

Registered Charity Number: 700985

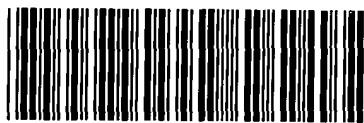
Company Number: 02315198

The Square Chapel Trust

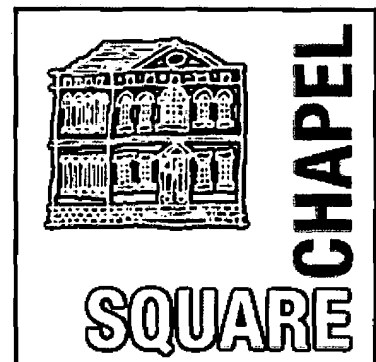
(A Company Limited by Guarantee)

**Trustees' Report and Financial Statements
for the year ended 31 March 2018**

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The Square Chapel Trust

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The Square Chapel Trust

Charity Information

Chairperson

E K O Knudsen

Trustees

M V Collett	(appointed on 14 March 2018)
E K Dugdale	
S Fearnley	(appointed on 14 March 2018)
B Harwood	
N W Horsfield	
E K O Knudsen	
J M Lynn	
D L McQuillan	
J Newman	
M Razaq	
D R R Sutcliffe	(resigned on 23 October 2017)
J J Sutcliffe	(resigned on 23 October 2017)
M A West	
N C Worsnop	

Secretary

D L McQuillan

Registered charity number

700985

Company Registration number

02315198

Principal and registered office

Square Chapel
10 Square Road
Halifax
HX1 1QG

Key management

D L McQuillan	Chief Executive
L Franklin	General Manager
S Howard	Finance Manager (appointed 12 July 2017)
M Clarke	Operations and Technical Manager

Auditors

Garbutt & Elliott Audit Limited
Triune Court
Monks Cross Drive
York
YO32 9GZ

Bankers

Lloyds TSB Plc
Commercial Street
Halifax
HX1 1BB

Solicitors

Chadwick Lawrence
Somerset House
Rawson Street
Halifax
HX1 1NH

The Square Chapel Trust

Trustees Report for the year ended 31 March 2018

The Trustees present their annual report together with the financial statements for the year ending 31 March 2018, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with (1) current statutory requirements, (2) the Memorandum and Articles of Association and (3) the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Objectives and Activities

The objectives of the Square Chapel Trust as stated in its Memorandum and Articles of Association are:

"to preserve for the benefit of the people of Halifax, and of the nation at large, The Square Chapel in Halifax and whatever of the English historical, architectural and constructional heritage may exist in the County of Yorkshire in the form of buildings (including any building as defined in section 290(1) of the Town and Country Planning Act 1971) of particular beauty or historical architectural or constructional interest; and the advancement of education by the promotion and presentation of the performing arts in West Yorkshire and in particular at Square Chapel, Halifax".

Trustees review the aims, objectives and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work in the reporting period. The review also helps the Trustees ensure the charity's aims, objectives and activities remained focused on its stated purposes.

Square Chapel Trust operates a trading subsidiary, Square Chapel Trading. The Trust currently operates two premises, the Square Chapel Arts Centre and Orangebox, a centre for young people situated in Halifax town centre. For the purpose of this report these will be jointly referred to as the charitable group.

Public Benefit

Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives that have been set.

The charity relies on grants and the income from fees and charges to cover its operating costs. In setting the level of ticket prices, fees and other charges the Trustees give consideration to the accessibility to activities for those on low income.

Achievements and Performance

2017/18 was a monumental year in the history of Square Chapel as it saw the completion of the £6.6m capital development on time and on budget. This has led to a vast change in scale of the Trust's operation over the second half of the year. There have been significant achievements in year, real challenges and there are risks worth noting. 2017/18 has seen Square Chapel producing its first 'in-house' work, expanding its live programming, launching two new businesses in a cinema and café bar, alongside dealing with the ongoing transition issues around Orange Box.

Noticeable achievements in 2017/18

The completion of the £6.6m expansion to Square Chapel on time and on budget was a significant achievement. The Café bar opened to the public on the 8th June 2017, with the cinema programme launching in July and a full launch of the new building and expanded programme in September.

One of the stated aims of the expansion was to increase audiences in the existing, Red Brick auditorium to 115 (from c.85) and achieve new audiences for live work with an average audience of 45 in the new, smaller, Copper auditorium – we exceeded both of those in the first season with averages of 170 and 67 respectively.

The new cinema programme ran for nine months of the year attracting nearly 16,000 in audiences (scaled up for 12 months that represents over 21,000 attendees); we programmed a mixture of high quality art house, documentaries and cross over titles – along with Director/ Actor Q&As and other unique events.

The Square Chapel Trust

Trustees Report for the year ended 31 March 2018 (continued)

Our participation in the Cultural Destinations programme lead to the creation of a new organisation called Halifax Culture Hub, who will lead on producing a coordinated marketing plan for Halifax as an exciting cultural destination. Through this we further cemented our relationship with Calderdale MCB and other partners in the emerging cultural quarter of Halifax.

All of the above are directly fulfilling Square Chapel Trust's aims of educating the public through the provision of the performing arts and the preservation of Square Chapel for the benefit of the public.

Financial Review

Total income for the charitable group was £1,682,757 (2017: £5,094,865), this figure includes £50,000 for the capital project.

Total income for the charitable group excluding funds for the capital project was £1,632,757. Restricted funds have been received from, Big Lottery (£84k from their Reaching Communities Fund) and further grants from Andrew Lloyd Webber (£11k), Youth Music (£27k), CMBC (£33k), landlines and watermarks (£10k) and other miscellaneous grants under £10k (£25k)

Square Chapel would like to thank all its funders in 2017/18, who have helped ensure that the quality, number and breadth of events offered remains high. Our work would not be possible without them. Trustees also acknowledge the contribution of Members Group, who undertake fundraising activity for the charity and made donations totalling over £13,000 in 2017/18. This is a fantastic result and over twice the amount from last year, reflecting the vast increase in members from one year to the next. The contribution of the Members Group goes beyond the financial element. Their enthusiasm and commitment to Square Chapel's objectives are of immeasurable benefit.

Total expenditure for the charitable group excluding the capital project was £1,993,183.

In previous years the charity has been able to maintain very healthy cash position as a number of significant restricted funds have been provided in advance of them being expended. Trustees were aware that this might not be the case in this period and there have been a few issues relating to cash flow from November onwards, largely linked to late release of retentions but also due to the ongoing issues around the Orange Box transition.

Within the charitable group, the Orange Box project had net expenditure (expenditure more than income) of £157,101 at year end.

Trustees made the decision at the end of 2016/17 financial year that continuing with the Orange Box project in its current form was no longer sustainable and that the project must either be handed over to other organisations or closed in order to eliminate any further financial liabilities for the overall organisation.

It was the aim of Trustees that Orange Box will cease to be a liability moving into Q3 of 2017/18 financial year. Unfortunately due to a delayed transition, Orange Box has remained a liability for the Trust to the end of this financial year. The legal transition is unlikely to complete until the back end of the 2018/19 financial year – but, from April 1st 2018, due to a funding agreement with CMBC, the project is cost neutral for the Trust.

Reserves Policy

Currently the security of the charity depends on the fact that the value of the building is significantly greater than its liabilities.

The Trustees have reviewed the charity's reserves requirements. It is considered that reserves are required to provide financial capacity to enable the company to deal with:

- Temporary interruptions to project funding
- Major building repair costs
- Investment in assets, activities or resource procurement initiatives where there is no immediate financial reward
- The crystallisation of latent liabilities not provided in the accounts such as staff redundancy and notice costs
- Temporary reductions in box office takings and hire income

The Square Chapel Trust

Trustees Report for the year ended 31 March 2018 (continued)

- The requirement to cash flow project expenditure where grant funding is only received after expenditure is deferred

It is further considered that the appropriate level of free reserves to meet these requirements is a sum equivalent to four months' core operating costs. Based on the 2018/19 budgeted figures, the requirement is for free reserves (unrestricted funds not invested in fixed assets) of £370,000. Once the transfer of Orangebox lease is complete this figure will be revised.

At 31 March 2018, the balance on free reserves is a deficit of £37,436, with a shortfall on the target figure of £407,436. Whilst being realistic about the current climate and taking into account this is a difficult planning and transitional period for Square Chapel, Trustees remains committed to the continuing gradual accumulation of reserves. We acknowledge the disappointment of having built up reserves last year and expended them again this.

Structure, Governance and Management

Square Chapel is a charitable company limited by guarantee and is governed by its Memorandum and Articles of Association dated 9 November 1988, amended by special resolution dated 5 June 1997. It is registered as a charity with the Charity Commission. Those eligible for membership of the company are the original subscribers to the Memorandum and Articles of Association and "such other persons or corporations as may desire to be admitted to membership and who are elected by the Chair to be members of the Trust". There are currently 12 Members of the company of which none are corporations, each of whom agrees to contribute a sum not exceeding £1 in the event of the charity being wound up.

Appointment of Directors and Trustees

The Directors, who are the Trustees, are appointed either by the existing Directors or by the Members in general meeting. The Board is known as the Management Committee. One third of the Directors retire by rotation each year, being the longest in office and are eligible for re-election. Only those retiring by rotation or those nominated by the Management Committee are eligible for election, unless a member gives not less than seven and not more than 21 days written notice (delivered to the Company's registered office) of their intention to stand or propose someone else for election (who has also confirmed in writing their willingness to be elected).

Square Chapel Trust plays an integral role in the advancement of the arts in Calderdale and the surrounding area. Trustees look, in the main, to the local community to broaden its range of experience, to fill specific roles on the Management Committee, and to deliver the enthusiasm required to continue to develop the organisation. Induction and training are provided as necessary in house by the Executive Director, Chair and other Trustees with specific skill sets. Outside agencies providing specialist Trustees training are considered as and when relevant courses become available.

Management Structure

The Management Committee, which must not be less than three members or more than 15, administers the charity and meets as necessary, usually every three months. The day to day operations of the charity are the responsibility of the Executive Director, David McQuillan, to whom the Trustees have delegated authority for operational matters including finance, employment and artistic development, within the overall strategy agreed by Trustees. The Executive Director is supported by a senior management team comprising a Head of People (Linda Franklin); Head of Technical (Martin), Head of Audiences (Michaela), Head of Development (vacant [at year end]); and Head of Programming (currently vacant).

Principle Risks and Uncertainties

The targets set for the new building for an expansion to our live work were challenging – seeking to increase average attendance in the Red Brick from c.85 per show to 115 per show; and develop new audiences for the Copper auditorium with an average of 45 per show. We vastly exceeded those targets across the first two seasons (Sept-Dec; Jan-Mar) and the effect of that can be seen in the figures below

The figures below breakdown the number of events and tickets sold in 2016/17 and 2017/18.

The Square Chapel Trust

Trustees Report for the year ended 31 March 2018 (continued)

2016/17					
Category	Events	Tickets	Net income (£)	Net Yield	
Hires	20	1,579	13,518	8.56	
Outreach	316	4,595	11,938	2.60	
Professional	103	8,263	65,944	7.98	
Schools	22	2,558	4,417	1.72	
Fundraisers	16	1,150	4,175	3.63	
Film	43	2,768	8,905	3.22	
Other Rooms	17	776	6,961	8.97	
Total	537	21,689	115,858	5.34	

2017/18					
Category	Events	Tickets	Net income (£)	Net Yield	
Hires	68	5,939	57,141	9.62	
Outreach	328	4,665	12,798	2.74	
Professional	156	16,111	132,093	8.20	
Schools	25	1,936	3,306	1.70	
Fundraisers	18	2,065	8,409	4.07	
Film	510	15,226	68,221	4.48	
Other Rooms	N/A	N/A	N/A	N/A	
Total	1,105	45,942	281,968	6.14	

A great result in all areas regarding ticket sales, more than doubling the previous years results.

Forward View of Risks in 2018/19

In this first full year of operation, the organisation will have to maintain a significantly greater scale than it has before. Two new areas of core activity will take place (a substantive film programme in the second auditorium and a full café bar), with the staff team increasing in size accordingly.

Trustees have a full appreciation of the risks that accompany such a step-change. Three key areas of risk have been identified during 2018/19:

i. Financial management

Trustees are aware that the increased scale of activity in 2017/18 entails more complex financial planning. As a result, the Management Committee and staff team will closely monitor the organisations financial performance over the period. The key activity, although by no means the only control measure, will be the production of monthly management accounts and quarterly reporting to the Management Committee. This reporting will generate a series of other activities geared to easing any potential financial problems and be instrumental in helping to take decisions and implement plans of action in a timely manner.

The Square Chapel Trust

Trustees Report for the year ended 31 March 2018 (continued)

ii. Increased revenue targets

The budget for 2018/19 includes significant revenue targets for a new film programme in the second auditorium and for a significantly extended programme in the main auditorium (self-generated income accounts for 52% of revenue in 2017/18, with revenue targets of £203,00 for the film programme and £190,000 for other box office sales). While these figures are ambitious, they are based on comprehensive and fully evaluated business and audience development plans.

iii. Square Trading

The Trading company is forecast to pay over c£60,000 in rent to the Trust for the year 2018/19 along with covering the cost of any related staffing and associated overheads. At the end of the financial year 2017/18, Trading was unable to pay costs due to the Trust – the establishment of regular substantial profits for the Trading company in order to pay its rent to the Trust and repay the loan from the previous year, is, in the Trustee's view, the single largest priority risk for the year ahead.

Acceptable Risk

Trustees have a significant degree of confidence in the progress the organisation is making to being not only secure and sustainable, but an organisation which can grow and prosper. Whereas the Square Chapel team will continue to take calculated risks, in terms of the range of performances it delivers and the development plans described above, it remains the view of the Trustees that these are acceptable given that the same degree of careful management that has seen Square Chapel prosper over the last 25 years and move into a position of being a significant cultural institution within the cultural infrastructure of Halifax. This confidence is supported by that of the organisation's key funding partners such as Calderdale MBC and Arts Council England, who have both chosen to invest significantly in Square Chapel's capital expansion.

Plans for the Future

The next few years will be a period of consolidation for the trust but we are committed to our plans to:

- Punch above our weight

We welcome some of the most exciting, innovative and sought-after artists and companies touring today – artists want to come to Square Chapel and it is not usual for us to be on a tour schedule made up entirely of mid-scale and Number One Scale venues

- Raise aspirations

Providing opportunities for vulnerable groups, young people, older people, people experiencing social exclusion and people currently underemployed in a range of creative activities that engender confidence, aspiration and that provide entry routes into volunteering, training and employment

- Celebrate stories

The organisation is passionate about valuing diversity and finding ways of celebrating the stories of people locally and the experience of living in today's Britain – we work with artists and local communities through a range of artforms and platforms to share important narratives often missing or untold through other cultural provision.

- Support the regional and local creative ecology

We create space for professional and non-professional cultural organisations in the Borough to develop and share learning, and assume a leadership role in championing a thriving ecology. Square Chapel is engaged in vital conversations about arts development that impact on local and national practice and policy.

- Make our town a better place to live, work and visit

Square Chapel sits at the centre of a £40 million regeneration which includes the iconic Piece Hall, a new central library, Orangebox young people's centre and a host of smaller independent creative businesses creating a new Cultural Quarter in the town, leading The Guardian to recently describe our town as "the Shoreditch of the North".

The Square Chapel Trust

Trustees Report for the year ended 31 March 2018 (continued)

- **Generate Inward Investment into the area**

Our activities and the programmes and activities we generate with our many partners bring significant inward investment into the area from national and international stakeholders with commitments to cohesive communities, innovative architecture and town planning, boundary-pushing arts and culture, and entrepreneurship.

Trustees' Responsibilities

The Board of Trustees is responsible for preparing the Annual Report and the accounts in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (UK GAAP).

Company law requires the Board of Trustees to prepare accounts for each financial period which give a true and fair view of the state of affairs of the charitable company and of the surplus or deficit of the charitable company for that period. In preparing these accounts, the Board of Trustees is required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue to operate.

The Board of Trustees is responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees' Report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Auditors

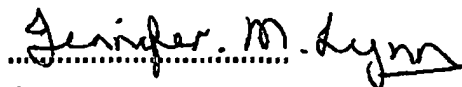
Garbutt & Elliott Audit Limited were appointed auditors to the company and in accordance with section 485 of the Companies Act 2006 and have indicated their willingness to be reappointed at the Annual General Meeting.

Statement as to disclosure to our auditors

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

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

Approved by the Board and signed on its behalf by:



Trustee

Sm Lynn

17th December 2018

The Square Chapel Trust

Independent Auditors' Report for the year ended 31 March 2018

Opinion

We have audited the financial statements of The Square Chapel Trust (the "parent charity") and its subsidiaries (the "group") for the year ended 31 March 2018. 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 parent charitable company's affairs as at 31 March 2018 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's and Charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

The Square Chapel Trust

Independent Auditors' Report for the year ended 31 March 2018 (Continued)

Opinions 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 (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report (incorporating the directors' report) has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement, the trustees 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 they 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 parent charity'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 Charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

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

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 auditor's report.

The Square Chapel Trust

Independent Auditors' Report for the year ended 31 March 2018 (Continued)

Use of Our Report

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

Garbutt & Elliott Audit Limited

**Laura Masheder
Senior Statutory Auditor**

14 December 2018

**For and on behalf of Garbutt & Elliott Audit Limited
Statutory Auditor**

Triune Court
Monks Cross Drive
York
YO32 9GZ

The Square Chapel Trust

Group Statement of Financial Activities (including income and expenditure account) for the year ended 31 March 2018

	Notes	Unrestricted funds £	Restricted funds £	2018 Total £	2017 Total £
Income from:					
Grants and donations	3	484,882	-	484,882	418,490
Income from trading activities:					
Fundraising income		13,184	-	13,184	2,160
Trading activity	5	432,035	-	432,035	19,457
Investment income – bank interest		41	-	41	496
Income from charitable activities:					
Performance related grants and other earned income	4	420,570	190,396	610,966	635,748
Capital grants	4	-	50,000	50,000	4,018,514
Income from other activities:					
Exceptional gain on sale of land		91,649	-	91,649	-
Total income		1,442,361	240,396	1,682,757	5,094,865
Expenditure on:					
Expenditure on raising funds:					
Trading costs	6	528,704	-	528,704	14,711
Grant applications and fundraising	6	51,929	-	51,929	47,300
		580,633	-	580,633	62,011
Expenditure on charitable activities	7	989,840	422,711	1,412,551	1,128,199
Total expenditure		1,570,473	422,711	1,993,184	1,190,210
Net movement in funds before transfers	18	(128,112)	(182,315)	(310,427)	3,904,655
Transfers between funds	18	(77,536)	77,536	-	-
Net movement in funds for the year		(205,648)	(104,779)	(310,427)	3,904,655
Total funds brought forward		734,917	9,739,371	10,474,288	6,569,633
Total funds carried forward		529,269	9,634,592	10,163,861	10,474,288

The Statement of Financial Activities includes all gains and losses recognised in the year.

A fully detailed Group Statement of Financial Activities for the year ending 31 March 2017 is shown at note 24.

The Square Chapel Trust

Balance Sheets as at 31 March 2018

		Group		Charity	
	Notes	2018 £	2017 £	2018 £	2017 £
Fixed assets					
Tangible assets	11	10,124,408	9,902,437	10,124,408	9,902,437
Investments	12	-	-	2	2
		10,124,408	9,902,437	10,124,410	9,902,439
Current assets					
Stock	13	7,226	1,109	-	-
Debtors	14	361,504	707,950	444,746	708,543
Cash at bank and in hand		21,739	539,575	5,826	537,640
		390,469	1,248,634	450,572	1,246,183
Creditors: amounts falling due within one year	15	(351,016)	(675,890)	(315,153)	(674,143)
Net current assets		39,453	572,744	135,419	572,040
Total assets less current liabilities		10,163,861	10,475,181	10,259,829	10,474,479
Creditors: amounts falling due after more than one year	16	-	(893)	-	(893)
Net assets		10,163,861	10,474,288	10,259,829	10,473,586
Funds of the charity					
Unrestricted funds	18	529,269	734,917	625,237	734,215
Restricted funds	18	9,634,592	9,739,371	9,634,592	9,739,371
		10,163,861	10,474,288	10,259,829	10,473,586

The notes on pages 14-36 form part of these financial statements.

The financial statements were approved by the board on 17/12/18 and signed on their behalf by:



D L McQuillan
Trustee

Company number: 02315198

The Square Chapel Trust

Consolidated Statement of Cash Flows for the year ended 31 March 2018

	Notes	2018 £	2017 £
Net cash (outflow)/ inflow from operating activities	23	(273,801)	3,507,747
Cash flows from investing activities			
Bank interest received		41	496
Purchase of tangible fixed assets		(513,892)	(3,716,532)
Proceeds from sale of fixed assets		245,000	-
Net cash used in investing activities		(268,851)	(3,716,036)
Cash flows from financing activities			
Payment of finance lease obligations		(893)	(1,301)
Change in cash and cash equivalents in the year		(543,545)	(209,590)
Cash and cash equivalents at the beginning of the year		539,575	749,165
Cash and cash equivalents at the end of the year		3,970	539,575
Analysis of cash and cash equivalents:			
Cash at bank and in hand		21,739	539,575
Bank overdrafts included in creditors falling due within 1 year		(25,709)	-
		3,970	539,575

The Square Chapel Trust

Notes to the financial statements for the year ended 31 March 2018

1. Accounting Policies

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

Company Information

The Square Chapel Trust is a company limited by guarantee and is registered as a charity under the Charities Act 2011. The registered office is Square Chapel, 10 Square Road, Halifax, HX1 1QG. The organisation's Charity Number is 700985 and its company number is 02315198.

1.1 Accounting Convention

The financial statements have been prepared on a going concern basis in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015) (Charities SORP (FRS102), the Financial Reporting Standard applicable in the UK and Ireland (FRS 102), and the Companies Act 2006 and the Charities Act 2011.

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

On the grounds that the charitable company's results are consolidated into the charitable company's group accounts the charitable company has taken advantage of certain exemptions conferred by section 1.11 of FRS102 as follows:

- Exemption from disclosing the carrying amounts of each category of financial assets and financial liabilities at the reporting date as required by section 11.41 of FRS 102.
- Exemption from presenting a charitable company statement of cash flows as a primary statement to the financial statements.

1.2 Going concern

The principal financial risk facing the charity and its trading subsidiary (together "the group") is the ability to generate sufficient income from customer numbers and external funding to cover expenditure incurred in fulfilling the objectives of the group. The Trustees have reviewed the cash position of the group and cash forecasts at the date of signing the financial statements and are satisfied that the group will be able to meet all of its financial commitments.

As a consequence, the Trustees believe the group is well placed to manage its financial risks successfully despite the current uncertain economic outlook. After making enquiries, the Trustees have a reasonable expectation that the group has adequate reserves to continue in operational existence for the foreseeable future. Accordingly, the trustees continue to adopt the going concern basis in preparing the financial statements.

1.3 Basis of consolidation

The financial statements consolidate the results of the charity and its wholly owned subsidiary, Square Trading Limited, on a line by line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented because the Charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006. The gross income of the Charity was £1,328,967 (2017 - £5,080,154) and the net expenditure was £213,312 (2017 - £3,899,909 net income).

The Square Chapel Trust

Notes to the financial statements for the year ended 31 March 2018

1. Accounting Policies (continued)

1.4 Income

Income, from all sources, is recognised in the accounting period in which it is receivable, except in the following circumstances, when the income is deferred and included in creditors.

- The income relates to a future accounting period
- A sales invoice has been raised ahead of the work being carried out and the Trust is not contractually entitled to the income until the work has been done
- Not all the terms and conditions of the grant have been met, including the incurring of expenditure and the grant conditions are such that unspent grant must be refunded.

Donations

Funding is recognised when the Trust becomes entitled to receive the funds, when it is probable that the funds will be received and that they can be measured with sufficient reliability.

Grants

Income from government and other grants whether 'capital grants' or 'revenue grants' is recognised when the charity has entitlement to the funds, any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably and not deferred.

Grants received in respect of capital expenditure, which may be repayable in certain circumstances, are treated as restricted funds, and included in income in the year of receipt. They are released to unrestricted funds, insofar as any restrictions have been met, by means of charging the relevant depreciation against the fund each year.

Earned income

Income receivable and charges for performances, workshops and ancillary trading are accounted for in the period in which the performance or workshops take place.

1.5 Fund accounting

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity.

Restricted funds can only be used for particular restricted purposes within the objectives of the charity. These arise when funds are subject to specific restrictive conditions imposed by funders/donors or by the purpose of the grant. The purpose and use of the restricted funds is set out in note 18.

1.6 Expenditure and irrecoverable VAT

Expenditure is included in the Statement of Financial Activities on an accruals basis inclusive of any VAT that cannot be recovered and has been classified under headings that aggregate all costs related to the category. Expenditure is allocated directly to that activity where costs relate directly to that activity.

Expenditure on raising funds

Includes those costs associated with trading and attracting voluntary income and in applying for new funding and sponsorship.

Charitable expenditure

The costs directly attributable to delivering the charitable activities.

All costs are allocated between expenditure categories of the Statement of Financial Activity on a basis designed to reflect the use of resources. Costs directly relating to a particular activity are allocated directly and other costs (support costs) are allocated in accordance with the Trustees' estimate of staff time and use of other resources.

The Square Chapel Trust

Notes to the financial statements for the year ended 31 March 2018

1. Accounting Policies (continued)

1.7 Staff Costs

Where material, the costs of short term employee benefits are recognised as a liability and an expense where settlement of obligations does not fall within the same period.

1.8 Pension costs

The charity operates a defined contribution scheme for its employees. Contributions are charged as an expense to the Statement of Financial Activities in the period in which they fall due.

1.9 Investments

Investments in subsidiaries are stated at cost and the Trustees review the carrying value annually for indication of impairment.

1.10 Fixed assets and depreciation

Assets are initially recognised at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is provided on the cost or valuation of tangible fixed assets in order to write off the cost or valuation after taking account of scrap values over their expected useful lives as follows:

Freehold buildings	2% straight line
Long leasehold land and buildings	Straight line over the life of the lease
Equipment - office	10% and 15% reducing balance
- computers	40% reducing balance
- theatre seating and equipment	10% and 15% reducing balance

No depreciation is provided in respect of freehold land.

Assets costing less than £500 are not capitalised but written off as revenue expenditure in the year of acquisition.

The charity has the objective of preserving the Square Chapel in Halifax. The residual value of the building exceeds the net book value of the building and accordingly no depreciation has been charged in the year.

Assets under the course of construction are not depreciated.

1.11 Stocks

Stocks of goods for resale are valued at the lower of cost and estimated selling price less costs to complete and sell.

1.12 Financial Instruments

The group 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.

Cash at Bank and in Hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity held for working capital.

Debtors

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

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in the income and expenditure account.

The Square Chapel Trust

Notes to the financial statements for the year ended 31 March 2018

1. Accounting Policies (continued)

Creditors, Loans and Provisions

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

Financial liabilities are only derecognised when, and only when, the group's obligations are discharged, cancelled or expire.

Amounts recognised as provisions are best estimates of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

1.13 Taxation

The Square Chapel Trust is a registered charity and as such is a charity within the meaning of schedule 6 of the Finance Act 2010. Accordingly, the Charity is potentially entitled to tax exemption under part 11 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992 in respect of income and gains arising.

The trading subsidiary is liable to corporation tax on its chargeable profits. Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted at the balance sheet date. As all profits arising in the subsidiary are gift aided to the parent charitable company no corporation tax liability arises.

2. Critical Judgements

In the application of the charity's accounting policies, the directors 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, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Non depreciation of freehold buildings

The charity owns a freehold property. The accounting policy states that the asset is depreciated at cost less estimated residual value over their estimated useful economic lives of 50 years. The residual values is estimated based on the current market value of the property assuming it is already of the age and condition expected at the end of their useful life.

Depreciation of Tangible Assets

Depreciation policies have been set according to management's experience of the useful lives of the assets in each category, something which is reviewed annually.

The charity incurs expenditure on creating tangible fixed assets for use in the charity with costs being incurred over a number of months. Management believe it is possible to segregate these costs into identifiable projects, and as such no depreciation is charged on that project until it is brought into use.

The Square Chapel Trust

Notes to the financial statements for the year ended 31 March 2018

3. Grants and donations

	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Unrestricted Funds £	Restricted Funds £	Total 2017 £
Core grants:						
Arts Council England	228,151	-	228,151	156,051	-	156,051
ACE – Catalyst Evolve	-	-	-	16,500	-	16,500
Other core grant	4,250	-	4,250	-	-	-
Calderdale MBC	89,589	-	89,589	85,799	-	85,799
Donations:						
Orangebox	-	145	145	-	360	360
Cornerstone	-	119	119	-	-	-
Other donations	162,628	-	162,628	159,780	-	159,780
	484,618	264	484,882	418,130	360	418,490

The Square Chapel Trust

Notes to the financial statements for the year ended 31 March 2018

4. Income from charitable activities

	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Unrestricted Funds £	Restricted Funds £	Total 2017 £
Theatre:						
Box office	263,351	-	263,351	79,335	-	79,335
Theatre hires	47,912	-	47,912	21,786	-	21,786
Other income	-	-	-	1,030	-	1,030
	311,263	-	311,263	102,151	-	102,151
Outreach and Community:						
The Big Lottery – Reaching Communities	14,315	83,505	97,820	17,275	168,774	186,049
ACE – Cultural Destinations	-	-	-	581	79,250	79,831
ACE – Catalyst Evolve	-	-	-	-	35,000	35,000
Andrew Lloyd Webber	-	10,708	10,708	-	-	-
Youth Music	-	26,936	26,936	-	-	-
CMBC – Cultural Destinations	-	-	-	-	15,300	15,300
Landlines & watermarks	-	10,000	10,000	-	-	-
Engage	-	6,230	6,230	-	-	-
Volunteering for Action	-	4,200	4,200	-	-	-
CMBC – Gig Buddies	-	33,030	33,030	-	33,000	33,000
Film Hub North	-	2,000	2,000	741	20,000	20,741
Other grants and income	1,359	-	1,359	-	4,250	4,250
	15,674	176,609	192,283	18,597	355,574	374,171

The Square Chapel Trust

Notes to the financial statements for the year ended 31 March 2018

4. Income from charitable activities (continued)

	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Unrestricted Funds £	Restricted Funds £	Total 2017 £
Orangebox:						
Grant – CMBC	-	3,965	3,965	-	-	-
Grant – George Martin Trust	-	2,000	2,000	-	-	-
Grant – Project Challenge	-	4,125	4,125	-	-	-
Grant – StreetGames	-	2,250	2,250	-	4,500	4,500
Grant – Ernest Cook Trust	-	-	-	-	4,500	4,500
Grant – Skate-park	-	-	-	-	5,000	5,000
Grant – Postcode Local Trust	-	-	-	-	20,000	20,000
Grant – Groundwork UK Roofbox	-	-	-	-	6,000	6,000
Grant - Sportivate	-	1,447	1,447	1,139	6,935	8,074
Other grants and project income	6,883	-	6,883	667	9,769	10,436
Room hire, rental income and fees	71,152	-	71,152	89,509	-	89,509
Café and other trading income	5,598	-	5,598	11,407	-	11,407
Theatre tax relief	10,000	-	10,000	-	-	-
	93,633	13,787	107,420	102,722	56,704	159,426
Total	420,570	190,396	610,966	223,470	412,278	635,748

	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Unrestricted Funds £	Restricted Funds £	Total 2017 £
Capital grants - Cornerstone						
Arts Council England	-	-	-	-	3,838,514	3,838,514
Calderdale MBC	-	-	-	-	180,000	180,000
Young Wolfson	-	50,000	50,000	-	-	-
Total capital grants	-	50,000	50,000	-	4,018,514	4,018,514

The Square Chapel Trust

Notes to the financial statements for the year ended 31 March 2018

5. Subsidiary company

The charity has a wholly-owned subsidiary, Square Trading Limited, which is incorporated in the UK and registered in England (company number 02348322). The company operates a theatre refreshment bar on behalf of the charity. A summary of its trading results for the year is shown below. Management services charged by the charity to its subsidiary of £77,800 (2017 - £4,746) are eliminated on consolidation.

Profit and loss account		
	2018	2017
	£	£
Turnover	432,035	19,457
Cost of sales	(443,125)	(13,553)
Gross profit	(11,090)	5,904
Administration expenses	(85,579)	(5,904)
Net (loss)/profit before taxation	(96,669)	-
Taxation	-	-
Net (loss)/profit after taxation	(96,669)	-

Balance sheet		
	2018	2017
	£	£
Share capital	2	2
Profit and loss account	(95,967)	702
Total shareholders funds	(95,965)	704

The investment of the wholly owned subsidiary is carried at a cost of £2 (2017 - £2) in the balance sheet of the charity

The Square Chapel Trust

Notes to the financial statements for the year ended 31 March 2018

6. Expenditure on raising funds

Trading costs

	2018 £	2017 £
Direct trading costs – cost of sales	196,330	-
Direct trading costs – staff cost	254,574	
Support costs	77,800	14,711
	528,704	14,711

Grant Applications and fundraising

	2018 £	2017 £
Direct fundraising costs	-	1,300
Support costs	51,929	46,000
	51,929	47,300

7. Expenditure on charitable activities

For the year ended 31 March 2018	Direct Costs £	Direct Salaries £	Support Costs £	Total 2018 £
Theatre and performance	299,138	59,680	330,716	689,534
Outreach and Community	121,078	88,299	69,484	278,861
Orangebox	91,060	108,349	172,973	372,382
Cornerstone development	12,240	-	59,534	71,774
	523,516	256,328	632,707	1,412,551

For the year ended 31 March 2017	Direct Costs £	Direct Salaries £	Support Costs £	Total 2017 £
Theatre and performance	85,330	15,358	244,872	345,560
Outreach and Community	183,782	108,059	58,720	350,561
Orangebox	107,068	118,390	146,430	371,888
Cornerstone development	7,167	-	53,023	60,190
	383,347	241,807	503,045	1,128,199

The Square Chapel Trust

Notes to the financial statements for the year ended 31 March 2018

8. Support costs

For the year ended 31 March 2018	Staff Costs £	Marketing £	Depreciation £	Other £	Total 2018 £
Expenditure on raising funds:					
Trading costs	42,775	3,665	8,870	22,490	77,800
Grant Applications and fundraising	46,197	-	94	5,638	51,929
	88,972	3,665	8,964	28,128	129,729
Expenditure on charitable activities:					
Theatre and performance	169,388	45,767	43,397	72,164	330,716
Outreach and community	42,347	11,441	2,167	13,529	69,484
Orangebox	73,145	-	84,042	15,786	172,973
Cornerstone Development	53,896	-	-	5,638	59,534
	338,776	57,208	129,606	107,117	632,707
Total	427,748	60,873	138,570	135,245	762,436

For the year ended 31 March 2017	Staff Costs £	Marketing £	Depreciation £	Other £	Total 2017 £
Expenditure on raising funds:					
Grant Applications and fundraising	42,603	-	78	3,319	46,000
Expenditure on charitable activities:					
Theatre and performance	156,211	39,614	6,562	42,485	244,872
Outreach and community	39,053	9,904	1,797	7,966	58,720
Orangebox	67,455	-	69,681	9,294	146,430
Cornerstone Development	49,704	-	-	3,319	53,023
	312,423	49,518	78,040	63,064	503,045
Total	355,026	49,518	78,118	66,383	549,045

All support costs are allocated on an estimated usage basis.

The Square Chapel Trust

Notes to the financial statements for the year ended 31 March 2018

9. Staff costs

	2018 £	2017 £
Salaries	868,175	551,791
Social security costs	63,806	43,145
Pension costs	4,092	1,897
	936,073	596,833

No employee earned more than £60,000 (2017 – no employee) during the year.

	2018	2017
The average monthly number of employees was as follows:	65	43

As disclosed in note 22, one Trustee received remuneration for their role of CEO. No other Trustee received remuneration, benefits or expenses during either year for their roles as Trustees.

The key management personnel of the charity (and group) comprise the Trustees and the senior management team. The total employee benefits of the key management personnel employed by the charity (and group), which encompasses 4 individuals (2017 – 5), was £165,392 (2017 – £162,759).

10. Net income

Net income is stated after charging:	2018 £	2017 £
Auditors remuneration:		
Audit fees	5,830	3,125
Accountancy fees	2,150	2,950

The Square Chapel Trust

Notes to the financial statements for the year ended 31 March 2018

11. Tangible fixed assets

Group	Freehold Land & Buildings £	Long Leasehold Land & Buildings £	Fixtures Fittings & Equipment £	Assets Under Construction £	Total £
Cost or valuation					
As at 1 April 2017	703,351	3,599,763	525,339	5,420,394	10,248,847
Additions	-	434,083	79,809	-	513,892
Disposals	(153,351)	-	-	-	(153,351)
Transfers	-	5,420,394	-	(5,420,394)	-
As at 31 March 2018	550,000	9,454,240	605,148	-	10,609,388
Depreciation					
As at 1 April 2017	-	121,985	224,425	-	346,410
Charge for the year	-	80,350	58,220	-	138,570
Eliminated on disposal	-	-	-	-	-
As at 31 March 2018	-	202,335	282,645	-	484,980
Net Book Value					
As at 31 March 2018	550,000	9,251,905	322,503	-	10,124,408
As at 31 March 2017	703,351	3,477,778	300,914	5,420,394	9,902,437

The Square Chapel Trust

Notes to the financial statements for the year ended 31 March 2018

11. Tangible fixed assets (continued)

Charity	Freehold Land & Buildings £	Long Leasehold Land & Buildings £	Fixtures Fittings & Equipment £	Assets Under Construction £	Total £
Cost or valuation					
As at 1 April 2017	703,351	3,599,763	524,180	5,420,394	10,247,688
Additions	-	434,083	79,809	-	513,892
Disposals	(153,351)	-	-	-	(153,351)
Transfers	-	5,420,394	-	(5,420,394)	-
As at 31 March 2018	550,000	9,454,240	603,989	-	10,608,229
Depreciation					
As at 1 April 2017	-	121,985	223,266	-	345,251
Charge for the year	-	80,350	58,220	-	138,570
Eliminated on disposal	-	-	-	-	-
As at 31 March 2018	-	202,335	281,486	-	483,821
Net Book Value					
As at 31 March 2018	550,000	9,251,905	322,503	-	10,124,408
As at 31 March 2017	703,351	3,477,778	300,914	5,420,394	9,902,437

Upon transition to FRS 102, the freehold land and property were revalued and recognised on a deemed cost basis. The historical cost of this freehold land and building (including the cost of prior renovations) is £327,024.

Following the completion of the Cornerstone project assets with a cost of £5,420,394 have been transferred from assets under construction to Long Leasehold Land and Buildings.

A charge was granted in the year against the long leasehold property known as "The Square Chapel" by The Arts Council, England, in respect of their funding for the Cornerstone project. The book value of Cornerstone which is included in long leasehold land and buildings was £5,810,125. This charge will be formally released on 12 November 2033.

A charge is held against the long leasehold property known as "Orangebox" by the Big Lottery Fund, in respect of their funding of the Orangebox Project under the "myplace" grant scheme. The book value of Orangebox included in longlease land and buildings was £3,441,780 (2017: £3,447,778). This charge will be released on formally 2 November 2031.

12. Fixed asset investment

The investment comprises a 100% holding in the ordinary share capital of Square Trading Limited, a company incorporated in England and Wales, which operates the theatre bar and related trading activities, in order to raise funds for the charity. The results of that entity are disclosed in Note 5 of these Financial Statements.

The Square Chapel Trust

Notes to the financial statements for the year ended 31 March 2018

13. Stocks

	Group and Charity	
	2018	2017
	£	£
Goods for sale	7,226	1,109

14. Debtors

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
Trade debtors	46,915	47,731	46,915	47,731
Accrued income	283,459	562,499	361,259	562,499
Intercompany debtor	-	-	5,442	83
VAT recoverable	-	57,218	-	57,728
Prepayments and other debtors	31,130	40,502	31,130	40,502
	361,504	707,950	444,746	708,543

15. Creditors falling due within one year

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
Bank Overdraft	25,709	-	25,709	-
Trade creditors	77,615	402,045	64,484	400,944
Other taxation and social security	51,621	13,097	44,986	13,097
Accruals	172,221	237,505	156,124	236,859
Deferred income	20,456	18,169	20,456	18,169
Other creditors	3,394	5,074	3,394	5,074
	351,016	675,890	315,153	674,143

Included within accruals is a building retention amounting to £118,598 (2017: £218,630) for the Cornerstone development.

The Square Chapel Trust

Notes to the financial statements for the year ended 31 March 2018

15. Creditors falling due within one year (continued)

The movement in deferred income is analysed as follows:

	Group and Charity	
	2018	2017
	£	£
Brought forward and released		
Box office and theatre hires	16,421	12,583
Orangebox hires and other income	1,748	-
Project grants and other income	-	2,058
	18,169	14,641
Carried forward		
Box office and theatre hires	20,456	16,421
Orangebox hires and other income	-	1,748
	20,456	18,169

16. Creditors amounts falling due after more than one year

	Group and Charity	
	2018	2017
	£	£
Finance lease	-	893

17. Financial instruments

	2018	2017
	£	£
Carrying value of financial assets:		
Financial assets carried at amortised cost	27,589	591,598
Carrying value of financial liabilities:		
Financial liabilities carried at amortised cost	259,527	675,890

The Square Chapel Trust

Notes to the financial statements for the year ended 31 March 2018

18. Statement of funds

For the year ended 31 March 2018	As at 31 March 2017 £	Income £	Expenditure £	Transfer £	As at 31 March 2018 £
Unrestricted funds	734,917	1,442,361	(1,570,473)	(77,536)	529,269
Restricted funds					
Revenue Funding:					
Outreach and community	86,753	176,609	(269,849)	77,536	71,049
Orangebox	30,863	13,787	(18,354)	-	26,296
	117,616	190,396	(288,203)	77,536	97,345
Capital funding	9,621,755	50,000	(134,508)	-	9,537,247
Total restricted funds	9,739,371	240,396	(422,711)	77,536	9,557,056
Total funds	10,474,288	1,682,757	(1,993,184)	-	10,163,861

For the year ended 31 March 2017	As at 31 March 2016 £	Income £	Expenditure £	Transfer £	As at 31 March 2017 £
Unrestricted funds	572,267	663,713	(589,063)	88,000	734,917
Restricted funds					
Revenue Funding:					
Outreach and community	84,963	355,574	(353,784)	-	86,753
Orangebox	74,147	57,064	(100,348)	-	30,863
	159,110	412,638	(454,132)	-	117,616
Capital funding	5,838,256	4,018,514	(147,015)	(88,000)	9,621,755
Total restricted funds	5,997,366	4,431,152	(601,147)	(88,000)	9,739,371
Total funds	6,569,633	5,094,865	(1,190,210)	-	10,474,288

Unrestricted funds include an amount of £376,327 (2017 - £376,327) which relates to an unrealised gain in respect of The Square Chapel.

In 2016/17 restricted funding included £88,000 for business interruption during the Cornerstone project, accordingly a transfer of £88,000 has been made between restricted and unrestricted fund

The Square Chapel Trust

Notes to the financial statements for the year ended 31 March 2018

18. Statement of funds (continued)

	As at 31 March 2017 £	Income £	Expenditure £	Transfer £	As at 31 March 2018 £
Analysis of restricted funds:					
Outreach and Community					
The Big Lottery – Reaching Community	25,078	83,505	(185,091)	76,508	-
ACE – Catalyst Evolve	28,675	-	(28,675)	-	-
CMBC – Gig Buddies	33,000	33,030	(33,000)	-	33,030
Film Hub North	-	2,000	-	-	2,000
Landlines and Watermarks	-	10,000	(11,000)	1,000	-
Volunteering for action	-	4,200	(4,200)	-	-
Youth Music	-	26,936	(965)	-	25,971
Engage	-	6,230	(6,258)	28	-
Andrew Lloyd Webber	-	10,708	(660)	-	10,048
	86,753	176,609	(269,849)	77,536	71,049
Orangebox					
StreetGames	3,120	2,250	(5,370)	-	-
Ernest Cook Trust	1,447	-	(1,447)	-	-
Skate-park	296	-	-	-	296
Postcode Local Trust	20,000	-	-	-	20,000
Groundwork UK Roofbox	6,000	-	-	-	6,000
Other project grants <£5,000	-	11,537	(11,537)	-	-
	30,863	13,787	(18,354)	-	26,296
Capital grants					
Cornerstone capital grants and donations received	336,103	50,000	-	(386,103)	-
Cornerstone capital grants and donations capitalised	5,744,495	-	(82,101)	386,103	6,048,497
Total Cornerstone capital grants and donations	6,080,598	50,000	(82,101)	-	6,048,497
Square Chapel building	39,611	-	-	-	39,611
Orangebox land and buildings	3,393,557	-	(35,998)	-	3,357,559
Orangebox equipment	107,989	-	(16,409)	-	91,580
	9,621,755	50,000	(134,508)	-	9,537,247
Total restricted funds	9,739,371	240,396	(422,711)	77,536	9,634,592

The Square Chapel Trust

Notes to the financial statements for the year ended 31 March 2018

18. Statement of funds (continued)

	As at 31 March 2016 £	Income £	Expenditure £	Transfer £	As at 31 March 2017 £
Analysis of restricted funds:					
Outreach and Community					
The Big Lottery – Reaching Community	43,609	168,774	(187,305)	-	25,078
Cultural Destinations	32,903	94,550	(127,453)	-	-
ACE – business plan consultancy	8,451	-	(8,451)	-	-
ACE – Catalyst Evolve	-	35,000	(6,325)	-	28,675
CMBC – Gig Buddies	-	33,000	-	-	33,000
Film Hub North	-	20,000	(20,000)	-	-
Other grants and donations	-	4,250	(4,250)	-	-
	84,963	355,574	(353,784)	-	86,753
Orangebox					
Calderdale MBC	12,733	-	(12,733)	-	-
Calderdale MBC – Child Poverty	19,809	-	(19,809)	-	-
CFFC – Russell Fund	5,000	-	(5,000)	-	-
Community Foundation for Calderdale	3,496	-	(3,496)	-	-
Lottery People’s Millions	17,310	-	(17,310)	-	-
Sir George Martin Trust	138	-	(138)	-	-
StreetGames	-	4,500	(1,380)	-	3,120
Ernest Cook Trust	-	4,500	(3,053)	-	1,447
Skate-park	-	5,000	(4,704)	-	296
Postcode Local Trust	-	20,000	-	-	20,000
Groundwork UK Roofbox	-	6,000	-	-	6,000
Sportivate	-	6,935	(6,935)	-	-
Other project grants	15,661	10,129	(25,790)	-	-
	74,147	57,064	(100,348)	-	30,863
Total revenue funds	159,110	412,638	(454,132)	-	117,616

The Square Chapel Trust

Notes to the financial statements for the year ended 31 March 2018

18. Statement of funds (continued)

	As at 31 March 2016 £	Income £	Expenditure £	Transfer £	As at 31 March 2017 £
Capital grants					
Cornerstone capital grants and donations received	492,972	4,018,514	(60,190)	(4,115,193)	336,103
Cornerstone capital grants and donations capitalised	1,734,264	-	(16,962)	4,027,193	5,744,495
Total Cornerstone capital grants and donations	2,227,236	4,018,514	(77,152)	(88,000)	6,080,598
Equipment, fixtures and fittings	13,439	-	(13,439)	-	-
Square Chapel building	39,611	-	-	-	39,611
Orangebox land and buildings	3,429,555	-	(35,998)	-	3,393,557
Orangebox equipment	128,415	-	(20,426)	-	107,989
	5,838,256	4,018,514	(147,015)	(88,000)	9,621,755
Total restricted funds	5,997,366	4,431,152	(601,147)	(88,000)	9,739,371

The Square Chapel Trust

Notes to the financial statements for the year ended 31 March 2018

18. Statement of funds (continued)

Restricted funds

Restricted fund	Purpose of the fund
The Big Lottery – Reaching Community	Funding for three years towards our outreach and education programme that provides sessions in Square Chapel (and Orange Box) for young people and older people; partnership work and work out in the community with BAMER communities, including specifically a long term partnership with verd de gris running workshops with Roma communities and older people living with Alzheimer's and other dementias; subsidised schools performances and workshops working with schools in identified areas of disadvantage and those with high BME intake.
Arts Council England - Cultural destinations	Square Chapel was lead partner on a bid that also included CMBC (as Destination Management Organisation); Piece Hall, Eureka!, Halifax Minster and Hebden Bridge Arts Festival (among others); one of ten awards in the country to strengthen cultural assets in the region, promote cultural tourism and monitor increased economic (and other) outcomes in the area. This project led to the development of Halifax Culture Hub, the shared Box Office with Piece Hall and a successful bid to Cultural Destinations Round 2 (£150,000) made through the new Halifax Culture Hub.
Calderdale MBC – Gig Buddies	Following on from our pioneering work on My Voice, My Venue and Beyond Ramps with Purple Patch and Mind the Gap this funding from Calderdale extends our work around accessibility to the arts for people with a learning disability. At its heart the scheme provides people with a learning disability connections to volunteers with similar interests to help facilitate attendance to events, particular events in the evening (not specifically events at Square Chapel). The need for the project came from a 'Big Bed Time Audit' that found that at 7pm on a Friday evening most people with a support worker were at home already in bed, or ready for bed.
Arts Council England – Catalyst Evolve	Three year funding attached to a strategy supplied at application stage to diversify and increase our fundraising income with specific focus on Trusts & Foundations, individual giving, corporate giving and regular giving.
Postcode Local Trust	Orange Box specific funding for works to the rooftop garden and a growing/ catering project connected with it.
Cornerstone	£6.6m campaign/ project to renovate and expand the arts centre resulting in a second auditorium and new public spaces including new café bar/ foyer, roof top terrace, toilets, lifts and improvements to back of house and infrastructure. When complete the project allows the organisation to expand to 240 live performances per year (from 160) and to add over 600 film screenings – resulting audiences of c50,000 people per year (currently 13,000-14,000) with a new catering operation turnover c£400,000-500,000 employing 30 new staff.

Included within Cornerstone capital grants and donations received is a balance of £nil (2017 - £336,103) which relates to funds received or accrued, but yet to be expended.

The balance included within Cornerstone capital grants and donations capitalised relates to amounts expended and capitalised within fixed assets.

The Square Chapel Trust

Notes to the financial statements for the year ended 31 March 2018

19. Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
As at 31 March 2018			
Tangible fixed assets	587,161	9,537,247	10,124,408
Net current assets	(57,892)	97,345	39,453
	529,269	9,634,592	10,163,861
	Unrestricted funds £	Restricted funds £	Total £
As at 31 March 2017			
Tangible fixed assets	616,785	9,285,652	9,902,437
Net current assets	119,025	453,719	572,744
Creditors falling due in more than one year	(893)	-	(893)
	734,917	9,739,371	10,474,288

20. Post balance sheet events

The Square Chapel Trust is still the legally and financially responsible body for Orange Box; however the legal process (with authority from DfE and Cabinet Office) to transfer the lease and the building operation to Calderdale College is at an advanced stage. Once this transfer is made The Square Chapel Trust will no longer be legally and financially responsible for the Orange Box, and the facility will no longer be part of The Square Chapel Trust. The Square Chapel Trust, Calderdale Council and the College are working closely to ensure a smooth transition.

21. Capital Commitments

At 31 March 2018 the company had capital commitments of £Nil (2017 - £0.7m).

22. Related Party Transactions

Chief Executive Officer

D McQuillan, CEO and Trustee, received remuneration totalling £46,350 (2017 - £45,253). No remuneration is paid for his role as a Trustee.

D McQuillan, CEO, is also a director of Halifax Culture Hub Limited. During the year, sales of £368,545 (2017 - £80,953) were made to the company. At the year end, the company owed £22,768 (2017 - £20,643) to The Square Chapel Trust.

Square Trading Limited (subsidiary)

During the year, a management charge of £Nil (2017 - £4,746) has been charged to Square Trading Limited, a subsidiary of The Square Chapel Trust. At the year end, Square Trading Limited owed The Square Chapel Trust £5,442 (2017 - £83).

There were no other related party transactions which are required to be disclosed.

The Square Chapel Trust

Notes to the financial statements for the year ended 31 March 2018

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

	2018 £	2017 £
Net movement in funds	(310,426)	3,904,655
Adjustments for:		
Depreciation of fixed assets	138,570	78,118
(Gain)/loss on disposal of fixed assets	(91,649)	2,150
Interest received	(41)	(496)
(Increase)/decrease in stock	(6,117)	1,773
Decrease/(increase) in debtors	346,446	(616,871)
(Decrease)/increase in creditors	(350,584)	138,418
Net cash provided by/used in operating activities	(273,801)	3,507,747

The Square Chapel Trust

Notes to the financial statements for the year ended 31 March 2018

24. Group Statement of Financial Activities (including income and expenditure account) for the previous year

	Unrestricted funds £	Restricted funds £	2017 Total £
Income from:			
Grants and donations	418,130	360	418,490
Income from trading activities:			
Fundraising income	2,160	-	2,160
Trading activity	19,457	-	19,457
Investment income – bank interest	496	-	496
Income from charitable activities:			
Performance related grants and other earned income	223,470	412,278	635,748
Capital grants	-	4,018,514	4,018,514
Total income	663,713	4,431,152	5,094,865
Expenditure on:			
Expenditure on raising funds:			
Trading costs	14,711	-	14,711
Grant applications and fundraising	47,300	-	47,300
	62,011	-	62,011
Expenditure on charitable activities	527,052	601,147	1,128,199
Total expenditure	589,063	601,147	1,190,210
Net movement in funds before transfers	74,650	3,830,005	3,904,655
Transfers	88,000	(88,000)	-
Net movement in funds for the year	162,650	3,742,005	3,904,655
Total funds brought forward	572,267	5,997,366	6,569,633
Total funds carried forward	734,917	9,739,371	10,474,288