

Registered company number: 04727071

Charity number: 1099570

HORSEBRIDGE ARTS AND COMMUNITY CENTRE

Report of the Trustees and unaudited financial statements
for the year ended 31 March 2017

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HORSEBRIDGE ARTS AND COMMUNITY CENTRE

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FOR THE YEAR ENDED 31 MARCH 2017**

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HORSEBRIDGE ARTS AND COMMUNITY CENTRE

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2017

The trustees, who are also directors for the purposes of company law, present their report and the unaudited financial statements of the charity for the year ended 31 March 2017.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered charity name Horsebridge Arts and Community Centre

Charity number 1099570

Company registration number 4727071

Registered office 11 Horsebridge Road
Whitstable
Kent
CT5 1AF

Independent examiner S J Wren FCCA
Accountancy Matters (Kent) Limited
Chartered Certified Accountants
31 Queen Street
Ramsgate
Kent
CT11 9DZ

Bankers Lloyds Bank Plc
43 Sandgate Road
Folkestone
Kent
CT5 1AF

Trustees

The trustees who served the charity during the period were as follows:

Mrs Z A Cloke
Ms P Langton
Mr J C Nurden
Ms J R Hobbins
Mrs P Wilson - Resigned 19 May 2016
Miss S Everett
Mr M Herbert - Resigned 22 November 2016
Cllr B Baker
Cllr C Spooner

Company secretary Ms P Langton

Key management personnel Ms Elizabeth Daone - Centre Director
Mr Peter Dyer - Finance Manager

HORSEBRIDGE ARTS AND COMMUNITY CENTRE

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2017

OUR PURPOSE AND ACTIVITIES

The purpose of the charity is to provide a social, cultural and learning resource of high quality that meets the needs of our community, is excellent value and is welcoming and accessible to all.

Our objects focus on, but are not limited to:

- the provision of an arts and community building for the benefit of the general public primarily but not exclusively residing in Whitstable and the surrounding area;
- the promotion of all forms of artistic activities including but not limited to exhibitions of all forms of art performances in the areas of drama, music, visual arts, dance and literature and the provision of teaching and training in such areas;
- the promotion of education by the provision of facilities, information and teaching for members of the public, specially but not limited to, those not currently participating in education and with emphasis on the acquisition of new learning and expertise; and
- such other charitable purposes either related to the above or of any other kind as the trustees in their absolute discretion think fit.

The vision that drives our activities year round is to be at the heart of the arts in Whitstable. We strive to connect artists and cultural centres to promote the arts across the depth and breadth of our community and ensure we provide the facilities for development, education and involvement of the

The Centre relies on income generated from hire charges and events to cover its operating costs alongside grant funding. To remain accessible and to continue to provide public benefit, the trustees and management team of the Centre have to take great care to ensure the fees set across the Centre remain accessible for those on low income. The variety of spaces within the Centre assists us in enabling both physical and economic accessibility to the resources, but we are continually looking at more ways to develop the interaction with the building. The Centre is open for an average of 80 hours a week and with the exception of the Christmas period when we close for large

To achieve our purpose and deliver our objects we are guided by the following aims:

- To be welcoming and accessible to all in terms of opening times, facilities and activities.
- To provide good value for the money, hopes and expectations invested in the Centre.
- To engage actively with local groups and individuals so that their needs can be recognised and served effectively.
- To identify potential users of the Centre and understand their needs.
- To actively promote the well-being of local people through their participation in an innovative and creative programme of events.
- To raise funds from a variety of sources in order to further develop the resources available to users of the Centre.
- To work in partnership with cultural, artistic and educational providers to create opportunities for learning and personal and professional development and enjoyment.

We have four main areas of activity to enable us to drive our vision and strategies. These are: education; community space and engagement; performance programme and art exhibitions. None of these activities take place in isolation and when fundraising we reach across all our activity streams to ensure the greatest reach and cohesion.

Performance programme

Our performance programme has been significantly reduced this year. Whilst we will strive to offer a rounded programme of events to our community in the future, equipment and safety issues have necessitated a reduction in this offering in the short-term. A flexible offering is vital to ensure the development of a breadth of cultural offerings in the town and we continue to work hard to ensure we can support initiatives delivering festivals within our space and working with partners across the district.

HORSEBRIDGE ARTS AND COMMUNITY CENTRE

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2017

Community space and engagement

The Horsebridge exists because of its community and provides a range of spaces for hire. The pricing of our hired space remains competitive and we continue to offer cost-effective extras such as catering and equipment hire. We continue to help community initiatives that complement the Centre aims and objectives. We have worked with other community spaces locally to ensure that together we meet the needs of the community and deliver complementary services. The shop continues to grow year-on-year and we are building a diverse collection of local makers and artists to keep bringing new products to our community. The cafe returned to being an in-house operation towards the end of the year and next year will require significant focus on this area to deliver an offering that benefits the community.

Education

The Centre offers a variety of classes across the arts, health and well-being for all ages and abilities. This year we have continued to build on partnerships with tutors and exciting summer programmes in 2017 look to move this even further forward in the next financial year. The Centre continues to be alive with the harmonies of singing classes, the debate of literary workshops and the giggling of toddlers dancing, whilst offering the chance to learn new arts, whether creative writing, life drawing or developing performance skills.

Art exhibitions

The Centre aims to deliver a range of quality exhibitions for our visitors and provide opportunities for local artists to exhibit and engage with the community they live in. We aim to offer a quality exhibition space and improving our original gallery setup has been a key objective for some time. Following the installation of significantly improved lighting last year, this year has seen an exciting new initiative introduced to bring cohesiveness to the gallery rentals alongside delivered exhibitions which will take effect in the next financial year.

Our relationship with cultural partners has assisted in the delivery of diverse exhibitions and engagement with new audiences, whilst other partnerships are providing opportunities for local artists to exhibit through open shows.

OUR VALUES

When providing an arts and community offering we are aware that not everyone has the same tastes and some of our art and performance programming may cause offence. We seek to respect the diverse ethnic, faith, sexual orientation and lifestyles within our community and take great care to consider their views without compromising the integrity of our offering. We clearly sign any event that may cause offence and use our complaints policy to ensure the community voice is heard.

PUBLIC BENEFIT

The trustees, in making decisions about public benefit, have had due regard to the Charity Commission's public benefit guidance when exercising any powers or duties to which the guidance is

The Horsebridge enjoys over 100,000 visitors through its doors each year. These visitors are made up of local and regional visitors as well as a growing number of tourists from the UK and abroad as Whitstable continues to attract cultural and heritage tourists.

Cultural development can stimulate an economy and we provide an outlet for artists to not only sell work or perform, but to use their skills in other ways through education or working with emerging artists. As a district 25% of our population is between the ages of 15-29, driven by the large student population, which is why we have developed our gallery spaces to allow for programmes of work with both under-graduates and graduates. Our classes and events offer a range of activities for those between the ages of 0 and 16, with over 15 hours of classes each week and a varied calendar of events during school holidays.

HORSEBRIDGE ARTS AND COMMUNITY CENTRE

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2017

The Centre attracts a broad spectrum of community groups and businesses into the building including, but by no means limited to: Made in Whitstable, Futures for Children, Muslim Prayer Group, Canterbury Mediation Group, NCT groups, Kent Community Health Trust, Kent Coastal Theatre and many more, as well as many schools exhibiting, visiting and holding school proms in the centre. We work cohesively with our art and performance programming to ensure that we offer events the community can be involved in with no barrier to access, particularly with youth projects and events. In addition, we have been connecting with other organisations and groups across the district and beyond to enhance the collective offering to the community. We continue to develop and seek to reach out to sections of our community who may feel there is nothing here for them.

VOLUNTEERS

The Centre is very involved in the community and relies increasingly on voluntary help to continue our day-to-day operations. Our dedicated staff team work closely with all our volunteers, assisting those with additional needs and supporting all volunteers with the complexities of the Centre. Without the team of over 30 volunteers the Centre would not be able to be open for as many hours or offer the range of programming. Given the continued pressure of increasing costs, we will become more reliant on volunteers next year to sustain the Centre operationally. We wish to thank them for all their support this year and we always welcome more volunteers.

ACHIEVEMENTS AND PERFORMANCE

Fundraising

Arts Council England & Kent County Council - Feasibility

Securing funding from ACE and KCC, combined with existing support from Whitstable Biennale and Canterbury City Council, has enabled an in-depth feasibility study into future development opportunities for the arts centre, in terms of a sustainable business model offer and the opportunities within physical space, to take place this year. Based on work for the last two years the study has engaged the local community as visitors, artists, collaborators and partners. The work of external architect and consultancy organisations combined with community input will deliver options for moving forward in the next financial year. Some output from the consultations has identified improvements that have been implemented already and will continue in the next financial year.

Whitstable Area Member Panel - Matinee film club

Following the success of the matinee film programme last year in creating a social occasion to view a range of films and enjoy refreshments together, WAMP awarded a grant this year to establish the regular programme of film screenings for the local community, particularly for the benefit of older people, and people at risk of social exclusion and loneliness. The grant contributed to the costs of film licenses and refreshments, with ticket sales covering staff and premises costs, enabling the price of tickets to be kept very low.

Donations

Our interactive donation box in its prominent position within our entry space continues to encourage day trip visitors along with our resident community to donate as they make use of the free facilities within the Centre.

Spacemaker Architects

Local architecture company, Spacemaker architects, have been offering initial consultations for clients in exchange for a £40 donation to charities including the Horsebridge. We are incredibly grateful for their generosity and the generosity of their clients.

HORSEBRIDGE ARTS AND COMMUNITY CENTRE

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2017

Communication

Brochure

The 8,000 circulation of our printed brochure continues to be distributed across the district and through the local school network with the digital version available on our website. The advertising space is incredibly strong and well subscribed throughout the year with benefit and value for money being noted among local businesses. We remain fortunate that local schools, businesses and other community spaces continue to act as distribution channels in addition to the Centre itself.

Digital communication and social media

Our website is our channel for up-to-date communications with the wider community while our social media channels continue to engage locally and provide a frequent channel for feedback and interaction. The online ticket sales channel is continuing to assist the centre and the addition of a donation facility whilst purchasing has opened up another income opportunity and is available through the web and Facebook. The online sales channel also enables Friends to sign up online. Our email newsletters are used not only for updates to our subscribers, but also to push out consultations for feasibility and future project ideas too.

Press

Consultations this year have highlighted that the work we do is not as widely known or distributed as it should be with too much reliance on our own digital channels. Activities are underway to change this and will be a focus for the next year.

Events

The Horsebridge in-house event programme has been reduced significantly this year following a review of the building that highlighted problems with the performance equipment and access to the equipment areas. We aim to deliver a diverse programme in the future, but this will need to reflect the changing local environment and audiences. Our film matinee programme has been able to continue thanks to funding from Whitstable Area Member Panel, ensuring these social events connecting isolated sections of our elderly community are not lost. The comedy club hosted Jenny Eclair whilst performance arts delivered a range of theatre and music performances including Chris Difford, Nine Below Zero and Not the Rolling Stones.

The centre has played host again this year to a variety of local festivals and events including WhitLit, Far East festival and Oyster festival. Whitstable Biennale took over the entire building for the first time this year, which included transforming the performance space into a black box cinema space and the largest gallery into a cafe and event space. We participated in national arts initiatives such as the Into Film Festival providing free film and education events for schools and 5-19 year olds across the UK.

Galleries

The two core exhibition spaces have delivered a significant range of over 60 different exhibitions this year. The improvement to the facilities has attracted new exhibitors and we are seeing exhibitions where the artists are seeking to deliver accompanying talks or workshops increasing, extending the audiences reached. The range of exhibitions continues to delight the visiting community with outstanding shows in ceramics, textiles and urban art alongside individual and group fine art work. The community gallery space in the centre has hosted artwork from schools throughout the year. This has been complimented by a special schools collaboration show titled 'The Coastal Poem' exhibiting textile, collage, sculpture and painting work from 4-11 year olds inspired by poem 'Nation's Ode to the Coast' by Dr John Cooper Clarke.

HORSEBRIDGE ARTS AND COMMUNITY CENTRE

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2017

Summer saw the return of the Horsebridge run A1 open show, running during the Oyster Festival enabling local artists to exhibit work to the exceptionally high number of visitors at this time of the year. Meanwhile alongside the schools exhibition the winter calendar also included the participatory Knit together exhibition featuring the Yarn the Movie and participatory workshops and the week long Horsebridge reimagined consultation exhibition.

The workshops and performance space

Our non-exhibition spaces are hired for a broad range of classes, workshops and meetings. We continue to deliver a professional service in this area, but face increased competition locally as other community spaces seek to change their offering. We remain competitively priced and the variety of differently sized spaces ensures we are in a position to support a wide range of the local need. The centre works hard to support businesses and tutors trying to start new ventures and we continue to build on this going forward.

Education

Classes delivered within the centre have relied on what those hiring the space are willing to deliver. This year we trialled operating a set of Horsebridge classes and workshops. The aim was to increase the diversity of the education opportunities, deliver affordable classes and grow another income stream. The opportunity makes use of spare room capacity and compliments the existing class base to ensure we don't impact on the existing room hire income in the short term. The trial delivered valuable insight into the potential and a modest income and we will look to develop further next year.

The Horsebridge Shop

The Shop continues to be a growth area for the centre, both in profit and in community engagement. The range has expanded and alongside and fantastic local artist created merchandise, we also have a growing range of maker kits, encouraging all ages to get involved in creating. Tight cashflow this year restricted expenditure on stock at times, but the shop still returned a healthy profit and continues to highlight the necessity for diverse income streams. It will be important in the next financial year to ensure sufficient funds to continue to build on this income with investment in Horsebridge only product ranges.

The Horsebridge Cafe

Following a catastrophic 4 months without a lift this financial year, the first floor cafe operation was significantly impacted, culminating in the outsourced supplier pulling out at the contract review point. A replacement supplier was identified through a tender process, but was unable to complete the process resulting in the operation returning in-house again. This will have significant impact on the budget for the next year as in-house operations are unlikely to yield the same income as the external supplier. Exploration of how other centres achieve profitable spaces will be undertaken at the earliest opportunity.

Our staff

Evolving, diversifying and developing would not be possible without a dedicated and skilled staff team. The team continue to provide a friendly, efficient and meaningful service to our customers under increasingly demanding circumstances. Implementation of new policies, technologies and processes to deliver operational efficiencies have been undertaken with commitment to change and grow. The staff team has seen some long serving team members depart this year, and we unfortunately had to undertake staff redundancies for positions that were no longer financially viable in-house.

HORSEBRIDGE ARTS AND COMMUNITY CENTRE

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2017

Strategy and Development

The future view of the centre has been the focus for this year continuing our work with Whitstable Biennale, Kent County Council and our primary stakeholder Canterbury City Council. On-going operations are proving the difficulty of operating a financially secure arts centre in the current economic climate and examining how we can reach a sustainable business model is at the core of the future view. A feasibility study, funded by ACE, KCC and CCC, working with consultants and architects, will deliver options to the Horsebridge Board investigating combinations of physical space manipulation within the building to create and build a sustainable business model. This will investigate not only the income generation model, but also the staff and governance roles necessary to support it. Throughout the process learnings from the investigation will form part of the planning for 2017/18 and beyond until a development pathway is clear.

FINANCIAL REVIEW

An overview of the Horsebridge financial year 2016/17 is as follows:

Income	181,407
Expenditure	197,581
Net income	(16,174)
Total funds brought forward	(17,671)
Reserves stand at	(33,845)

Our primary purpose trading from galleries, events, performance space and workshops remains strong, earning just under 65% of our revenue at £102,000, despite increased competition locally and across the district and venue hire delivering 5% lower income than last year. Nearly 77% of our income was generated with earned income across charitable and other trading activities in total, with donations at just over 2% and grants (restricted and unrestricted) delivering the remaining 21%, an improvement on the income from grants for last year.

The loss of the lift for around 4 months of the year in a 3 floor building had a direct impact on income, with no accessible room hire space available resulting in venue hire decreasing, plus an additional one week closure over the Christmas period to carry out repairs resulting in a further weeks loss of income across the centre. The continued negative reserve position makes cashflow difficult and improving this situation will be critical in the next financial year. It was necessary this year to obtain an overdraft facility of £5,000 with the bank to manage the difficulties. The shop income has been impacted by reduced cashflow causing a 25% drop in revenue as money was not available to expand stock, which resulted in a 20% drop in net income and still delivered just under 10% of our overall income. The loss of the external cafe supplier had a small impact of anticipated income for this area for this financial year, with the bigger impact of this anticipated to 2017/2018.

Anticipated expenditure savings were not realised this year as electricity bills did not reduce anywhere near the levels quoted by our energy provider following the installation of £20,000 of energy efficient lighting throughout the building last year. This matter is continuing to be investigated. Expenditure on salaries was £2,000 higher than budgeted due to redundancies made mid-year, but given the 4,000 hours the centre is open for each year the staffing continues to be incredibly cost-efficient at £27 per hour, a reduction on the £29 from last year and the redundancies have significantly reduced the monthly salary going forward. Wages overall account for 54% of expenditure.

Investment policy

The Trustees operate a policy of holding any reserves held in an interest bearing savings account.

HORSEBRIDGE ARTS AND COMMUNITY CENTRE

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2017

Reserves policy and going concern

Reserves are needed to bridge the gap between the spending and receiving of resources and to cover unplanned emergency repairs and other expenditure.

The Centre's reserves are negative attributable to a series of historical operating deficits arising in part from iterative reductions in local authority grant funding from 2007. The Board is focusing on ensuring a sustainable business model in the development work that is being undertaken, but continues to aim for the Centre to be financially self sufficient and thanks CCC for its continued support through the unrestricted grant funding, provision of and maintenance of the external parts of the building.

The trustees are fully aware that the absence of reserves, together with the current economic position, provides a challenging environment in which to operate in the coming year. They are continuing to address the situation and aim to achieve a nil balance before starting to develop reserves as a matter of urgency.

The trustees are confident the charity will remain a going concern in the coming twelve months, for the following reasons: the trustees have projected forward the charity's budget and cashflow position to 31 March 2018; a programme of fundraising additional income from grants is underway; a detailed future feasibility study and business plan has been developed; projected income is not reliant on any single source, and the large majority is self-generated from hire, sales and donations; cashflow is monitored in detail on a weekly basis to ensure liabilities are settled: this monitoring will continue in the coming year. Whilst the charity has a negative balance sheet, this is due to the charity deferring income for future hire of its spaces (i.e. hire that is to take place after 31st March 2017). This deferred income is only due for repayment to hirers if a hire is cancelled, and the majority of the deferred income relates to the hire of gallery spaces, which are in high demand and are fully booked in advance. It is therefore considered very unlikely that deferred income will be liable to be repaid.

PLANS FOR THE FUTURE

The board and centre team are very committed to the outcomes of the feasibility study and the development of a sustainable arts centre for the district and this will shape the strategy of the centre for future years. The immediate security of the centre requires the board to diversify income further. Increasing the income achieved from grant funding, both core cost funding and project based restricted funds, will be critical next year if the centre is to develop reserves. Seeking project funding will enable the development of outreach programmes that have been unachievable to date and deliver projects to enhance the learning opportunities within the centre.

We will seek to grow our trading income, investing in the shop to ensure its income potential is not limited by cashflow and to deliver a community focused cafe space that will support the centre activities.

Existing development strategies for the gallery spaces to deliver an increase in quality and broaden the accessibility of exhibiting and visiting these spaces will continue to be implemented.

Continuing to develop the centre as a resource to enrich the lives of the local community whilst attracting the seasonal visitors and expand our customer and friend base will continue to be a focus.

HORSEBRIDGE ARTS AND COMMUNITY CENTRE

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2017

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Horsebridge Arts and Community Centre is a charitable company limited by guarantee, incorporated on 8 April 2003 and registered as a charity on 22 September 2003. The company was established under a Memorandum of Association, which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up, members are required to contribute an amount not exceeding £1. The directors of the company are also charity trustees for the purposes of charity law and under the company's Articles are known as trustees.

Recruitment and appointment of the Board of Trustees

Under the requirements of the Memorandum and Articles of Association there shall be not less than eight and not more than twelve trustees. Canterbury City Council is entitled to nominate one or two trustees ('Nominated Trustees') at each AGM each to serve for an initial period of one year and to be capable of being nominated for subsequent years. One third of the trustees other than the Nominated Trustees must retire at each AGM, those longest in office retiring first.

Membership of the Charity is open to any individual or organisation interested in promoting the Objects. At an AGM the members elect persons to be trustees to fill the vacancies arising.

The trustees may at any time co-opt any person duly qualified to be appointed as a trustee to fill a vacancy in their number or as an additional trustee, but a co-opted trustee only holds office until the next AGM.

Trustee induction and training

New trustees are provided with an induction pack on 'Being a Trustee of the Horsebridge Arts and Community Centre' which explains the aims of the Horsebridge, and the nature and responsibilities of the trustee role. Further information, including a copy of the Memorandum and Articles of Association and current financial information, is provided by the Centre Director. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

Risk management

Financial processes continue to be refined and a change in finance personnel has allowed for further analysis in this area. Work continues on a more formal risk management strategy.

Organisation

The Board of Trustees meets bi-monthly (plus additional meetings as required) and has control of the Charity and its property and funds.

The Centre Director has day-to-day responsibility for the provision of services in line with the policies and plans agreed by the Board. The Centre Director, working with the Centre Co-ordinator supervises the staff team, which consists of one full-time and seven part-time staff as well as some casual staff who provide cover in busy times. The Centre also has a number of regular and dedicated volunteers who provide staffing for our reception desk, events and in maintaining the Centre.

HORSEBRIDGE ARTS AND COMMUNITY CENTRE

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2017

Related parties

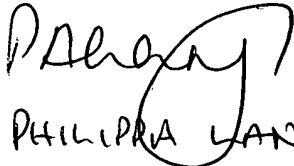
None of our trustees receive remuneration or other benefit from their work with the charity. Any conflict of interest a trustee faces must be declared. There have been no such declarations in the current year.

The Horsebridge Arts and Community Centre is the sole shareholder of The Horsebridge Cafe Limited, a company limited by shares with its own Board of Directors. The Horsebridge Cafe's primary objective is not to generate a profit but to provide a service integral to the running of the Centre.

Trustees' responsibilities in relation to the financial statements

The Trustees confirm that the annual report and the financial statements of the company comply with the current statutory requirements of the company's governing document and the provisions of the Charities SORP (FRS 102) and the Companies Act 2006.

Signed by order of the trustees on 11/8/17

by: 
PHILIPPA LANGTON

Ms Philippa Langton - Company Secretary

**INDEPENDENT EXAMINERS REPORT TO THE TRUSTEES OF
HORSEBRIDGE ARTS AND COMMUNITY CENTRE**

I report on the accounts of the company for the year ended 31 March 2017 which are set out on pages 12 to 21.

Respective responsibilities of trustees and examiner

The trustees (who are also directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

Having satisfied myself that the charity is not subject to an audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- follow the procedures laid down in the general directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- state whether particular matters have come to my attention.

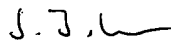
Basis of independent examiner's statement

My examination was carried out in accordance with the general directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a "true and fair view" and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention to indicate that :

- accounting records have not been kept in accordance with section 386 of the Companies Act 2006;
- the accounts do not accord with such records;
- where accounts are prepared on an accruals basis, whether they fail to comply with relevant accounting requirements under section 396 of the Companies Act 2006, or are not consistent with the Charities SORP (FRS)102;
- any matter to which, in my opinion, should be drawn to the attention of the reader to gain a proper understanding of the accounts.



**S J Wren FCCA
Accountancy Matters (Kent) Limited
Chartered Certified Accountants
31 Queen Street
Ramsgate
Kent CT11 9DZ**

Date 4/9/17

HORSEBRIDGE ARTS AND COMMUNITY CENTRE

**STATEMENT OF FINANCIAL ACTIVITIES
(incorporating an Income and Expenditure Account)
FOR THE YEAR ENDED 31 MARCH 2017**

	Notes	Unrestricted funds	Restricted funds	Total funds 2017	Total funds 2016
		£	£	£	£
INCOME					
Income from charitable activities	2	117,646	22,803	140,449	172,001
Income from other trading activities	3	36,597	-	36,597	39,820
Donations	4	4,361	-	4,361	36,083
Investment income		-	-	-	-
TOTAL INCOME		158,604	22,803	181,407	247,904
EXPENDITURE					
Costs of raising funds	5	8,434	152	8,586	12,552
Charitable activities	5	169,377	19,618	188,995	210,297
TOTAL EXPENDITURE		177,811	19,770	197,581	222,849
NET (EXPENDITURE)/INCOME FOR THE YEAR BEFORE TRANSFERS	6	(19,207)	3,033	(16,174)	25,055
Transfers between funds	14	-	-	-	-
NET MOVEMENT IN FUNDS FOR THE YEAR		(19,207)	3,033	(16,174)	25,055
Balance as at 1 April 2016		(17,823)	152	(17,671)	(42,726)
BALANCE AT 31 MARCH 2017		(37,030)	3,185	(33,845)	(17,671)

HORSEBRIDGE ARTS AND COMMUNITY CENTRE

**BALANCE SHEET
AS AT 31 MARCH 2017**

	Notes	2017 £	2016 £
FIXED ASSETS			
Tangible assets	8	17,026	22,753
Investments	9	<u>1</u>	<u>1</u>
		17,027	22,754
CURRENT ASSETS			
Stock		2,389	2,809
Debtors and prepayments	10	17,834	21,976
Cash at bank and in hand		<u>4,971</u>	<u>7,468</u>
		25,194	32,253
CREDITORS: amounts falling due within one year			
	11	<u>(71,400)</u>	<u>(66,412)</u>
NET CURRENT LIABILITIES			
		<u>(46,206)</u>	<u>(34,159)</u>
		(29,179)	(11,405)
CREDITORS: Amounts falling due after more than one year			
	12	(4,666)	(6,266)
NET LIABILITIES			
	13	<u>(33,845)</u>	<u>(17,671)</u>
Represented by:			
FUNDS OF THE CHARITY			
Unrestricted general fund	14	(37,030)	(17,823)
Restricted funds	14	<u>3,185</u>	<u>152</u>
TOTAL FUNDS		<u>(33,845)</u>	<u>(17,671)</u>


For the financial year ended 31 March 2017 the company was entitled to exemption from audit under s.477 Companies Act 2006 and no members have deposited a notice under s.476 requiring an audit.

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with s.386 of the Act for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

The accounts are prepared in accordance with the provisions applicable to companies subject to the small companies' regime in part 15 of the Companies Act 2006 relating to small companies and in accordance with the Charities SORP (FRS 102).

Approved and signed for issue by the trustees on 11.8.17

Mrs Z A Cloke 

Ms P Langton 

Company number - 04727071

HORSEBRIDGE ARTS AND COMMUNITY CENTRE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1 ACCOUNTING POLICIES

The financial statements have been prepared 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 the Republic of Ireland FRS 102 (effective 1 January 2015) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland FRS 102 and the Companies Act 2006.

Horsebridge Arts and Community Centre meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

The principal accounting policies adopted are as follows:

a) Preparation of the accounts on a going concern basis

The trustees are confident the charity will remain a going concern in the coming twelve months, for the following reasons: the trustees have projected forward the charity's budget and cashflow position to 31 March 2018; a programme of fundraising additional income from grants is underway; a detailed future feasibility study and business plan has been developed; projected income is not reliant on any single source, and the large majority is self-generated from hire, sales and donations; cashflow is monitored in detail on a weekly basis to ensure liabilities are settled: this monitoring will continue in the coming year. Whilst the charity has a negative balance sheet, this is due to the charity deferring income for future hire of its spaces (ie hire that is to take place after 31 March 2017). This deferred income is only due for repayment to hirers if a hire is cancelled, and the majority of the deferred income relates to the hire of gallery spaces, which are in high demand and are fully booked in advance. It is therefore considered very unlikely that deferred income will be liable to be repaid.

b) Consolidation

The charity and its subsidiary undertaking comprise a small group and have therefore taken advantage of the exemption provided by section 398 of the Companies Act not to prepare group accounts.

c) Incoming resources

Fees receivable - are included when the Charity is legally entitled to the income, any performance conditions attached to the item of income have been met, it is probable that the income will be received and the amount can be measured reliably. As from 1 April 2017, income receivable where part, or all of such income is legally due to a third party, has been reduced by the amount payable to the third party.

Grants receivable - grants made to finance the activities of the Charity are credited to the Statement of Financial Activities (SOFA) in the period to which they relate.

Bank interest - bank interest is included in the SOFA on receipt.

Other income - other income, including donations and gifts are included as they were received.

Deferred income - income received in advance of the period to which it relates is reflected in deferred income within the balance sheet.

d) Resources expended

All expenditure is accounted for on an accruals basis and includes VAT where applicable. All expenditure directly related to the provision of service delivery is included within the charitable expenditure. Other costs incurred have been allocated between activities for generating funds and governance as appropriate. Where such costs relate to more than one functional cost category they have been split on an estimate of time spent.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

1 ACCOUNTING POLICIES

e) Depreciation of fixed assets

Tangible fixed assets costing more than £200 are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life as follows :

Fixtures, fittings and equipment	20% straight line
----------------------------------	-------------------

f) Stock

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

g) Fund accounting

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

Income received for restricted purposes is included in a separate restricted fund against which appropriate expenditure is allocated.

h) Pensions

The pension cost charge in the Statement of Financial Activities represent the contributions payable by the Charity in the relevant year.

i) Significant judgements and estimates

No significant judgements or estimates have had to be made by the Trustees in preparing these financial statements.

j) Transition to FRS 102

The transition date was 1 April 2015, and no items needed to be restated in making the transition to FRS 102.

HORSEBRIDGE ARTS AND COMMUNITY CENTRE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

2 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted funds	Restricted funds	2017 Total funds	2016 Total funds
	£	£	£	£
Grants :				
Canterbury City Council	15,000	-	15,000	16,398
Whitstable Area Member Panel	-	1,263	1,263	-
Whitstable & Herne Bay Lions Club	-	40	40	-
Arts Council England	-	13,500	13,500	-
Kent County Council (Whitstable Biennale)	-	8,000	8,000	-
Regen SW grant	-	-	-	8,939
Kent Community Foundation	-	-	-	2,000
Fees receivable :				
Venue hire	90,919	-	90,919	95,743
Box office income (see note below)	10,018	-	10,018	47,047
Children's activities	1,709	-	1,709	1,874
	<u>117,646</u>	<u>22,803</u>	<u>140,449</u>	<u>172,001</u>

Box office income for the year ended 31 March 2017 is shown net of ticket sales due and paid over to performance artists. Before netting off sales, the gross income was £31,300 and the gross event expenditure was £26,275. This approach has been adopted in the 2016/17 accounts to ensure consistency in the accounts: gallery sales paid over to artists are also netted off. The prior year Box office income figures are shown gross and not netted off; these figures have not been adjusted because the time that would be required to adjust the figures is disproportionately high.

3 INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds	Restricted funds	2017 Total funds	2016 Total funds
	£	£	£	£
Rental income	9,110	-	9,110	4,177
Advertising income	7,494	-	7,494	7,081
Shop income	17,733	-	17,733	23,715
Commission from third party sales	901	-	901	710
Membership income	1,075	-	1,075	1,235
Sundry income	284	-	284	2,902
	<u>36,597</u>	<u>-</u>	<u>36,597</u>	<u>39,820</u>

4 DONATIONS

	Unrestricted funds	Restricted funds	2017 Total funds	2016 Total funds
	£	£	£	£
Donations	4,361	-	4,361	3,552
Canterbury City Council - Loan written off	-	-	-	32,531
	<u>4,361</u>	<u>-</u>	<u>4,361</u>	<u>36,083</u>

HORSEBRIDGE ARTS AND COMMUNITY CENTRE

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

5 TOTAL RESOURCES EXPENDED

	Unrestricted funds	Restricted funds	2017 Total funds	2016 Total funds
	£	£	£	£
Costs of activities for generating funds :				
Shop	8,434	152	8,586	12,279
Gallery and exhibition costs	-	-	-	109
Quiz costs	-	-	-	55
Advertising and publicity	-	-	-	109
	<u>8,434</u>	<u>152</u>	<u>8,586</u>	<u>12,552</u>
Service delivery costs				
Wage costs	88,765	686	89,451	98,916
Entertainment and performances	2,655	2,375	5,030	41,539
Rates and water	7,529	-	7,529	6,031
Light and heat	11,553	1,600	13,153	12,544
Repairs and maintenance	7,309	-	7,309	7,583
Cleaning and waste	7,450	-	7,450	4,083
Travelling costs	108	-	108	74
Licences	97	-	97	1,059
Insurances	1,567	-	1,567	1,472
Publicity	7,132	30	7,162	5,349
Support costs				
Wage costs	16,999	-	16,999	15,755
Bad debts	925	-	925	432
Staff welfare and training	30	-	30	325
Telephone	2,155	-	2,155	1,910
Postage and stationery	182	-	182	460
IT and equipment costs	798	-	798	774
Bank and credit card charges	2,543	-	2,543	2,343
Loan charges and interest	400	-	400	354
Office expenses	493	-	493	984
Payroll fees	738	-	738	720
Bookkeeping software	465	-	465	300
Professional fees	276	14,927	15,203	294
General expenses	393	-	393	111
Depreciation	5,727	-	5,727	3,158
Loss on disposal of fixed assets	-	-	-	629
Governance costs				
Wage costs	1,838	-	1,838	1,848
Independent Examiner's fee	1,250	-	1,250	1,250
	<u>169,377</u>	<u>19,618</u>	<u>188,995</u>	<u>210,297</u>
	<u>177,811</u>	<u>19,770</u>	<u>197,581</u>	<u>222,849</u>

Of the total expenditure in 2016 of £222,849, £218,533 was unrestricted and £4,316 was restricted.

HORSEBRIDGE ARTS AND COMMUNITY CENTRE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

6 NET INCOME	2017	2016
	£	£
This is stated after charging:		
Depreciation	5,727	3,158
Independent Examiner's remuneration	1,250	1,250
	<u> </u>	<u> </u>

7 INFORMATION REGARDING EMPLOYEES	2017	2016
	£	£
Wages and salaries	104,270	112,169
Sub contract labour	1,077	-
Social security costs	4,445	4,765
Pension contributions	1,496	1,585
Employment Allowance	(3,000)	(2,000)
	<u> </u>	<u> </u>
	108,288	116,519
	<u> </u>	<u> </u>

The average monthly head count was 13 staff (2016 - 13 staff).

The average number of employees based on full time equivalents analysed by function was:

	2017	2016
	Number	Number
Service delivery	5	5
Management and administration	1	1
	<u> </u>	<u> </u>
	6	6
	<u> </u>	<u> </u>

No employee received remuneration of more than £60,000.

No trustees received remuneration or expenses from the charity during the year (2016 - £Nil).

The total employee benefits (including employers national insurance) of the key management personnel of the charity were £27,192 (2016 - £30,556)

8 TANGIBLE FIXED ASSETS	Fixtures fittings & equipment	Total
	£	£
Cost		
As at 1 April 2016	34,425	34,425
Additions	-	-
Disposals	-	-
	<u> </u>	<u> </u>
As at 31 March 2017	34,425	34,425
	<u> </u>	<u> </u>
Depreciation		
As at 1 April 2016	11,672	11,672
Charge for the year	5,727	5,727
Eliminated in disposals	-	-
	<u> </u>	<u> </u>
As at 31 March 2017	17,399	17,399
	<u> </u>	<u> </u>
Net book value		
As at 31 March 2017	17,026	17,026
	<u> </u>	<u> </u>
As at 31 March 2016	22,753	22,753
	<u> </u>	<u> </u>

HORSEBRIDGE ARTS AND COMMUNITY CENTRE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

9 INVESTMENTS	2017	2016
	£	£
Cost	1	1

The investment is in respect of the charity's 100% owned subsidiary- Horsebridge Café Limited, a company registered in England. The company's principal activity is the operation of a café at The Horsebridge Centre.

Horsebridge Café Limited (Loss)/Profit for the year	(1,007)	5,751
Capital and reserves	(1,046)	(39)

10 DEBTORS	2017	2016
	£	£
Trade debtors	12,531	12,916
Amount owed by group undertaking	133	-
Prepayments	4,761	4,943
Accrued income	409	4,117
	<u>17,834</u>	<u>21,976</u>

11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2017	2016
	£	£
Bank overdraft	1,316	-
Trade creditors	10,721	12,829
Amount owed to group undertaking	-	686
Taxation and social security	1,158	1,508
Other creditors	533	310
Loan - Kent Community Foundation	1,600	1,600
Accruals	6,798	11,509
Deferred income	49,274	37,970
	<u>71,400</u>	<u>66,412</u>

12 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	2017	2016
	£	£
Loan - Kent Community Foundation	4,666	6,266
	<u>4,666</u>	<u>6,266</u>

HORSEBRIDGE ARTS AND COMMUNITY CENTRE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

13 ANALYSIS OF NET ASSETS BETWEEN FUND	General funds	Restricted funds	Total
	£	£	£
Fixed assets	17,026	-	17,026
Investments	1	-	1
Current assets	22,009	3,185	25,194
Current liabilities	(71,400)	-	(71,400)
Long term liabilities	(4,666)	-	(4,666)
Net assets as at 31 March 2017	(37,030)	3,185	(33,845)

14 MOVEMENT IN FUNDS	As at 1 04 2016	Incoming resources	Outgoing resources	Transfers	As at 31 03 2017
	£	£	£	£	£
Restricted funds					
Whitstable Area Member Panel	-	1,263	(1,263)	-	-
Whitstable & Herne Bay Lions Clut	-	40	-	-	40
Horsebridge Feasibility 2016	-	21,500	(18,355)	-	3,145
Kent Community Foundation	152	-	(152)	-	-
Total restricted funds	152	22,803	(19,770)	-	3,185
Unrestricted general funds	(17,823)	158,604	(177,811)	-	(37,030)
Total funds	(17,671)	181,407	(197,581)	-	(33,845)

HORSEBRIDGE ARTS AND COMMUNITY CENTRE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

15 RESTRICTED FUNDS

Whitstable Area Member Panel - Opportunities Fund

The grant was used to establish a programme of film screenings for the local community, particularly for the benefit of older people, and people at risk of social exclusion and loneliness. The grant contributed to the costs of film licences and refreshments, with ticket sales covering staff and premises costs.

Whitstable and Herne Bay Lions Club

The grant was used to hold an Easter Trail around Whitstable, in partnership with Whitstable Umbrella Community Support Centre. The grant was spent on printing costs.

Horsebridge Feasibility 2016

The Horsebridge Feasibility 2016 project was a feasibility study of the future development of the Horsebridge Centre. The work included a local consultation and the production of a business plan and architectural designs. The purpose of the work was to identify how the Centre could better meet the needs of the local community and be financially sustainable. The grants were spent on professional fees, staffing, printing, materials and the costs of meeting and exhibition space. The project is scheduled for completion in in 2017/18. Funding for this project was obtained from two sources:

Art Council England

The Arts Council England grant was part of the Grants for the Arts programme, which is National Lottery funding, and was used towards the Horsebridge Feasibility 2016 project.

Kent County Council (Whitstable Biennale)

The grant was used towards the Horsebridge Feasibility 2016 project. Funds were held by Whitstable Biennale and transferred to the Horsebridge Arts and Community Centre.

Kent Community Foundation

A grant received in the previous year from the Kent Big Society Fund, provided funds to grow the Horsebridge Centre's shop, selling goods sourced from the local artistic community. The remainder of the grant was fully spent during 2016/17.

16 MEMBERS LIABILITY

The company is a company limited by guarantee. The members' liability is limited to £1 each.

17 CORPORATION TAXATION

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

18 RELATED PARTY TRANSACTIONS

At the balance sheet date the charity was owed £133 (2016 - £686 owed to) by Horsebridge Café Limited, its 100% subsidiary undertaking. No rent or service charges are paid by the Cafe to the Centre, because the Café's primary objective is not to generate a profit but to provide a service integral to the running of the Centre.