grants from both national and local government.

In total the funding secured was to the value of £420k. This includes Biffa Award funding (Enhancing Cultural Engagement Project) – this will allow us to develop a new multipurpose space, install retractable seating in the main house, new seating in the cinema and an Interactive Theatre Experience.

We also were generously supported by Theatres Trust Wolfson Theatre Improvement scheme which funded the installation of a Building Energy Management System.

For the first time we offered The Customs House Unity Lottery which raised over £5,000.

Engagement

Post pandemic it was absolutely clear there would be much work required to help those affected to reengage with new and old activities. Creatives and participants were also badly affected by lockdown as much of our work is about connecting people bringing them together to create and partake.

The Customs House Trust Limited remains committed to increasing engagement levels for those least engaged, with an understanding of the barriers facing our local communities. Our Learning and Participation offer, and utilising Audience Finder, is key to this work, and we have committed considerable resource to this.

The Customs House Trust Limited offers development opportunities and progression routes for creative talent at all levels of their lives, providing resources for work to be created and people to reach their potential. From Mina Anwar being given her directorial debut with a new musical, youth theatre members progressing into professional pathways, and visual artists being mentored and supported by the organisation.

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

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Achievements and performance (continued)

Our Casting Policy focuses on being inclusive, and in working with new creatives for each opportunity, in a range of roles. In 2021-22, across 9 in-house shows we worked with 35 actors and creatives that were new to The Customs House.

With our Young Writer in Residence programme, we appoint a young writer from the Northeast to create a play for 8 actors aged 17-25, to work with a first-time director. Each writer is appointed a writing mentor (~~Tom Wells in 2021 and Emilie Robson in 2022~~) to provide expertise and guidance. In 2021, emerging writer Andrew Finnigan was successful in having his play 'Cherryade Supernova' staged by The Customs House. He was a former Youth Theatre member and made the transition to professional actor in 2018. Andrew was shortlisted in the 2021 Journal Culture Awards in the Best Newcomer category. The NE Theatre Guide said, 'Cherryade Supernova is a well-crafted debut from a promising new playwright...the story is quite an ambitious one to deliver for the writer Andrew Finnigan...Yet, in this impressive debut, he manages it. His relative youth working in his favour as each character spoke with an authentic voice.'

By being part of The FAC Network 'Here and Now' project, we were awarded funding to continue our work with atypical participants with 'One of the Lads'. We worked with the NE Maritime Trust who shared their lived experience of working as young men on the river; this explored growing up in a working-class area, and their changing perspectives of masculinity. These stories were performed by contemporary dancers and were accompanied by a performance of a commissioned folk song, 'Men of the Tyne' by a former shipyard worker.

We deliver high quality participatory arts activity to children and young people and members of our community, including our new performing arts group; Young Performer Company, as well as two youth theatre groups, Ours/Us/We, and visual arts classes, and exhibition opportunities.

The Youth Theatre was established in 2009 and perform new writing; either with a commissioned piece each year for the Juniors, or, since 2011, the Seniors taking part in NT Connections, in which their performance is critiqued from an associate director of the NT's programme. Of this year's piece, Remote by Stef Smith, feedback was that, 'This performance was a clear and confident presentation of this play in which the vignette-like scenes between two or three characters really shone, and the larger group scenes showed a cohesion in the ensemble through simple and effective movement and clearly defined characters. Movement within the piece was confident and helped set up the dynamics and backstory of the piece effectively - with the incredible addition of a breakdancing solo!'

~~It has always been our ambition to programme and work across South Tyneside in its entirety but we have only recently been able to bring this plan to fruition, through funding from The Garfield Weston Culture Fund (GWCF). In August 2021, we toured eight parks across the Borough, targeting areas of lowest engagement with a children's show, 'Peggy Pearpot'. We were able to provide this for free at point of access and reached families within our communities who would not have been able to engage with cultural opportunities otherwise.~~

The funding from GWCF has provided us with new high quality digital content and to engage with our diverse communities through a range of creative interventions. We have made two recent appointments to new posts: a Community Engagement Officer and a freelance digital artist who have helped us to make real change within our community; creating safe spaces to explore the arts, and overcoming threshold anxiety to come into a new space; an example being a photography project with recently resettled men from CREST (Compact For Race Equality South Tyneside).

This year, we are working to co-create a celebration of the Bangladeshi Community in South Shields, to be held at the heart of their community in Ocean Road in August 2022. Our partners (CREST, Sangini and the Bangladeshi Welfare Society) are all from the Bangladeshi Community, and content will be programmed by the community partnership.

We run an annual Takeover Festival, which is a highlight in our programme; a team of young people are responsible for planning a week of diverse and risk-taking programming at The Customs House, from breakdance, theatre, drag, music and visual art & poetry. In 2021, Takeover won a Special Award for Young Achievement at The Journal Culture Awards.

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

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Achievements and performance (continued)

This year's Takeover aims have been re-aligned to not only co-create with young artists, but alongside this to support youth-led social action that will create positive change in our communities.

We will further invest in improving visit experience as we have received funds from Biffa to develop the area outside the Circle entrance into a digital and interactive theatre interpretation space for children and their families. This will be open with the general building opening times, so that there is a non-paid for arts activity to the end user available in the building. Retractable seating will transform what we can offer audiences, band nights, gig theatre and cabaret seating.

Our Community Programming Panel has engaged with a range of diverse groups, including Deaf Awareness NE, Bright Futures NE, Hindu Nari Sangh, CREST and Age Concern Tyneside South. We have implemented a number of changes following this consultation. We will be holding three meetings per year and are committed to collaborative community led change.

We are committed to evolving and growing and ensuring that The Customs House is at the centre of positive change for our Borough, as we are best placed to deliver arts and culture for our community.

Programme

Cinema was particularly disappointing in this year with studios opting to delay or postpone planned releases. Further several studios, including Disney, set up streaming services releasing new material through those rather than cinemas. Theatre also struggled to attract audiences. However, we were particularly proud of our in-house production Our Laygate which received much critical acclaim. We also welcomed new partners, Tree Stump Theatre, to help deliver our under-sevens Christmas show which proved to be very popular. The Pantomime cast and crew battled on with 8 of the 9 cast members becoming ill and new cast members needing to join the company during the run. Technical and front of house all worked so hard during wave after wave of Covid, the Trust is very grateful for their efforts.

Key performance indicators

We have worked with 20 creatives throughout the year, who are new to The Customs House or new to the role, 4 of which being from a protected characteristic group.

All in-house shows now provide open castings for performers. We will endeavour to ensure that at least 1 performer or creative practitioner for in-house shows will be from a protected characteristic group.

We have worked with five North East play writers that are new to TCH on PLAY to develop relationships with new/emerging writers (of all ages) and provided structured mentoring for the writers after the rehearsed reading.

We are working towards re-establishing ticket sales to a 75% of pre COVID levels.

We have increased the quality and output of our digital offer by creating 360 virtual exhibition tours for all gallery/fusion exhibitions, and increased the amount of digital content available by 50% (from 2019-20).

We have increased accessibility for our pantomime by providing 1 show with audio-description, 1 with a signer in BSL and 1 relaxed performance.

We have supported at least 200 young people to achieve an Arts Award, across all five levels.

We secured funding to develop and deliver one project of arts activities for Care-Experienced Children and young people, including Care Leavers, in partnership with South Tyneside Council.

We developed and facilitated an annual performance platform in drama/theatre/music/dance/visual arts, creating exceptional opportunities for at least 250 young people age 11-25 to take part in performances and develop as young creatives through The Takeover Festival, including one new play as part of The Takeover Young Writer in Residence.

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

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Financial review

Going concern

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

Reserves policy

The Board of Trustees' aim is to maintain a balance of total reserves in excess of £500k and free reserves in excess of £150k to ensure the normal running of the business in adverse economic conditions. As at the year end there were designated funds of £130k (2021: £130k). Available free reserves stood at £571k as 31 March 2022.

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

As at 31 March 2022, restricted reserves have a balance of £199k (2021: £314k) relating to capital improvements to be depreciated £112k (2021: £117k) and specific funding received in advance of utilisation £167k (2021: £216k). The Board is not aware of any funding opportunities being pursued that may materially increase this number in the immediate future.

The amount of tangible fixed assets stood at £398k at 31 March 2022 (2021: £307k), of which £135k was unrestricted (2021: £189k).

Principal risks and uncertainties

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

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

Loss of key staff, specifically the Executive Director continues to propose a significant risk. This has been mitigated through an enhanced Senior Management Team which is now in place and an outline succession plan to be delivered.

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

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

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Financial risk management objectives and policies

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

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

Recovery from the Pandemic and its effect on audience attendance is to be closely monitored.

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

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

Principal funding

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

Structure, governance and management

Constitution

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

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

Methods of appointment or election of Trustees

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

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

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Structure, governance and management (continued)

Organisational structure and decision-making policies

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

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

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

There are currently four sub committees reporting to the Board:

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

A summary of the committee purposes are given below.

Finance, Staffing & Audit

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

Marketing and Programming

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

Learning & Participation

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

Equality, Diversity and Inclusivity

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

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

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

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Structure, governance and management (continued)

Policies adopted for the induction and training of Trustees

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

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

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

Pay policy for key management personnel

The Board (who are the directors and Trustees of the Trust) determine the pay of senior staff. The Executive Director is charged by the Board with the management of personnel and directing and controlling, running and operating the charity on a day-to-day basis within the framework established the the Strategic Plan and the Articles of the Trust. All Trustees give their time freely and no Trustee received remuneration in the year. Details of trustees' expenses and related party transactions are disclosed in note 13 and 26 to the accounts. The pay of senior staff is reviewed on a timely basis.

Related party relationships

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

Trustees' indemnities

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

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

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

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Plans for future periods

Our successful fundraising has enabled The Customs House to plan several capital projects over the next 12 months and the potential to secure further grants for major capital works. We are delighted to have been included in our local authority's levelling up bid to Central Government which, if successful, will allow us to deliver significant improvements to our building.

The year under review showed a real resilience in the organisation as we returned slowly to trading again. The surplus returned for our year will help us be ready to deliver our extensive programme of planned improvements and help build reserves for whatever the next few challenges put before us.

The Trust will prepare a further submission to the Arts Council England- National Portfolio application Programme. We are encouraged by the Arts Council's announcement that South Tyneside has been named as a Priority Place 2021-24. It is up to the Trust to develop an exciting proposal to deliver an Art's programme that meets the needs of the population of South Tyneside.

The Trust will also continue to apply the recommendations suggested in Amion's report to improve our economic performance despite the on-going difficult trading conditions. The Garfield Weston Foundation funding will allow us to continue to develop our digital offer and improve our outreach programme reaching a more diverse population across the borough.

We continue to look forward to working towards connecting up to the Holborn District Energy Scheme. This will make a major improvement to our carbon footprint due to our current reliance on old gas fired boilers to heat the building. This is one of a number of initiatives to improve our sustainability. To work with South Tyneside Council to explore a connection to Holborn Energy Network, saving 60,532kg CO2 per annum.

We will become more diverse as an organisation through new community development roles, programming and audience development.

Working with South Tyneside Council we will formulate ambitious capital bids to reconfigure The Customs House and improve our accessibility and drive more trade in ancillary sales and hirers. The Trust will continue to face trading challenges and will continue to put the health and safety of our audiences and participants first, but will, as it has done throughout the Pandemic, look to open fully as soon as quickly as it is possible to do so. Full recovery is expected to take a long time and we anticipate it will 2023/24 before the Trust is seeing the level of visitor numbers seen pre pandemic.

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

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Statement of Trustees' responsibilities

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

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

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

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

Disclosure of information to auditors

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

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

Auditors

The previous auditors resigned in October 2022. Clive Owen LLP were appointed as auditors on 3 November 2022.

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

Approved by order of the members of the board of Trustees on4/5/2023..... and signed on their behalf by:



M Fay
Chair of Trustees

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

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

Opinion

We have audited the financial statements of The Customs House Trust Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charitable Company Balance Sheet, the Consolidated Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 March 2022 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

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

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

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

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

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. ~~Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.~~

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Our audit must be alert to the risk of manipulation of the financial statements and seek to understand the incentives and opportunities for management to achieve this.

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

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

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

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

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

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Clive Owen W

Christopher Beaumont BA(Hons) BFP FCA DChA (Senior Statutory Auditor)

for and on behalf of

Clive Owen LLP

Chartered Accountants and Statutory Auditors

140 Coniscliffe Road

Darlington

Co Durham

DL3 7RT

Date: *4 May 2023.*

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

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND
EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2022**

	Note	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:					
Donations and legacies	4	-	572,216	572,216	1,079,160
Charitable activities	5	104,037	870,260	974,297	128,877
Other trading activities	6	-	506,725	506,725	41,773
Investments	7	-	491	491	-
Other income	8	-	3,300	3,300	271,100
Total income		104,037	1,952,992	2,057,029	1,520,910
Expenditure on:					
Raising funds	9	-	82,914	82,914	166,549
Charitable activities	10	218,153	1,551,639	1,769,792	877,094
Total expenditure		218,153	1,634,553	1,852,706	1,043,643
Net (expenditure)/income before taxation		(114,116)	318,439	204,323	477,267
Taxation		-	(2,539)	(2,539)	350
Net movement in funds		(114,116)	315,900	201,784	477,617
Reconciliation of funds:					
Total funds brought forward		313,573	384,638	698,211	220,594
Net movement in funds		(114,116)	315,900	201,784	477,617
Total funds carried forward		199,457	700,538	899,995	698,211


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

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	15	397,850	306,725
		397,850	306,725
Current assets			
Stocks	17	11,690	3,765
Debtors	18	20,935	164,043
Cash at bank and in hand		957,227	596,348
		989,852	764,156
Creditors: amounts falling due within one year	19	(486,747)	(371,646)
Net current assets		503,105	392,510
Total assets less current liabilities		900,955	699,235
Provisions for liabilities		(960)	(1,024)
Net assets excluding pension asset		899,995	698,211
Total net assets		899,995	698,211
Charity funds			
Restricted funds	21	199,457	313,573
Unrestricted funds	21	700,538	384,638
Total funds		899,995	698,211

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

The financial statements were approved and authorised for issue by the Trustees on 21/5/23 and signed on their behalf by:



M Fay
 (Chair of Trustees)

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

CHARITABLE COMPANY BALANCE SHEET
AS AT 31 MARCH 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	15	394,011	300,362
Investments	16	100	100
		394,111	300,462
Current assets			
Debtors	18	236,131	234,743
Cash at bank and in hand		729,215	521,641
		965,346	756,384
Creditors: amounts falling due within one year	19	(469,787)	(360,329)
Net current assets		495,559	396,055
Total assets less current liabilities		889,670	696,517
Net assets excluding pension asset		889,670	696,517
Total net assets		889,670	696,517
Charity funds			
Restricted funds	21	263,071	313,573
Unrestricted funds	21	626,599	382,944
Total funds		889,670	696,517

The Charitable Company's net movement in funds for the year was £193,153 (2021 - £476,302).

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

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

The financial statements were approved and authorised for issue by the Trustees on 4/5/2023 and signed on their behalf by:



M Fay
(Chair of Trustees)

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

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

	2022	2021
	£	£
Cash flows from operating activities		
Net cash used in operating activities	500,291	480,018
	<hr/>	<hr/>
Cash flows from investing activities		
Purchase of tangible fixed assets	(139,412)	-
	<hr/>	<hr/>
Net cash (used in)/provided by investing activities	(139,412)	-
	<hr/>	<hr/>
Cash flows from financing activities		
Net cash provided by financing activities	-	-
	<hr/>	<hr/>
Change in cash and cash equivalents in the year	360,879	480,018
Cash and cash equivalents at the beginning of the year	596,348	116,330
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	957,227	596,348
	<hr/> <hr/>	<hr/> <hr/>

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

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

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

1. General information

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

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

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

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

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

- Section 7 'Statement of Cash Flows' - Presentation of a Statement of Cash Flow and related notes and disclosures
- Section 11 'Basic Financial Instruments' - Interest income/expense and net gain/losses for each category of financial instrument
- Section 33 'Related Party Disclosures' - Compensation for key management personnel.

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

2.2 Going concern

FRS 102 requires that, if appropriate, the charitable company's financial statements are prepared on the going concern basis, which means that the organisation is able to operate for the foreseeable future on the basis of known and projected resources. Free reserves have increased as at 31 March 2022. Budgets and cash flow forecasts have been prepared to March 2024 based on prudent assumptions which show the group will have sufficient funds and cash to continue to operate for the next 12 months. On that basis, the trustees believe that the charity is well placed to manage its risks successfully and thus have adopted the going concern basis of accounting.

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

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

2. Accounting policies (continued)

2.3 Income

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

Income from donations and legacies includes sponsorship, donations and grants that provide core funding or are of a general nature.

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

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

Investment income is recognised on a receivable basis

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

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

2.4 Expenditure

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

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

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

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

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

2. Accounting policies (continued)

2.4 Expenditure (continued)

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

Charitable activities include all costs relating to activities where the primary aim is part of the objects of the charity along with the indirect costs. All of the direct costs have been included within this cost heading and the comparatives have been restated to this effect. The indirect costs have been apportioned on a reasonable basis.

Cost of raising funds comprises the costs associated with the conferences, friends and rents receivable.

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

2.5 Interest receivable

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

2.6 Taxation

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

2.7 Tangible fixed assets and depreciation

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

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

Subsequent costs, including replacement parts, are capitalised only when it is probable that such costs will generate future economic benefits. Any replaced parts or remaining carrying amounts are then derecognised. All other costs of repairs and maintenance are charged to the Statement of Financial Activities.

At each reporting date the Charitable Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined to be the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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

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

2. Accounting policies (continued)

2.7 Tangible fixed assets and depreciation (continued)

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

Depreciation is provided on the following bases:

Leasehold improvements	- 50 years' straight line
Fixtures and fittings	- 3 or 10 years' straight line

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

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

2.8 Investments

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

Investments held as fixed assets are shown at cost less provision for impairment. Any impairment losses are recognised immediately in the Statement of Financial Activities.

2.9 Stocks

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

2.10 Donated goods and services

The charitable company leases the premises from which it operates from South Tyneside Council at a peppercorn rent. It is not considered possible to determine the market value of the donated facility and therefore neither income nor corresponding rental charge have been recognised in the Statement of Financial Activities.

2.11 Debtors

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

2.12 Cash at bank and in hand

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

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

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

2. Accounting policies (continued)

2.13 Liabilities

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

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

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

2.14 Deferred taxation

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

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

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

2.15 Financial instruments

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

2.16 Employee benefits

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

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

Termination benefits

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

2.17 Operating leases

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

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

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

2. Accounting policies (continued)

2.18 Pensions

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

2.19 Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in note 21 to the financial statements.

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

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

3. Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

Critical areas of judgement:

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

Intercompany recoverability - The amount due from the subsidiary will be settled from current cash balances. The Directors of this entity during the pandemic provided support in the way of waiving rental and service charges due from The Customs House Green Room Limited. In the year to 31 March 2022 the Directors waived the rent in recognition of the ongoing financial pressures The Customs House Green Room Limited faces. The support will be reviewed on a yearly basis to ensure that The Customs House Green Room Limited continues to be a viable business.

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

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

4. Income from donations and legacies

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £
Grants			
South Tyneside Council	-	157,400	157,400
Arts Council England (NPO)	-	102,530	102,530
Arts Council Cultural Recovery Fund	-	125,000	125,000
COVID grants	-	47,570	47,570
Other grants	-	88,808	88,808
	-	521,308	521,308
Donations	-	50,908	50,908
	-	50,908	50,908
	-	572,216	572,216
	<i>Restricted funds 2021 £</i>	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Grants			
South Tyneside Council	-	280,086	280,086
Arts Council England (NPO)	-	121,620	121,620
Arts Council Cultural Recovery fund	-	255,000	255,000
COVID grants	-	54,022	54,022
	-	710,728	710,728
Donations	164,400	204,032	368,432
	164,400	204,032	368,432
	164,400	914,760	1,079,160

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

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

5. Income from charitable activities

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £
Theatre	-	780,061	780,061
Cinema	-	58,642	58,642
Learning and Participation	104,037	31,557	135,594
	104,037	870,260	974,297

	<i>Restricted funds 2021 £</i>	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Theatre	-	108,108	108,108
Cinema	1,961	-	1,961
Learning and Participation	18,808	-	18,808
	20,769	108,108	128,877

6. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2022 £	Total funds 2022 £
Trading income	506,725	506,725
	506,725	506,725

	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Trading income	41,773	41,773
	41,773	41,773

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

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

7. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Interest-receivable	491	491	-
	491	491	-

8. Other incoming resources

	Unrestricted funds 2022 £	Total funds 2022 £
Sundry receipts	3,300	3,300
	3,300	3,300

	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Job retention scheme grants	271,100	271,100
	271,100	271,100

9. Expenditure on raising funds

Fundraising trading expenses

	Total funds 2022 £
Fundraising trading	-
	-

It is not possible to split out fundraising costs as this relates to staff salaries which are split over various activities and so the value of the time spent on fundraising is difficult to quantify.

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

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

9. Expenditure on raising funds (continued)

Fundraising trading expenses (continued)

	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Fundraising trading	14,583	14,583
Fundraising trading expenses - wages and salaries	129,735	129,735
	<u>144,318</u>	<u>144,318</u>

Other trading expenses

	Unrestricted funds 2022 £	Total funds 2022 £
Trading expenses	82,914	82,914
	<u>82,914</u>	<u>82,914</u>

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

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

9. Expenditure on raising funds (continued)

Other trading expenses (continued)

	<i>Unrestricted funds 2021</i>	<i>Total funds 2021</i>
	£	£
Trading expenses	22,231	22,231

10. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds 2022	Unrestricted funds 2022	Total 2022
	£	£	£
Theatre shows	13,046	1,034,213	1,047,259
Cinema	-	57,485	57,485
Learning and Participation	205,107	37,032	242,139
Marketing	-	109,492	109,492
CH Own Shows	-	313,417	313,417
	218,153	1,551,639	1,769,792

	<i>Restricted funds 2021</i>	<i>Unrestricted funds 2021</i>	<i>Total 2021</i>
	£	£	£
Theatre shows	19,037	763,617	782,654
Cinema	-	2,663	2,663
Learning and Participation	14,140	62,618	76,758
Gallery	-	15,019	15,019
	33,177	843,917	877,094

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

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

11. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £
Theatre shows	716,492	330,767	1,047,259
Cinema	57,485	-	57,485
Learning and Participation	149,736	92,403	242,139
Marketing	109,492	-	109,492
CH Own Shows	313,417	-	313,417
	1,346,622	423,170	1,769,792

	<i>Activities undertaken directly 2021 £</i>	<i>Support costs 2021 £</i>	<i>Total funds 2021 £</i>
Theatre shows	547,666	234,988	782,654
Cinema	2,663	-	2,663
Learning and Participation	14,140	62,618	76,758
Gallery	-	15,019	15,019
	564,469	312,625	877,094

Support costs include £3,486 in relation to governance costs.

Analysis of direct costs

	Theatre Shows 2022 £	Cinema 2022 £	Learning and Participatio n 2022 £	Marketing 2022 £
Staff costs	469,287	-	-	-
Depreciation	41,974	-	3,789	-
Direct costs	205,231	57,485	145,947	109,492
	716,492	57,485	149,736	109,492

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

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

11. Analysis of expenditure by activities (continued)

Analysis of direct costs (continued)

	CH Own Shows 2022 £	Total funds 2022 £
Staff costs	-	469,287
Depreciation	-	45,763
Direct costs	313,417	831,572
	<u>313,417</u>	<u>1,346,622</u>

	<i>Theatre</i> Shows 2021 £	<i>Cinema</i> 2021 £	<i>Learning and</i> <i>Participation</i> 2021 £	<i>Marketing</i> 2021 £
Staff costs	454,091	-	-	-
Depreciation	41,903	-	-	-
Direct costs	51,672	2,663	14,140	-
	<u>547,666</u>	<u>2,663</u>	<u>14,140</u>	<u>-</u>

	CH Own Shows 2021 £	Total funds 2021 £
Staff costs	-	454,091
Depreciation	-	41,903
Direct costs	-	68,475
	<u>-</u>	<u>564,469</u>

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

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

11. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2022 £	<i>Total funds 2021 £</i>
Staff costs	92,403	-
Depreciation	2,527	-
Rent, rates and overheads	19,192	-
Insurance	29,056	21,026
Utilities	43,693	59,767
Vehicles	8,745	5,168
Postage, stationery & printing	5,242	8,113
Telephones	3,753	-
Computer costs	63,132	54,848
Audit and accountancy fees	28,175	41,000
Consultants	1,743	19,875
Subscriptions	1,817	1,117
Repairs and maintenance	51,597	39,866
Finance charges	33,836	23,968
Disallowable VAT	24,130	23,982
Bad debts written off	3,929	680
Training	2,755	6,166
Sundry expenses	3,959	5,270
Governance costs	3,486	1,779
	<u>423,170</u>	<u>312,625</u>

12. Auditors' remuneration

	2022 £	<i>2021 £</i>
Fees payable to the Charitable Company's auditor for the audit of the Charitable Company's annual accounts	<u>16,050</u>	<u>13,000</u>

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

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

13. Staff costs

	Group 2022 £	Group 2021 £	Charitable Company 2022 £	Charitable Company 2021 £
Wages and salaries	517,290	540,578	452,290	540,578
Social security costs	34,010	30,546	34,010	30,546
Contribution to defined contribution pension schemes	10,390	12,702	10,390	12,702
	<u>561,690</u>	<u>583,826</u>	<u>496,690</u>	<u>583,826</u>

Included with the above employment costs is redundancy payments of £Nil (2021: £23,508).

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

	Group 2022 No.	Group 2021 No.
Employees	<u>39</u>	<u>46</u>

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

	Group 2022 No.	Group 2021 No.
In the band £60,001 - £70,000	<u>1</u>	

The total amount of employee remuneration and benefits (including employer national insurance and pension contributions) received by key management personnel for their services to the Charitable Company was £71,202 (2021: £63,610).

14. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2021 - £NIL).

During the year ended 31 March 2022, no Trustee expenses have been incurred (2021 - £NIL).

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

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

15. Tangible fixed assets

Group

	Leasehold improvements £	Fixtures and fittings £	Total £
Cost or valuation			
At 1 April 2021	227,016	532,358	759,374
Additions	72,371	67,041	139,412
At 31 March 2022	<u>299,387</u>	<u>599,399</u>	<u>898,786</u>
Depreciation			
At 1 April 2021	59,089	393,560	452,649
Charge for the year	4,831	43,456	48,287
At 31 March 2022	<u>63,920</u>	<u>437,016</u>	<u>500,936</u>
Net book value			
At 31 March 2022	<u>235,467</u>	<u>162,383</u>	<u>397,850</u>
<i>At 31 March 2021</i>	<u>167,927</u>	<u>138,798</u>	<u>306,725</u>

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

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

15. **Tangible fixed assets (continued)**

Group (continued)

Charitable Company

	Leasehold improvements £	Fixtures and fittings £	Total £
Cost or valuation			
At 1 April 2021	227,016	485,109	712,125
Additions	72,371	67,041	139,412
At 31 March 2022	<u>299,387</u>	<u>552,150</u>	<u>851,537</u>
Depreciation			
At 1 April 2021	59,089	352,674	411,763
Charge for the year	4,831	40,932	45,763
At 31 March 2022	<u>63,920</u>	<u>393,606</u>	<u>457,526</u>
Net book value			
At 31 March 2022	<u>235,467</u>	<u>158,544</u>	<u>394,011</u>
At 31 March 2021	<u>167,927</u>	<u>132,435</u>	<u>300,362</u>

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

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

16. Fixed asset investments

	Investments in subsidiary companies £
Charitable Company	
Cost or valuation	
At 1 April 2021	100
At 31 March 2022	100
Net book value	
At 31 March 2022	100
At 31 March 2021	100

Principal subsidiaries

The following was a subsidiary undertaking of the Charitable Company:

Name	Company number	Registered office or principal place of business	Principal activity	Class of shares	Holding
The Customs House Green Room Limited	05812339	The Customs House, Mill Dam, South Shields, Tyne & Wear, NE33 1ES	The running of a cafe bar and the organisation of events and conferences at The Customs House	Ordinary	100%

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit/(Loss) / Surplus/ (Deficit) for the year £
The Customs House Green Room Limited	224,725	(216,091)	8,634

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

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

Net assets
£

10,425

17. Stocks

	Group 2022 £	<i>Group 2021 £</i>
Finished goods and goods for resale	11,690	<i>3,765</i>

18. Debtors

	Group 2022 £	<i>Group 2021 £</i>	Charitable Company 2022 £	<i>Charitable Company 2021 £</i>
Due within one year				
Trade debtors	4,460	43,490	4,460	41,047
Amounts owed by group undertakings	-	-	177,196	73,143
Other debtors	4,473	76,436	4,473	76,436
Prepayments and accrued income	12,002	44,117	50,002	44,117
	20,935	<i>164,043</i>	236,131	<i>234,743</i>

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

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

19. Creditors: Amounts falling due within one year

	Group	<i>Group</i>	Charitable	<i>Charitable</i>
	2022	<i>2021</i>	Company	<i>Company</i>
	£	<i>£</i>	£	<i>£</i>
Trade creditors	89,699	32,123	82,090	30,876
Other taxation and social security	13,281	7,797	10,678	7,797
Other creditors	42,158	127,387	40,719	124,825
Accruals and deferred income	341,609	204,339	336,300	196,831
	<u>486,747</u>	<u>371,646</u>	<u>469,787</u>	<u>360,329</u>
	Group	<i>Group</i>	Charitable	<i>Charitable</i>
	2022	<i>2021</i>	Company	<i>Company</i>
	£	<i>£</i>	£	<i>£</i>
Deferred income at 1 April 2021	160,761	29,077	160,761	29,077
Resources deferred during the year	267,066	145,160	267,066	145,160
Amounts released from previous periods	(160,761)	(13,476)	(160,761)	(13,476)
	<u>267,066</u>	<u>160,761</u>	<u>267,066</u>	<u>160,761</u>

20. Deferred taxation

Group

	2022
	£
At the beginning of the year	1,024
Accelerated capital allowances	(64)
	<u>960</u>

Charitable Company

The deferred tax liability is made up as follows:

	Group	<i>Group</i>
	2022	<i>2021</i>
	£	<i>£</i>
Accelerated capital allowances	(960)	(1,024)
	<u>(960)</u>	<u>(1,024)</u>

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

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

21. Statement of funds

Statement of funds - current year

	Balance at 1 April 2021 £	Income £	Expenditure £	Taxation £	Balance at 31 March 2022 £
Unrestricted funds					
Designated funds					
Designated funds	130,000	-	-	-	130,000
General funds					
General funds	254,638	1,952,992	(1,634,553)	(2,539)	570,538
Total Unrestricted funds	384,638	1,952,992	(1,634,553)	(2,539)	700,538
Restricted funds					
Leasehold improvements	117,281	-	(4,831)	-	112,450
Other activities	88	-	(88)	-	-
Gallery and gallery outreach	8,127	-	(8,127)	-	-
Garfield Weston	148,688	-	(61,681)	-	87,007
Learning and Participation	39,389	104,037	(143,426)	-	-
	313,573	104,037	(218,153)	-	199,457
Total of funds	698,211	2,057,029	(1,852,706)	(2,539)	899,995

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

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

21. Statement of funds (continued)

Funds Descriptions:

Unrestricted funds - free reserves after allowing for restricted funds.

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

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

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

Gallery and gallery outreach - funding received from various sources for outreach classes.

Garfield Weston Culture Fund - grant received was fundamental in providing engagement opportunities, enabling new relationships to be built and facilitating capital purchases.

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

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

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

21. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 April 2020</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Balance at 31 March 2021</i>
	£	£	£	£	£
Unrestricted funds					
General funds	57,411	1,335,741	(1,008,514)	(130,000)	254,638
Designated funds	-	-	-	130,000	130,000
	<u>57,411</u>	<u>1,335,741</u>	<u>(1,008,514)</u>	<u>-</u>	<u>384,638</u>
Restricted funds					
Leasehold improvements	120,606	-	(3,325)	-	117,281
Other activities	88	-	-	-	88
Gallery and gallery outreach	6,166	1,961	-	-	8,127
Garfield Weston	-	164,400	(15,712)	-	148,688
Learning and Participation	34,721	18,808	(14,140)	-	39,389
	<u>161,581</u>	<u>185,169</u>	<u>(33,177)</u>	<u>-</u>	<u>313,573</u>
Total of funds	<u>218,992</u>	<u>1,520,910</u>	<u>(1,041,691)</u>	<u>-</u>	<u>698,211</u>

22. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2022	Unrestricted funds 2022	Total funds 2022
	£	£	£
Tangible fixed assets	263,071	134,779	397,850
Current assets	-	989,852	989,852
Creditors due within one year	(63,614)	(423,133)	(486,747)
Provisions for liabilities and charges	-	(960)	(960)
Total	<u>199,457</u>	<u>700,538</u>	<u>899,995</u>

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

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

22. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Restricted funds 2021 £</i>	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Tangible fixed assets	117,281	189,444	306,725
Current assets	196,292	567,864	764,156
Creditors due within one year	-	(371,646)	(371,646)
Provisions for liabilities and charges	-	(1,024)	(1,024)
Total	<u>313,573</u>	<u>384,638</u>	<u>698,211</u>

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

	Group 2022 £	<i>Group 2021 £</i>
Net income for the year (as per Statement of Financial Activities)	<u>201,784</u>	<u>477,617</u>
Adjustments for:		
Depreciation charges	48,287	41,903
Taxation	2,539	(350)
Decrease/(increase) in stocks	(7,925)	3,754
Decrease/(increase) in debtors	143,108	(14,896)
Increase/(decrease) in creditors	112,498	(28,010)
Net cash provided by operating activities	<u>500,291</u>	<u>480,018</u>

24. Analysis of cash and cash equivalents

	Group 2022 £	<i>Group 2021 £</i>
Cash in hand	957,227	596,348
Total cash and cash equivalents	<u>957,227</u>	<u>596,348</u>

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

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

25. Analysis of changes in net debt

	At 1 April 2021	Cash flows	At 31 March 2022
	£	£	£
Cash at bank and in hand	596,348	360,879	957,227
	596,348	360,879	957,227

26. Capital commitments

	Group 2022	Group 2021
	£	£
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	14,665	-
	14,665	-

27. Pension commitments

The group operates a defined contribution scheme for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund. The contributions payable by the group charged to the Statement of Financial Activities during the year amounted to £10,390 (2021: £12,702). Contributions totaling £7,801 (2021: £7,797) were payable to the fund at the year end and are included in creditors.

28. Operating lease commitments

At 31 March 2022 the Group and the Charitable Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2022	Group 2021	Charitable Company 2022	Charitable Company 2021
	£	£	£	£
Not later than 1 year	3,400	7,070	3,400	7,070
Later than 1 year and not later than 5 years	5,100	2,179	5,100	2,179
	8,500	9,249	8,500	9,249

29. Related party transactions

During the year, R Spencer (Executive Director) was paid £14,814 (2021: £1,450) in total for his services (as a writer, director and performer) for the pantomime. There were no amounts outstanding at the year end (2021: £nil).