

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 2016



HORSEBRIDGE ARTS AND COMMUNITY CENTRE

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HORSEBRIDGE ARTS AND COMMUNITY CENTRE

TRUSTEES' ANNUAL REPORT YEAR ENDED 31 MARCH 2016

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 2016.

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 - Co-opted 16 July 2015, Resigned 19 May 2016
Miss S Everett - Co-opted 19 November 2015
Mr M Herbert - Co-opted 17 September 2015
Cllr B Baker - Co-opted 17 September 2015
Cllr C Spooner - Co-opted 17 September 2015
Cllr A O'Dea - Resigned 16 July 2015
Cllr J H Wratten - Resigned 5 May 2015

Company secretary Ms P Langton

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 community in the arts.

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 maintenance work, we are open all year round.

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.

HORSEBRIDGE ARTS AND COMMUNITY CENTRE

TRUSTEES' ANNUAL REPORT YEAR ENDED 31 MARCH 2016

Performance programme

We strive to offer a rounded programme of events to our community, catering for our own events within the Centre and enabling other initiatives the opportunity to launch and grow utilising our facilities. Event breadth can be delivered through our flexible range of costing options. These include: the Centre paying a performer/hire fee; the performer paying simple hire charge for a space and box office splits between the Centre and the performer. Without this range of options, it would be impossible for some performers to take the risk and we feel it is vital to continue to take this well-managed risk to support our community of performers. 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..

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 connecting our extensive community of creators with local shoppers, offering a variety of retailing opportunities for artists and makers and we will continue to expand. The building has also benefitted from a new lighting system throughout, utilising modern lighting for increased energy efficiency and also brighter, more natural lighting.

Education

The Centre offers a variety of classes across the arts, health and well-being for all ages and abilities. This year we have sought to build on partnerships with tutors and look forward to a more cohesive education plan going forward across the programme. 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. This year has finally seen the replacement of the old lighting system with new eco-lighting which has transformed the gallery spaces with brighter, cleaner illumination.

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. The addition of gallery cabinets within the shop space has enabled more creative producers to reach new audiences.

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 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. Our involvement with the Arts Award is enabling our commitment to engage and involve everyone in the arts from very early in their lives.

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

Big Lottery Fund & Regen SW grants – Lighting

Securing a grant from Regen SW to compliment the Big Lottery Fund grant from the previous year enabled us to install energy efficient LED lighting throughout the building and gallery spaces. We look forward to seeing the projected impact on our energy bills in the next financial year, but the improvement within the building spaces was immediately evident.

Chinese New Year Quiz

Our fundraising quiz is always a great community event and this year's was no exception. Teams competed in a sold-out performance space to become the winning team whilst our volunteers and staff ensured the night was a fundraising success, enhanced and supported by a local matched funding initiative. The quiz also provided an excellent platform to re-launch our revised Friends scheme.

Friends scheme

Volunteer support enabled in-depth research of Friends schemes at other arts venues both locally and nationally and led to the redevelopment of our Friends scheme this year. Early adopter initiatives and the launch at our quiz night have led to great initial response and we will continue to promote next year and grow the offer for this engaged and supportive section of our community.

HORSEBRIDGE ARTS AND COMMUNITY CENTRE

TRUSTEES' ANNUAL REPORT YEAR ENDED 31 MARCH 2016

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.

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. The online sales channel also enables Friends to sign up online.

Events

The Horsebridge strives to deliver a diverse programme under increased competition across the district for the benefit of the town. The events programme continues to attract a variety of audiences and includes comedy, music, interviews and talks, film clubs and literary and theatrical performances. We had a well-received comedy calendar this year including Omid Djalili, Fred MacAuley and Mark Thomas. Our film programme regularly features matinee performances that are also social events to connect isolated sections of our elderly community and we will be seeking additional funding to ensure these continue next year. We also screen family showings where children can bring a parent for free along with our usual evening programme.

A multitude of festivals were hosted throughout the year including The WhitLit festival, Oyster festival, Flamenco festival and Beach to Bollywood. The festivals take over the non-exhibition spaces bringing diversity and new audiences from near and far. We aim to support all festivals with staff, volunteers and offering ticketing facilities for events at the Horsebridge and also elsewhere.

Galleries

The exhibition spaces, complemented by the mini exhibition cabinets in the shop and the stair exhibition areas, have delivered a breadth of shows throughout the year. The galleries have been physically refreshed this year, with new lighting towards the end of the year and Gallery 3 has been transformed into a permanent shop space, expanding the capacity to sell more local work. The reduction in gallery space has been balanced with the exceptionally cost effective cabinet exhibition spaces, which have taken on more prominence in a dedicated space.

Again this year we have seen over 70 exhibitions take place and observed the discussion that every new exhibition brings to our community spaces. We have been able to work even more closely with local schools to provide opportunities to exhibit work and have enjoyed a wealth of artwork from ages 4 to 18. Our annual community Postcard show returned this year as Post Nude, with postcards being delivered from across the world.

HORSEBRIDGE ARTS AND COMMUNITY CENTRE

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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 will be looking to build on this going forward.

The Horsebridge Shop

The Shop continues to be a growth area for the centre, both financially and in community engagement. It has now taken over the space that was previously used as our third Gallery and 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. The mini exhibition cabinets continue to be popular and with the assistance of a small grant and loan from Kent Community Fund we are looking to progress the shop further still. This year has highlighted the importance of a diverse income stream and we intend to continue capitalising on this.

The Horsebridge Cafe

This year the decision was taken to outsource the cafe operation. The subsidiary cafe company was not making the returns the organisation anticipated and demanded significant attention. The new arrangement provides a set monthly income and ensures a professional service is offered to our customers. The contract will be reviewed in September 2016.

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.

Strategy and Development

Following last year's strategic review we have created a Memorandum of Understanding with Whitstable Biennale to progress the development of a new offer for Whitstable, whilst simultaneously ensuring support for on-going operations. The partnership aims to submit an application for a grant to examine the feasibility of achieving the aims and vision for the Horsebridge and Whitstable.

FINANCIAL REVIEW

An overview of the Horsebridge financial year 2015/16 is as follows:

Income	247,904
Expenditure	222,849
Net income	25,055
Total funds brought forward	(42,726)
Reserves stand at	(17,671)

Our primary purpose trading from galleries, events, performance space and workshops remains strong, earning over 60% of our revenue at £144,000, despite increased competition locally and across the district and venue hire performing below budget. Our approach to diversify our income streams has proved vital this year and the shop in particular is continuing to grow providing nearly 10% of our total income. A regular and reliable income from the cafe has been important as we experienced below budget performances elsewhere.

HORSEBRIDGE ARTS AND COMMUNITY CENTRE

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Around 75% of our revenue was from primary purpose trading and earned income, but it is important to grow the diversity of our grant income to ensure we are able to recover our reserve position. Some areas performed badly against budget this year, with events as a whole performing poorly even against a budgeted loss, in part due to the high staffing levels required. This area will be scrutinised and necessary changes implemented in the next financial year. The rental of community spaces has dropped significantly this year and were it not for income diversification already in place the impact would have been significantly worse. The financial monitoring implemented over the previous year ensured appropriate action was taken in time.

We continue to receive financial support from Canterbury City Council (CCC) in the form of an annual grant and this year we received additional support when our outstanding loan of £32,531 was written off. We were successful in gaining a grant to upgrade the lighting in the gallery, allowing us to complete the lighting installation throughout the entire building which, we are advised, should lead to a sizeable reduction in energy bills. Further to this CCC agreed to pay for the building maintenance contracts supplied by CCC this year.

Combined staffing costs totalled just over £115,000 this year. When put into the perspective of approximately 4000 opening hours over the year, this shows the centre operating with exceptionally efficient staffing of £28.75 per hour. The contracts for the various items of building maintenance, along with other maintenance costs will need to be reviewed again next year, but support from CCC meant these costs were met by CCC this year. We continue to cover the brochure printing costs annually with the advertising revenue, but will need to look at the in-house production costs as part of the structural review to ensure we are obtaining best value for money.

Investment policy

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

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 accounts have continued to be prepared on a going concern basis and the reasons for this are detailed in Note 1(b) of the notes to the financial statements.

PLANS FOR THE FUTURE

The board and centre team will undertake a feasibility study with our partners and the community to cement the vision that came from strategy work last year and deliver a sustainable business model. We are working with them to gain funding for this feasibility study and have secured support from architects and business development resources experienced in this area and committed to developing the centre. The next 18 months will be both demanding and exciting. In parallel we will continue to develop the centre to enrich the lives of local people by being a resource for local people and local community groups. We will build on existing development strategies including:

- increasing retail sales opportunities linked to gallery exhibitions and local artists practice
- promoting the new membership scheme
- promoting the centre as a venue for meetings, community engagement and social events
- pursuing grant income and other funding opportunities
- streamlining our processes through increased use of technology
- developing an expanded education programme, and
- continuing to develop the use and cost-effectiveness of the galleries and the performance space

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.

HORSEBRIDGE ARTS AND COMMUNITY CENTRE

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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.

Related parties

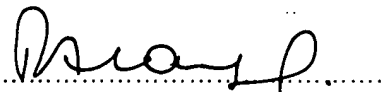
None of our trustees receive remuneration or other benefit from their work with the charity. Any conflict of interest a trustee faces must be declared. There have been no such declarations in the current year.

The Horsebridge Arts and Community Centre is the sole shareholder of The Horsebridge Cafe Company with its own Board of Directors. The Horsebridge Cafe did operate the community cafe space, in-house catering and bar facilities, but is in the process of being wound-up as the cafe is now delivered by an external local vendor.

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 Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Small Entities (effective January 2015) and the Companies Act 2006.

Signed by order of the trustees on 22/9/16 by:



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 2016 which are set out on pages 11 to 19.

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(2) 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:

- 1 which gives me reasonable cause to believe that, in any material respect, the requirements:
 - to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities.have not been met; or
- 2 to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

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

Date 27/9/16

HORSEBRIDGE ARTS AND COMMUNITY CENTRE

**STATEMENT OF FINANCIAL ACTIVITIES
(incorporating an Income and Expenditure Account)
FOR THE YEAR ENDED 31 MARCH 2016**

	Notes	Unrestricted funds	Restricted funds	Total funds 2016	Total funds 2015
		£	£	£	£
INCOME					
Income from charitable activities	2	161,062	10,939	172,001	174,113
Income from other trading activities	3	39,820	-	39,820	36,232
Donations	4	36,083	-	36,083	10,736
Investment income		-	-	-	5
TOTAL INCOME		236,965	10,939	247,904	221,086
EXPENDITURE					
Costs of raising funds	5	10,704	1,848	12,552	4,550
Charitable activities	5	207,829	2,468	210,297	207,969
TOTAL EXPENDITURE		218,533	4,316	222,849	212,519
NET (EXPENDITURE)/INCOME FOR THE YEAR BEFORE TRANSFERS	6	18,432	6,623	25,055	8,567
Transfers between funds	14	20,934	(20,934)	-	-
NET MOVEMENT IN FUNDS FOR THE YEAR		39,366	(14,311)	25,055	8,567
Balance as at 1 April 2015		(57,189)	14,463	(42,726)	(51,323)
BALANCE AT 31 MARCH 2016		(17,823)	152	(17,671)	(42,756)

HORSEBRIDGE ARTS AND COMMUNITY CENTRE

**BALANCE SHEET
AS AT 31 MARCH 2016**

	Notes	2016 £	2015 £
FIXED ASSETS			
Tangible assets	8	22,753	5,057
Investments	9	<u>1</u>	<u>1</u>
		22,754	5,058
CURRENT ASSETS			
Stock		2,809	2,050
Debtors and prepayments	10	21,976	14,408
Cash at bank and in hand		<u>7,468</u>	<u>21,723</u>
		32,253	38,181
CREDITORS: amounts falling due within one year			
	11	<u>(66,412)</u>	<u>(53,434)</u>
NET CURRENT LIABILITIES			
		<u>(34,159)</u>	<u>(15,253)</u>
		(11,405)	(10,195)
CREDITORS: Amounts falling due after more than one year			
	12	(6,266)	(32,531)
NET LIABILITIES			
	13	<u>(17,671)</u>	<u>(42,726)</u>
Represented by:			
FUNDS OF THE CHARITY			
Unrestricted general fund	14	(17,823)	(57,189)
Restricted funds	14	<u>152</u>	<u>14,463</u>
TOTAL FUNDS			
		<u>(17,671)</u>	<u>(42,726)</u>


For the financial year ended 31 March 2016 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 with the Financial Reporting Standard for Smaller Entities (effective January 2015).

Approved and signed for issue by the trustees on..... 22/9/16


.....
Mrs Z A Cloke


.....
Ms P Langton

Company number - 04727071

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

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 for Smaller Entities (effective January 2015) and the Companies Act 2006. 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 are projecting to make a budget surplus for the financial year to 31 March 2017; projected income is not reliant on any single source, and the large majority is self-generated from hire, sales and donations; trustees continue to look for savings in the charity's running costs (for example, electricity costs will be lower in the coming year due to the investment in new lighting in 2015/16); and cashflow is monitored 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 31st March 2016). 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 at least 12 months 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.

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.

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
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HORSEBRIDGE ARTS AND COMMUNITY CENTRE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

1 ACCOUNTING POLICIES

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.

2 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted funds	Restricted funds	2016 Total funds	2015 Total funds
	£	£	£	£
Grants :				
Canterbury City Council	16,398	-	16,398	23,000
Kent County Council	-	-	-	2,000
Artwork: South East Bridge				
Arts Award Development Hub 2014/15	-	-	-	2,500
Big Lottery Fund Grant	-	-	-	9,563
Regen SW grant	-	8,939	8,939	-
Kent Community Foundation	-	2,000	2,000	-
Fees receivable :				
Venue hire	95,743	-	95,743	100,150
Box office income	47,047	-	47,047	36,423
Children's activities	1,874	-	1,874	477
	<u>161,062</u>	<u>10,939</u>	<u>172,001</u>	<u>174,113</u>

3 INCOME FROM OTHER TRADING ACTIVITIES

Rental income	4,177	-	4,177	3,279
Advertising income	7,081	-	7,081	6,897
Shop income	23,715	-	23,715	11,040
Other fundraising events	1,534	-	1,534	9,100
Membership income	1,235	-	1,235	910
Sundry income	2,078	-	2,078	5,006
	<u>39,820</u>	<u>-</u>	<u>39,820</u>	<u>36,232</u>

HORSEBRIDGE ARTS AND COMMUNITY CENTRE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

4 DONATIONS

	Unrestricted funds	Restricted funds	2016 Total funds	2015 Total funds
	£	£	£	£
Donations	3,552	-	3,552	3,236
Canterbury City Council - Loan written off	32,531	-	32,531	-
Canterbury City Council - Loan adjustment	-	-	-	7,500
	<u>36,083</u>	<u>-</u>	<u>36,083</u>	<u>10,736</u>

5 TOTAL RESOURCES EXPENDED

	Unrestricted funds	Restricted funds	2016 Total funds	2015 Total funds
	£	£	£	£
Costs of activities for generating funds :				
Shop	10,431	1,848	12,279	3,646
Gallery and exhibition costs	109	-	109	819
Quiz costs	55	-	55	-
Advertising and publicity	109	-	109	85
	<u>10,704</u>	<u>1,848</u>	<u>12,552</u>	<u>4,550</u>
Service delivery costs				
Wage costs	97,619	1,297	98,916	84,332
Entertainment and performances	41,539	-	41,539	31,606
Rates and water	6,031	-	6,031	6,832
Light and heat	12,544	-	12,544	14,367
Repairs and maintenance	8,357	-	8,357	13,932
Other property costs	3,237	846	4,083	4,122
Travelling costs	74	-	74	65
Licences	1,059	-	1,059	2,723
Insurances	1,472	-	1,472	1,469
Publicity	5,349	-	5,349	8,649
Support costs				
Wage costs	15,755	-	15,755	17,561
Bad debts	432	-	432	1,511
Staff welfare and training	-	325	325	1,963
Telephone	1,910	-	1,910	1,642
Postage and stationery	460	-	460	1,552
Bank and credit card charges	2,343	-	2,343	2,488
Loan charges and interest	354	-	354	484
Office expenses	984	-	984	754
Accountancy fees	1,020	-	1,020	807
Professional fees	294	-	294	490
General expenses	111	-	111	144
Depreciation	3,158	-	3,158	3,125
Loss on disposal of fixed assets	629	-	629	-
Governance costs				
Wage costs	1,848	-	1,848	5,851
Independent Examiner's fee	1,250	-	1,250	1,500
	<u>207,829</u>	<u>2,468</u>	<u>210,297</u>	<u>207,969</u>
	<u>218,533</u>	<u>4,316</u>	<u>222,849</u>	<u>212,519</u>

HORSEBRIDGE ARTS AND COMMUNITY CENTRE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

6 NET INCOME	2016	2015
	£	£
This is stated after charging:		
Depreciation	3,158	3,125
Independent Examiner's remuneration :		
Bubb Sherwin Partnership Ltd :		
Independent Examination	-	1,500
Payroll	1,020	804
Accountancy Matters (Kent) Ltd	1,250	-
	<u> </u>	<u> </u>

7 INFORMATION REGARDING EMPLOYEES	2016	2015
	£	£
Wages and salaries	112,169	103,609
Social security costs	4,765	4,356
Pension contributions	1,585	1,779
Employment Allowance	<u>(2,000)</u>	<u>(2,000)</u>
	<u>116,519</u>	<u>107,744</u>

The average monthly head count was 13 staff (2015 - 12 staff).

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

	2016	2015
	Number	Number
Service delivery	5	5
Management and administration	<u>1</u>	<u>1</u>
	<u>6</u>	<u>6</u>

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

No trustees received remuneration or expenses from the charity during the year (2015 - £Nil).

8 TANGIBLE FIXED ASSETS	Fixtures fittings & equipment	Total
	£	£
Cost		
As at 1 April 2015	17,686	17,686
Additions	21,483	21,483
Disposals	<u>(4,744)</u>	<u>(4,744)</u>
As at 31 March 2016	<u>34,425</u>	<u>34,425</u>
Depreciation		
As at 1 April 2015	12,629	12,629
Charge for the year	3,158	3,158
Eliminated in disposals	<u>(4,115)</u>	<u>(4,115)</u>
As at 31 March 2016	<u>11,672</u>	<u>11,672</u>
Net book value		
As at 31 March 2016	<u>22,753</u>	<u>22,753</u>
As at 31 March 2015	<u>5,057</u>	<u>5,057</u>

HORSEBRIDGE ARTS AND COMMUNITY CENTRE**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

9 INVESTMENTS	2016	2015
	£	£
Cost	1	1
<p>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.</p>		
Horsebridge Café Limited Profit for the year	5,751	3,782
Capital and reserves	(39)	(5,790)
10 DEBTORS	2016	2015
	£	£
Trade debtors	12,916	8,610
Amount owed by group undertaking	-	2,514
Prepayments	4,943	2,934
Accrued income	4,117	350
	21,976	14,408
11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2016	2015
	£	£
Trade creditors	12,829	6,940
Amount owed to group undertaking	686	-
Taxation and social security	1,508	1,100
Other creditors	310	231
Loan - Kent Community Foundation	1,600	-
Accruals	11,509	8,107
Deferred income	37,970	37,056
	66,412	53,434
12 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	2016	2015
	£	£
Loan - Kent Community Foundation	6,266	-
Loan - Canterbury City Council	-	32,531
	6,266	32,531

HORSEBRIDGE ARTS AND COMMUNITY CENTRE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

13 ANALYSIS OF NET ASSETS BETWEEN FUND	General funds £	Restricted funds £	Total £
Fixed assets	22,753	-	22,753
Investments	1	-	1
Current assets	32,101	152	32,253
Current liabilities	(66,412)	-	(66,412)
Long term liabilities	(6,266)	-	(6,266)
Net assets as at 31 March 2016	<u>(17,823)</u>	<u>152</u>	<u>(17,671)</u>

14 MOVEMENT IN FUNDS	As at 1 04 2015 £	Incoming resources £	Outgoing resources £	Transfers £	As at 31 03 2016 £
Restricted funds					
Big Lottery Fund Grant 2013	3,603	-	(1,171)	(2,432)	-
Canterbury Arts Council	250	-	(250)	-	-
Artwork: South East Bridge Arts Award Development Hub 2014/15	1,047	-	(1,047)	-	-
Big Lottery Fund Grant 2014	9,563	-	-	(9,563)	-
Kent Community Foundation	-	2,000	(1,848)	-	152
Regen SW grant	-	8,939	-	(8,939)	-
Total restricted funds	<u>14,463</u>	<u>10,939</u>	<u>(4,316)</u>	<u>(20,934)</u>	<u>152</u>
Unrestricted general funds	<u>(57,189)</u>	<u>236,965</u>	<u>(218,533)</u>	<u>20,934</u>	<u>(17,823)</u>
Total funds	<u>(42,726)</u>	<u>247,904</u>	<u>(222,849)</u>	<u>-</u>	<u>(17,671)</u>

15 RESTRICTED FUNDS

Big Lottery Fund Grant 2013

The grant received was to be spent on a Future Skills project, training staff and volunteers in essential skills to run the Centre and developing a training hub. The transfer to unrestricted funds represents fixed assets purchased in a previous year.

Canterbury Arts Council

As agreed with the Funder, the grant was reallocated to fund the servicing of the stage lighting in the performance space.

Arts Award Development Hub 2014/15

The grant was used to create an Arts Award Development Hub.

Big Lottery Fund Grant 2014

The grant received was spent on new lighting for the Centre, to improve the Centre's environment, improve energy efficiency and reduce costs. The lighting has been treated as a fixed asset and a transfer has been made to unrestricted funds in respect of this expenditure.

Kent Community Foundation

The grant from the Kent Big Society Fund, provided funds to grow the Horsebridge Centre's shop, selling goods sourced from the local artistic community. The shop supports local artists and generates an income stream to support the broader work of the Horsebridge Centre. The grant was associated with a loan of £8,000.

Regen SW Grant

The grant from the Community Benefit Fund, was spent on new lighting for the Centre, to improve the Centre's environment, energy efficiency and reduce costs. The lighting has been treated as a fixed asset and a transfer has been made to unrestricted funds in respect of this expenditure.

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 owed £686 (2015 - £2,514 owed by) to Horsebridge Café Limited, its 100% subsidiary undertaking. During the year the subsidiary company ceased to trade and sold its remaining assets to the Charity for £2,750 (Fixed assets £2,500 and stock £250).