

Charity Registration No. 1060460

Company Registration No. 3288617 (England and Wales)

**THE CHELSEA CENTRE LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**





# THE CHELSEA CENTRE LIMITED

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	M Brehony	(Appointed 14 May 2019)
	J Rendall	
	A Jackson	
	Pamela Morris-Sykes	
<b>Secretary</b>	Pamela Morris - Sykes	
<b>Charity number</b>	1060460	
<b>Company number</b>	3288617	
<b>Registered office</b>	7 Worlds End Place Kings Road London United Kingdom SW10 0DR	
<b>Auditor</b>	FSPG 21 Bedford Square London WC1B 3HH	
<b>Bankers</b>	Metro Bank One Southampton Row London WC1B 5HA	
	Santander Bridle Road Bootle L30 4GB	



# THE CHELSEA CENTRE LIMITED

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# **THE CHELSEA CENTRE LIMITED**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2020**

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The trustees present their report and financial statements for the year ended 31 March 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum & Articles of association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016)

### **Objectives and activities**

The charity's objects are to provide a popular and exciting community, education and arts programme in the interests of social welfare that benefits the residents of RBKC.

The Chelsea Theatre current business plan has four main objectives:-

- 1) To maximise the use of our new wonderful building by the local community and ensure a sustainable future.
- 2) to increase the range and quality of community activities and increase the number and diversity of the local population using the facilities.
- 3) To ensure Chelsea Theatre's sustainability through fundraising from Trusts and Foundations and maximising income generated from the commercial use of resources such as theatre, studio spaces and cafe.
- 4) To expand our programme of performance to provide a year round popular programme of performances for local people and children.

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

### **Achievements and performance**

We were delighted to re-open our wonderful fully re-furbished main building in January 2020, it having been closed for over a year. It was however only to be open for two months before the enforced closure in mid - March due to the Covid - 19 pandemic

Until January we had continued to operate out of the single studio around the corner where we ran as many classes as possible. These included Stay & Play, Sing to Live, Silver Screen, IT drop-in, Supplementary School and various exercise classes for all ages. Regular Open House events were run to keep the Community fully informed of progress.

We have continued to work with local community groups, The Royal Borough of Kensington & Chelsea ("RBKC") Council, Bi Borough Public Health (Community Champions) and the wider community and cultural organisations in the RBKC

The strategic aims are to take down social barriers and encourage local people to engage with their community and to develop their health and wellbeing to improve the lives and the environment in which they live.



# THE CHELSEA CENTRE LIMITED

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2020

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#### Capital Project

The exceptionally generous donation from the Eva Louise Rausing Memorial Trust enabled the complete refurbishment of the building. Another generous donation was received from The Garfield Weston Foundation and along with the support from RBKC both financial and professional it enabled us to complete this amazing project. We are extremely grateful for all this generosity and support. It was with great delight and relief that the building was finally handed back on 4th December 2019. All the studios have been upgraded, communal areas renovated, sound proofing has been dramatically improved and there is a new kitchen area for the café. The upstairs has been virtually rebuilt having been extended with a new bar area and outside terrace and garden. The theatre has been completely re-designed and is now a wonderful performance space with flexible seating for up to 130, new entrances, plumbing and electrics updated.

#### Financial review

During the year to 31 March 2020, the Chelsea Theatre held assets for the purposes of achieving its charitable objectives. Fixed assets were added as indicated in the notes to the financial statements and relate to the Capital project for the refurbishment of the building. No assets were held by anyone other than the Chelsea Theatre. No trustees acted as custodian trustees. The Chelsea Theatre has no subsidiary or associated undertakings. All restricted fund assets are held either on current account or instant access deposit accounts. There are sufficient resources to meet all commitments undertaken as a result of a grant from the Royal Borough of Kensington and Chelsea together with that of key donations.

The Chelsea Theatre showed a deficit for the year of £39,980 (2019: £2,647,768 ), giving an unrestricted funds balance of £44,451 (2019 : £22,866 ) and a restricted funds balance of £2,632,626 (2019: £2,694,191) as at 31 March 2020.

The Chelsea Theatre holds a tax-free deposit account operated by CCLA known as the COIF Charities Deposit Account, the balance of which at 31 March 2020 was £108,779.

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

#### Risk Management

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks. Given the extraordinary situation caused by Covid the Trustees are very grateful to RBKC for the exceptional help, advice and support they have provided.

The Board uses its annual business planning process to ensure that it is aware of the risks to which the charity is exposed. Where possible there are systems and procedures in place to mitigate the risks facing the charity. Every agenda for each Board meeting includes an "Opportunities & Risks " section during which these areas are discussed.

The building has been closed to the public since mid March 2020 and is not expected to be fully open until Easter 2021. Procedures are however in place to ensure compliance with health and safety of staff, users and members of the public.

Risk assessments were and will be undertaken for each production as and when the Theatre can be used again. The Company receives professional support and advice, and retains professional HR and Health and Safety advice from Peninsula Business Services Ltd.

The building is leased from the Royal Borough of Kensington & Chelsea.



# **THE CHELSEA CENTRE LIMITED**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)** **FOR THE YEAR ENDED 31 MARCH 2020**

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### **Plans for the future**

Sadly the great excitement with which we looked forward to being fully up and running in our new wonderful building was cruelly and dramatically curtailed by the arrival of Covid-19 that necessitated the closing of the building in Mid March 2020. We look forward to being able to run a vibrant and welcoming building that can be enjoyed by all, but sadly this is still not possible as this report is being written.

As with all events there have been some wonderful opportunities and we are very proud of the significant increase in our online offering. We regard this as a great flexible service and something that should be continued in the future, even when the building is fully open.

With the arrival of Covid -19 the activities and needs of the Charity changed and Joshua McTaggart our CEO stepped down in June 2020. The Board thank him for his hard work and seeing us through to the re-opening of the building. An Interim CEO William Roberts joined us in September to keep us running and up to date on Covid etc he has good knowledge of the local community needs and activities having been involved with the Venture Centre in the North of the Borough. Sadly with the second lock down it is now felt the time would be best used recruiting a new full time permanent General Manager and at the time of writing interviews are being arranged.

The Trustees would like to thank the RBK&C for the invaluable help and support they have given us during this unique time. We have received several Covid related grants since the Balance sheet date and a major contract with the English National Ballet School which have meant that the Charity is financially stable and the trustees are satisfied that it will continue to be so for the foreseeable future.

### **Structure, governance and management**

The Chelsea Community Association was an unincorporated association founded on February 19, 1953, and registered with the Charity Commission, No 303109, on January 1, 1961, with the object of promoting the wellbeing of the residents of what is now the Royal Borough of Kensington and Chelsea, and to further that object, to manage a community centre. On April 1, 1997 its affairs were transferred to a company without share capital limited by guarantee. In October 2001, prior to the relaunch of its refurbished auditorium, the Board of Directors of the new Chelsea Centre Ltd approved a motion acquiring the title "The Chelsea Theatre" as the name under which the company operates.

The charity is a charitable company limited by guarantee. It is established under a Memorandum of Association which sets out its objects and powers and is governed under its Articles of Association. In event of the company being wound up members are required to contribute an amount not exceeding £10.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

M Brehony

J Rendall

A Mustapha

A Jackson

Pamela Morris-Sykes

(Resigned 9 April 2020)

(Appointed 14 May 2019)



# **THE CHELSEA CENTRE LIMITED**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020**

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The charity is governed by Articles of association, under which three or more (no maximum) trustees are responsible for the management. They are elected for three years, the longest serving third being up for re-election at each Annual General Meeting.

The board reviews regularly the existing skills of its members and seeks to gain outside support from advisors and volunteers on specific issues (eg HR, legal, financial, community development theatre and fundraising) and attends relevant training courses. With the closure of the building and then Covid the organisation has gone through several changes and the Board are recruiting new trustees to help lead us into the new and exciting future. With the support of the Royal Borough of Kensington & Chelsea (RBKC), the Theatre intends to resurrect the Partnership Panel (made up of Directors, locally based organisations and local people) as a means of fostering communication and enhancing the good relationships the centre has with its funder and its local community.

The board seeks to reflect the diverse needs of our user groups and enhance the pool of potential board members who are representative of all areas of the community.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £10 in the event of a winding up.

Elected Board members are the Trustees of the Charity and Directors of the company and are responsible for our strategic direction and the setting of objectives.

Regular meetings are held between all staff and trustees. With the lack of a CEO it was briefly necessary for the Trustees to step in to protect the charity, its staff and assets. Prior to this point and subsequently with the appointment of the interim CEO, Trustees also received verbal and appropriate written reports at quarterly (or more frequent) meetings. All board meetings are minuted.

### **Pay and Remuneration Policy**

Pay and remuneration levels of key management are set by reference to current levels as advertised in the market and in comparison with known levels in similar organisations.

### **Auditor**

FSPG were appointed as auditor to the company and a resolution proposing that they be re-appointed will be put at a General Meeting.

### **Disclosure of information to auditor**

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

This report has been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The trustees' report was approved by the Board of Trustees.

  
**Pamela Morris - Sykes**

Trustee

Dated: 15 December 2020



# **THE CHELSEA CENTRE LIMITED**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

***FOR THE YEAR ENDED 31 MARCH 2020***

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The trustees, who are also the directors of The Chelsea Centre Limited for the purpose 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 which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



# THE CHELSEA CENTRE LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF THE CHELSEA CENTRE LIMITED

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#### Opinion

We have audited the financial statements of The Chelsea Centre Limited (the 'charity') for the year ended 31 March 2020 which comprise the statement of financial activities, the balance sheet and the notes to the financial statements, 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 charitable company's affairs as at 31 March 2020 and of its incoming resources and application of resources, 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.

#### 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 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 CHELSEA CENTRE LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF THE CHELSEA CENTRE LIMITED

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#### Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' Report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within 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 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 directors' report included within the trustees' 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; or
- the 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 statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

#### Auditor's 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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



# **THE CHELSEA CENTRE LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF THE CHELSEA CENTRE LIMITED**

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### **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. 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**David Tropp (Senior Statutory Auditor)  
for and on behalf of FSPG**

**15 December 2020**

**Chartered Accountants  
Statutory Auditor**

**21 Bedford Square  
London  
WC1B 3HH**



# THE CHELSEA CENTRE LIMITED

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2020

	Notes	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
<b>Income from:</b>							
Donations and legacies	3	80,357	316,960	397,317	72,240	2,869,505	2,941,745
Charitable activities	4	16,553	44,250	60,803	94,883	45,303	140,186
Investments	5	-	7,306	7,306	-	7,894	7,894
<b>Total income</b>		<b>96,910</b>	<b>368,516</b>	<b>465,426</b>	<b>167,123</b>	<b>2,922,702</b>	<b>3,089,825</b>
<b>Expenditure on:</b>							
Charitable activities	6	92,839	412,567	505,406	153,881	250,190	404,071
Other	10	-	-	-	-	37,986	37,986
<b>Total resources expended</b>		<b>92,839</b>	<b>412,567</b>	<b>505,406</b>	<b>153,881</b>	<b>288,176</b>	<b>442,057</b>
<b>Net incoming/ (outgoing) resources before transfers</b>		<b>4,071</b>	<b>(44,051)</b>	<b>(39,980)</b>	<b>13,242</b>	<b>2,634,526</b>	<b>2,647,768</b>
Gross transfers between funds		17,514	(17,514)	-	-	-	-
<b>Net income/(expenditure) for the year/ Net movement in funds</b>		<b>21,585</b>	<b>(61,565)</b>	<b>(39,980)</b>	<b>13,242</b>	<b>2,634,526</b>	<b>2,647,768</b>
Fund balances at 1 April 2019		22,866	2,694,191	2,717,057	9,624	59,665	69,289
<b>Fund balances at 31 March 2020</b>		<b>44,451</b>	<b>2,632,626</b>	<b>2,677,077</b>	<b>22,866</b>	<b>2,694,191</b>	<b>2,717,057</b>

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.



# THE CHELSEA CENTRE LIMITED

## BALANCE SHEET

AS AT 31 MARCH 2020

	Notes	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Tangible assets	11		2,505,918		398,433
<b>Current assets</b>					
Debtors	12	82,591		6,090	
Cash at bank and in hand		127,294		2,471,698	
		<u>209,885</u>		<u>2,477,788</u>	
<b>Creditors: amounts falling due within one year</b>	13	<u>(38,726)</u>		<u>(159,164)</u>	
Net current assets			171,159		2,318,624
<b>Total assets less current liabilities</b>			<u>2,677,077</u>		<u>2,717,057</u>
<b>Income funds</b>					
Restricted funds	15		2,632,626		2,694,191
Unrestricted funds			44,451		22,866
			<u>2,677,077</u>		<u>2,717,057</u>

The financial statements were approved by the Trustees on 15 December 2020

  
Pamela Morris-Sykes  
Trustee

Company Registration No. 3288617



# THE CHELSEA CENTRE LIMITED

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

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### 1 Accounting policies

#### Charity information

The Chelsea Centre Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is 7 Worlds End Place, Kings Road, London, SW10 0DR, United Kingdom.

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

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

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

The Trustees have considered a period of one year from the date of approval of the accounts. At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Charitable funds

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

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

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

#### 1.4 Income

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

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.



# THE CHELSEA CENTRE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

### 1 Accounting policies

(Continued)

#### 1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party. All expenditure is accounted for on an accruals basis and is allocated between :-

- Costs of raising funds
- Expenditure on charitable activities
- Gifts in Kind
- Other expenditure

Expenses exclude VAT where the company can reclaim it.

Fundraising costs consist of the direct costs of fundraising activities.

Direct charitable expenditure comprises direct expenses incurred on the defined charitable purposes of the charity and includes direct staff costs attributable to charity's activities.

#### 1.6 Tangible fixed assets

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

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	Over the life of the lease
Fixtures, fittings and equipment	20% Straight Line
Computers	33% Straight Line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

#### 1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

#### 1.8 Cash and cash equivalents

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

#### 1.9 Financial instruments

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

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

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



# THE CHELSEA CENTRE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

### 1 Accounting policies

(Continued)

#### **Basic financial assets**

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

#### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Derecognition of financial liabilities**

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

#### **1.10 Employee benefits**

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

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.11 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### **1.12 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

### **2 Critical accounting estimates and judgements**

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

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



# THE CHELSEA CENTRE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

### 3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2020 £	2020 £	2020 £	2019 £	2019 £	2019 £
Donations and gifts	127	-	127	10	2,692,685	2,692,695
Grants	80,230	316,960	397,190	72,230	176,820	249,050
	<u>80,357</u>	<u>316,960</u>	<u>397,317</u>	<u>72,240</u>	<u>2,869,505</u>	<u>2,941,745</u>
<b>Grants receivable for core activities</b>						
RBKC - Rent	-	176,400	176,400	-	176,400	176,400
RBKC - Running costs	80,230	-	80,230	72,230	-	72,230
RBKC - Sing to Live & Music	-	560	560	-	420	420
RBKC - Contribution to capital project	-	140,000	140,000	-	-	-
	<u>80,230</u>	<u>316,960</u>	<u>397,190</u>	<u>72,230</u>	<u>176,820</u>	<u>249,050</u>



# THE CHELSEA CENTRE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

### 4 Charitable activities

	Charitable Income 2020 £	Charitable Income 2019 £
Theatre and room hire	11,177	43,703
Theatre ticket sales	-	13,384
Bar sales	-	1,840
Grants (see below)	49,250	80,000
Other Income	376	1,259
	<u>60,803</u>	<u>140,186</u>
Analysis by fund		
Unrestricted funds	16,553	94,883
Restricted funds	44,250	45,303
	<u>60,803</u>	<u>140,186</u>
<b>For the year ended 31 March 2019</b>		
Unrestricted funds	94,883	
Restricted funds	45,303	
	<u>140,186</u>	
<b>Performance grants</b>		
RBKC - Community champions	39,500	45,000
RBKC - Health Promotion	-	30,000
NHS - Health Promotion	5,000	5,000
Sport England	4,750	-
	<u>49,250</u>	<u>80,000</u>

### 5 Investments

	Restricted funds 2020 £	Restricted funds 2019 £
Interest receivable	<u>7,306</u>	<u>7,894</u>



# THE CHELSEA CENTRE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

### 6 Charitable activities

	Theatre and community 2020 £	Capital project 2020 £	Total 2020 £	Total 2019 £
Staff costs	86,633	12,000	98,633	62,457
Production costs	-	-	-	5,879
Theatre costs	-	-	-	18,919
Communities activities	8,326	-	8,326	53,220
Silver screen club	242	-	242	295
Website / I T hub	245	15,548	15,793	419
Open house costs	1,014	-	1,014	962
Rent	39,690	132,300	171,990	170,520
Bad debts	-	-	-	4,933
Subscriptions and licences	505	-	505	1,216
	<u>136,655</u>	<u>159,848</u>	<u>296,503</u>	<u>318,820</u>
Share of support costs (see note 7)	23,622	159,850	183,472	55,755
Share of governance costs (see note 7)	17,145	8,286	25,431	29,496
	<u>177,422</u>	<u>327,984</u>	<u>505,406</u>	<u>404,071</u>
<b>Analysis by fund</b>				
Unrestricted funds	92,839	-	92,839	153,881
Restricted funds	84,583	327,984	412,567	250,190
	<u>177,422</u>	<u>327,984</u>	<u>505,406</u>	<u>404,071</u>
<b>For the year ended 31 March 2019</b>				
Unrestricted funds	153,881	-		153,881
Restricted funds	87,008	163,182		250,190
	<u>240,889</u>	<u>163,182</u>		<u>404,071</u>

### 7 Support costs

	Support costs £	Governance costs £	2020 £	2019 £
Analysed between				
Fundraising	-	-	-	-
Charitable activities	183,472	25,431	208,903	85,251
	<u>183,472</u>	<u>25,431</u>	<u>208,903</u>	<u>85,251</u>

Governance costs includes payments to the auditors of £6,525 (2019 £8,500) for audit fees.



# THE CHELSEA CENTRE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

### 8 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year, other than disclosed in note 18. Also no expenses were reimbursed.

### 9 Employees

#### Number of employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
	4	3
	<u>          </u>	<u>          </u>
<b>Employment costs</b>	<b>2020</b>	<b>2019</b>
	£	£
Wages and salaries	90,530	63,118
Social security costs	6,128	1,429
Other pension costs	1,975	574
	<u>          </u>	<u>          </u>
	98,633	65,121
	<u>          </u>	<u>          </u>

No employees received remuneration in excess of £60,000 in the year. (2019 : None)

### 10 Other

	Restricted funds	Total
	2020	2019
		£
Net loss on disposal of tangible fixed assets	-	37,986
	<u>          </u>	<u>          </u>



# THE CHELSEA CENTRE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

### 11 Tangible fixed assets

	Leasehold improvements	Fixtures, fittings and equipment	Computers	Total
	£	£	£	£
<b>Cost</b>				
At 1 April 2019	398,433	-	-	398,433
Additions	2,199,840	34,924	4,977	2,239,741
At 31 March 2020	2,598,273	34,924	4,977	2,638,174
<b>Depreciation and impairment</b>				
Depreciation charged in the year	129,914	1,746	596	132,256
At 31 March 2020	129,914	1,746	596	132,256
<b>Carrying amount</b>				
At 31 March 2020	2,468,359	33,178	4,381	2,505,918
At 31 March 2019	398,433	-	-	398,433

### 12 Debtors

	2020	2019
	£	£
<b>Amounts falling due within one year:</b>		
Trade debtors	3,030	5,675
Other debtors	76,161	-
Prepayments and accrued income	3,400	415
	82,591	6,090

### 13 Creditors: amounts falling due within one year

	Notes	2020	2019
		£	£
Other taxation and social security		2,958	7,401
Deferred income	14	14,240	1,009
Trade creditors		14,950	16,443
Other creditors		51	275
Accruals and deferred income		6,527	134,036
		38,726	159,164



# THE CHELSEA CENTRE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

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### 14 Deferred income

	2020 £	2019 £
Other deferred income	14,240	1,009



## THE CHELSEA CENTRE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

#### 15 Restricted funds

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

	Movement in funds			Movement in funds			Transfers	Balance at 31 March 2020
	Balance at 1 April 2018	Incoming resources	Resources expended	Balance at 1 April 2019	Incoming resources	Resources expended		
	£	£	£	£	£	£	£	£
Building Fund	40,191	-	(40,191)	-	-	-	-	-
Capital Project	19,474	2,700,579	(43,376)	2,676,677	147,306	(195,657)	-	2,628,326
Community Champions	-	45,000	(27,486)	17,514	39,500	(39,500)	(17,514)	-
Sing to Live Project	-	723	(723)	-	560	(560)	-	-
RBKC : Rent	-	176,400	(176,400)	-	176,400	(176,400)	-	-
Sport England	-	-	-	-	4,750	(450)	-	4,300
	<u>59,665</u>	<u>2,922,702</u>	<u>(288,176)</u>	<u>2,694,191</u>	<u>368,516</u>	<u>(412,567)</u>	<u>(17,514)</u>	<u>2,632,626</u>

Capital Project : This consists of donations received for the expansion and refurbishment of the building.

Community Champions : This consists of a grant from RBKC for the Community champions programme which encourages people to take a proactive role in their local community. The Transfer relates to expenses not allocated against the fund last year.

Sing to Live Project : This consists of funding from RBKC for a community choir.

RBKC : This consists of annual rent on the main premises which has been waived.

Sport England : This consists of funding to provide exercise classes.



# THE CHELSEA CENTRE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

### 16 Analysis of net assets between funds

	Unrestricted 2020 £	Restricted 2020 £	Total 2020 £	Unrestricted 2019 £	Restricted 2019 £	Total 2019 £
Fund balances at 31 March 2020 are represented by:						
Tangible assets	-	2,505,918	2,505,918	-	398,433	398,433
Current assets/ (liabilities)	44,451	126,708	171,159	22,866	2,295,758	2,318,624
	<u>44,451</u>	<u>2,632,626</u>	<u>2,677,077</u>	<u>22,866</u>	<u>2,694,191</u>	<u>2,717,057</u>

### 17 Events after the reporting date

The building was closed mid March and activities went on line. The Charity has received COVID grants and other income streams have been agreed into the future. Donors of most of the restricted funds have agreed to be flexible for the use of the donated funds. Costs have been kept under control and the Trustees believe that the Charity will be able to ride out the pandemic. On this basis, the Trustees do not believe that there is any risk on the going concern position of the Charity.

### 18 Related party transactions

There were no disclosable related party transactions during the year .