

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 2018



HORSEBRIDGE ARTS AND COMMUNITY CENTRE

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HORSEBRIDGE ARTS AND COMMUNITY CENTRE

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2018

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 2018.

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 (resigned 21.9.17)
Mr J C Nurden
Ms J R Hobbins
Miss S Everett (resigned 1.12.17)
Mr S A Lawton (appointed 21.9.17)
Prof L H McMahon (appointed 21.9.17)
Cllr B P Baker
Cllr C Spooner

Company secretary Ms P Langton (resigned 21.9.17)

Key management personnel The trustees
Ms Elizabeth Daone - Centre Director
Mr Peter Dyer - Finance Manager
Mrs H Wenn - Deputy Director (as from 1.10.17)

PURPOSE AND ACTIVITIES

The Horsebridge Arts and Community Centre was established in 2004 as a not-for-profit company limited by guarantee with a charitable status. The centre occupies a distinctive, purpose built, contemporary building in the centre of the town adjacent to the seafront. Identified locally as The Horsebridge the centre is at the cultural heart of Whitstable and aspires to be a vibrant regional arts destination.

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 an accessible to all.

Aims of The Horsebridge Arts Centre

Building on the centre's established relationships with the local community, as well as its diverse artistic and educational programme, the centre aims to

- encourage more people to access, enjoy and be challenged by arts activities both as participants and consumers;
- develop the social benefits of the arts to strengthen community cohesion and value the pleasure involvement in the arts brings;
- facilitate personal and professional development and forge beneficial partnerships within the town's creative industries;
- form networks and partnerships with other cultural and educational organisations to generate added value and facilitate best practice; and
- contribute to and support the town's distinctive identity as an inspiring, participatory art destination.

Public Benefit

The Trustees confirm they have had due regard to the Charity Commission's public benefit guidance and are confident the objectives and activities undertaken provide significant benefit to the public and are in accordance with its charitable objects.

The Horsebridge Arts Centre enjoys more than 90,000 visitors through its doors each year. These visitors are made up of local and regional visitors as well as growing numbers of tourists from the UK and abroad as Whitstable continues to attract cultural and heritage tourists. We are committed to deliver a year-round programme of arts events and learning opportunities to Whitstable and beyond, responding to and enhancing the passions of the community. We work cohesively in our programming to ensure we offer events the community can be involved in with the aim of having no barrier to access, particularly with youth projects and events, connecting with other organisations and groups across the district to enhance the collective offering to the region. The Centre continues to develop new approaches to reach sections of our community who feel there is nothing at the centre for them.

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 assist 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.

When providing an arts offering we are aware that not everyone has the same tastes and some of our arts 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.

Key Strategies

To deliver the operational activities of the centre we are guided by key strategies, built upon our charitable purpose, objects and aims. These are periodically reviewed and refined by the board and senior staff team to incorporate changing operational environments and strategic policy changes.

The strategies are to:

- deliver cohesive and immersive cultural experiences throughout the space
- engage children and young people in the arts both as part of their educational experience and in their life outside education
- ensure that the centre works to respond to and actively involve all sections of the community encourage every member of the community to explore and develop their own creativity and skills
- work in partnership with cultural, artistic and educational providers to create opportunities for learning and personal and professional development and enjoyment
- utilise robust data reporting systems to evaluate activity and plan effectively
- develop and capitalise on additional revenue streams to achieve financial robustness, stability and independence from single sources
- manage and maintain the building to accommodate an exciting programme of exhibitions, performances, workshops and classes

ACHIEVEMENTS AND PERFORMANCE

Creative Development

The past year has seen significant work at the centre to change the quality and diversity of the artistic offer and move towards becoming an arts centre offering high quality art experiences across both consumption and participation. Overhauling exhibition space use has enabled us to radically overhaul the artistic programme at the centre, creating a more diverse and enriched programme.

This "New Ambitions" directive recognises the need for development and adaptation to the shifting cultural landscape and to expand and diversify what our visitors are offered. This dynamic and bold programme will help us and our audiences to grow. This programme will also be expected to provide empirical evidence for longer term strategic aims. We remain committed to our core principles, but this programme enhances these with a number of new aims:

- To present thought provoking, high quality art exhibitions that engage the diverse groups that constitute the local community
- To explore interesting, relevant and challenging themes through a wide range of media, from painting and sculpture to photography, film, installation, sound and socially oriented community projects
- To accompany art exhibitions with a public programme (classes, workshops, screenings and/or artist's talks) that deepens visitors' thoughts and experience of the exhibitions
- To be a space of exchange, innovation and originality where both, visitors and artists, find inspiration and stimulation
- To serve local, emerging and established artists within the Kent area and foster collaboration and exchange
- To welcome experimentation in exhibition proposals, art production as well as curation and to broaden and diversify the art experience for a growing audience

Visual arts

The frequency of exhibition changes and lack of curated and open shows were identified concerns over previous years. Altering this position, to lengthen shows and block periods for internally curated exhibitions, carried high financial risk to the organisation but were made viable in the immediate term, to cover cashflow deficits, by a Canterbury City Council (CCC) Improvement Grant. An Interim Artistic Programme Proposal for the exhibition spaces was approved by the board and came into force at the start of the year.

**TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2018**

Under the New Ambitions programme we launched a new Horsebridge Open Show. "Art is Something Much More Dangerous" which assembled works submitted by artists responding to the notions of 'living rooms' and 'lived-in spaces'. Addressing the characteristics and functions of such key domestic environments, whether real or fictional, historical or contemporary, through the personal or the collective, our intention was to give the large number of active creatives in the region a platform for presenting their work and bring them together into one space that is alive, social and shared. The first New Ambitions prize was awarded, judged by Matthew Herbert and Rose Thompson, alongside a People's Choice Award voted on throughout by visitors to the exhibition.

Summer saw the Time and Tide maritime heritage experience take place in the gallery spaces. Mainly funded mainly by Heritage Lottery Fund, and tying in with the Harbour Day event in Whitstable, the experience brought to life the rich heritage surrounding Whitstable oyster fishing industry. Central to the exhibition was commissioned timber re-imagining of the Gamecock Oyster Smack, alongside a curated collection of images and documents celebrating its history. The experience engaged with more than 5,000 visitors and also hosted the showing of some incredible Kent Coast footage from the Britain on Film archives.

Throughout the year the gallery spaces saw 68 different exhibitions from independent artists, societies and groups in addition to the curated shows delivered by the Horsebridge.

Cinema

The modest facilities for screening within the centre provide opportunities for community events and accessibly priced screenings in relaxed surroundings. Our popular matinee screenings continue each year, with this year's being funded by the Tesco Bags for Help scheme and provide a fantastic opportunity for isolated members of the community to meet up with others and enjoy a hot drink with the film screening. Next year we will look to extend the community aspects further by seeking funding to extending the programme into offering lunch.

Under the New Ambitions programme we screened the London Symphony silent film and incorporated a well-received Q & A session. We continued support for the Into Film Festival and screened two films offering free places for local schools.

Professional Development Opportunities

The past year has seen a significant increase in our capability to commission, employ and provide development opportunities for artists and creatives in the region.

The Horsebridge Open 2018 saw 54 submitted works being accepted and exhibited from artists mainly across Kent. For the Time and Tide event a local artist was commissioned to create the centrepiece for the exhibition, with 14 creative workshop leaders employed to support the embedded Children's Festival. The weekly and holiday arts clubs have created a paid employment post for a workshop leader, with Young Digital Makers creating a Project Coordinator post. In addition, various craft workshops have been led by creative practitioners.

Alternate Exhibition Spaces initiative was launched this year, with the aim to increase the number of opportunities artists have to present their work. We now offer some of our non-gallery spaces as alternative sites for exhibitions and temporary displays as creative professional development opportunities. We also gave artists the chance to take over our Instagram account for a limited time to introduce wider aspect of their artistic practice through this digital gallery.

Increased focus on local makers to provide products for the Horsebridge shop has offered retail opportunities and increased exposure of work both in the physical shop and from promotion on digital platforms.

Creative Partnerships

Delivering high quality artistic work and working with partners to achieve this is a significant area of expansion this year, enabled in part by the reserving of periods in the exhibition spaces for internal use.

The Time and Tide maritime heritage experience worked with the BFI and Film Hub South East to present "Britain on Film" exhibiting newly digitised films of life on the Kentish coast. We were a key venue for the Whitstable Fun Palace, part of the national Fun Palace initiative, using art to bring the periodic table and its elements to life. We took part in the Into Film Festival 2017 to offer a free cinematic experience and education event for local schools at the centre. The Horsebridge Open enabled us to work with Matthew Herbert and Rose Thompson to award the first New Ambitions prize.

We were pleased to be able to work with Future Foundry's Closing the Loop initiative on an exhibition and workshops and with local Yoga Practitioners to deliver their first Yoga Festival. We also utilised the existing partnership with Whitstable Biennale to assist in the application to Big Lottery Fund to ensure success in achieving the funding for Young Digital Makers.

Community Spaces

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.

Learning and Participation

The Horsebridge is running a growing programme of creative classes and workshops. The centre also works with local artists and educators and the Horsebridge Centre hosts a significant number of workshop classes.

Around 1,500 classes per year for adults and 700 classes per year for children, many of which operate in term time only. Further to this there are one-off creative workshops which can cover whole days, with the programme offering around 90 of these each year.

In July 2017 we created the Children's Festival providing almost 400 free themed creative workshop places over a two-week period. The initiative was supported in part by the Heritage Lottery funding for the Time and Tide exhibition and also received additional support from Canterbury Arts Council.

In January 2018 we launched our Weekly Arts Club, which provides low cost art classes for children over six and works with the exhibitions programmed into the gallery spaces. The art club then provides further classes during school holidays. We also launch monthly art talks enabling discussion and social engagement.

Young Digital Makers

January 2018 saw the launch of Young Digital Makers a Reaching Communities project funded by the Big Lottery Fund. This project will deliver a programme of activity created by and for disadvantaged young people. It will offer training and development with the aim of improving skills and ultimately building a stronger community. There will be an 18-month programme of free weekend sessions, shaped by local young people. This will include using technology creatively, including everything from creating apps and digital tools, social media, music, film making, websites, animation, design and coding.

Communications and Digital Engagement

The increase of digital interactions and pressures on limited resources, both human and financial, have demanded a change in the focus on how we communicate and where we prioritise time for these activities. Starting this year and leading into the next, we are seeking to grow our social media channels, engaging artists in these in new ways and considering how much printed media we use to reduce our environmental impact.

Brochure

Our printed brochure continues to be distributed across the district and through the local school network, at a reduced volume, 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 primary channel for consistent communications with the wider community while our social media channels continue to actively engage locally and provide a frequent channel for feedback and interaction. Initiatives are underway to make more of the social media channels with artists, with Instagram takeovers and next year an exhibition sourced entirely from submitted and tagged imagery will be launched. The online ticket sales channel is continuing to assist the centre and along with the donation facilities offered via the website and Facebook. The online sales channel also enables Friends to sign up online. Our email newsletters are under scrutiny as part of GDPR and we are focusing on how we will use these going forward.

Press

The high quality of some of the work this year has increased our press media coverage and we will look to continue this going forward.

Audience Development

Creative development strategies are focusing not only on the quality of the offer but are seeking to engage wider audiences across the Horsebridge offering. This coupled with increased creative partnerships with education organisations, arts organisations, artists, etc. aims to reach beyond the town and create an arts centre for the district.

For the financial year, centre visitors are aggregated to be more than 90,000 for the year. With our busiest quarter, unsurprisingly, being July - September. The audience for those attending ticketed events falls at 97% inside Kent, with 87% from within the CCC district and 60% being Whitstable postcode district of CT5. Our artist engagement is 82% inside Kent, 67% within CCC district and 42% from CT5 region. We will seek to grow the demographic data we collect over the next year.

Commercial Trading Activities

The Horsebridge Shop continues to be a growth area for the centre, both in profit and in community engagement. The range is under constant review, reaching new local makers and expanding the variety of local artist created merchandise and exclusive ranges of maker kits, encouraging all ages to get involved in creating. Ring-fenced cashflow allowed for set expenditure on stock enabling the shop still to return a healthy profit but developing this further next year will be a vital growth area.

The Horsebridge Café is currently considered to be a break-even area only. It's role in the community offers more to the centre than any financial recognition can provide currently, but to ensure this does not become a cost centre for the organisation, and to seek to move towards a profit making venture, possibilities are being reviewed to undertake an overhaul of the space with the Hub space next door to expand the possibilities of a real community area for creativity and social engagement.

**TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2018**

Volunteers

The Centre is very involved in the community and relies increasingly on volunteers to continue our day-to-day operations. As internally run exhibitions and programmes have increased, so has the number of opportunities we can offer volunteers alongside the usual general roles. 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 more than 30 regular volunteers the Centre would not be able to be open for more than 80 hours each week or offer the range of programming.

We have had the support of 1564 volunteer hours (223 days) in general roles this year, with a further 818 hours (117 days) of specialist role support.

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.

Workforce

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. Grant funding secured has enabled us to undertake much needed training as well as increase the capacity for entire team meetings through short building closures, enabling staff views and input to be part of decision making going forward. As our future direction become clearer, changes to roles and term and conditions for all staff have been necessary this year and the team have undertaken these with professionalism and commitment to change and grow the organisation for future.

Strategy and Development

This year continued to highlight the difficulty of operating a financially secure arts centre in the current economic climate and understanding how we can reach a sustainable business model is at the core of the future view. The feasibility study undertaken last year delivered options to the Horsebridge Board to consider combinations of physical space manipulation within the building to create and build a sustainable business model. Output from this study has already been implemented in new policies within our current operations and over the coming year the board and senior management team will review how to proceed with the recommendations and create a development pathway. This will include further changes to the staffing structure and significant reviews of the governance and structure of the board.

FINANCIAL REVIEW

The Horsebridge Arts Centre key financial aim is to deliver a financial stable, diversified and secure organisation each year. The overview for the 2017/18 financial year is as follows:

Total Income	210,889
Total Expenditure	191,287
Net Income	19,602
Total funds brought forward	(33,845)
Reserves stand at	(14,243)

**TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2018**

Our primary purpose trading remains strong at £95,120 but is now only 45% of our revenue as we have been successful in increasing grant income significantly this year. Just over 58% of our income was generated with earned income across charitable and other trading activities in total, with donations at just under 2% and grants (restricted and unrestricted) delivering the remaining 40%, a significant improvement on the income of 21% from grants last year and diversified across eight grants funders, with no single grant funder providing more than 20% of our revenue.

To accept a much-needed Improvement Grant from CCC, including a £45,000 financial grant, but also considerable support for a 3-year period on building maintenance, required the renegotiation of the existing 50-year term lease (initiated in 2003). The process has extended well beyond this financial year as the negotiation only started in earnest in early 2018, but the resolution of this has ensured a considerably more secure future for the organisation. The new lease still accommodates the remaining 35 years on the lease but falls outside the Landlord and Tenant Act 1954. The surrender of the lease was felt by the board to be the only realistic option for survival and to create the opportunity for future development and stability. The lease and corresponding grant now demand financial reviews every three years to maintain the lease, tying in with the Improvement Grant cycle. We are assured support from CCC and the additional funding, alongside the release for the management team from the maintenance issues on an increasingly aging building, has already shown significant results this year in performance and achievements.

Overall there has been an increase on wage bills across all areas of expenditure, but these are explained by the increase in grant funded projects requiring new staff positions, with wages accounting for 61% of expenditure compared to 55% last year. The remainder of expenditure has remained generally consistent with last year excluding grant specific expenditure each year.

Principal funding sources

The Horsebridge generates income from the hire/rental of galleries and workshop spaces, a small number of events, commercial trading activities mainly through the retail space and other sundry income including membership and commission.

Canterbury City Council funding

2017-18 was an incredibly difficult year financially very early on, but the strength of the relationship between Canterbury City Council (CCC) and The Horsebridge created the opportunity for an Improvement grant to be offered by CCC to secure the immediate future of the centre. The grant covers three years from April 2017 to March 2020 and creates opportunities to develop the arts centre in terms of quality and diversity of offer alongside the ability to extend grant funding outside of CCC and develop a fundraising pipeline to support earned income. The board are acutely aware of the pressures on local council budgets and will be using the period of the Improvement Grant to improve the stability of the organisation and decrease its reliance of single source funding.

Fundraising

Grants

The Horsebridge have made great strides forward in increasing grant funded projects and funding to support core costs this year. We have exceeded expectations and have set good groundwork for the next financial year when we hope the real impact of the Improvement Grant will be seen. The next year is already set with nine possible grant applications being reviewed and three underway. Project specific funding has enabled us to begin the New Ambitions project, with the Big Lottery Fund for Young Digital Makers being a significant boost for this 2-year project. Support from Heritage Lottery Fund enabled the successful community heritage experience, alongside funding from smaller funders created the opportunity to create supporting activities and reach a new wider cross section of our community. Core costs support from Garfield Weston has enabled considerable improvements to the centre, including technology improvements that have enabled the process of upgrading systems to begin that will see continued yield into next year.

HORSEBRIDGE ARTS AND COMMUNITY CENTRE

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2018

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.

Investment Policy

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

Reserves Policy and Going Concern

The reserves of the charity have been divided into Restricted Funds and Unrestricted Funds in accordance with charity legislation.

The Restricted Fund represents money given to The Horsebridge for specific capital and project work within the overall aims of the organisation. These funds will be spent over the period set out in the terms of the funding.

The Horsebridge Unrestricted Funds are not reliant on any single source, with the large majority self-generated through hire, sales and donations. The organisation operates with a negative or low balance sheet, due to the charity deferring income for future hire of its spaces (hire due to take place outside of the current financial period). This deferred income is only due for repayment to hirers if a hire is cancelled, and the majority of 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 the deferred income will be liable to be repaid. Further to this, for unrestricted grant funding, the organisation is not reliant on a single funder for more than 20%, with aims to reduce this further over the next three years.

The charity operates with generally predictable levels of Unrestricted Funds income, but with high levels of fixed costs. Using a risk-based approach the organisation operates a reserves policy that will manage shortfalls in cashflow and be able to fully fund services for short periods of time. The organisation has operated for more than 10 years with a negative balance sheet, the target to 2020 is to deliver an increasingly positive balance sheet, with longer term goals to create reserves of sufficient funds to cover three months operating costs. It will achieve this with the support of CCC Improvement Grant to 2020, strengthening income streams and continuing to build up a diverse grant portfolio.

In addition, the charity will aim to create a Designated Fund that will be used to build sustainability, develop the organisation in accordance with strategic aims and fund property maintenance requirements in the future.

The policy will be reviewed annually as a minimum, in production of the annual report, with financial monitoring of the cashflow and balance sheet occurring on a monthly basis at senior management level and bi-monthly at board level.

HORSEBRIDGE ARTS AND COMMUNITY CENTRE

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2018

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 2019; a programme of fundraising additional income from grants is underway; 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 31 March 2018). 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.

Further to this, the increased support from CCC including the lengthy renegotiation of the lease will reduce risk of building maintenance issues causing significant unknown expenditure whilst the increased annual grant fund creates additional capacity to diversify and strengthen the business model of the organisation.

Plans for the Future

The board and centre team are very committed to the outcomes from 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. In the meantime, securing the immediate future of the centre has taken priority and focus has had to be on the Improvement Grant and this will continue into next year and beyond with regards to lease negotiations and understanding future grant opportunities locally.

Increasing the income achieved from grant funding, both core cost funding and project based restricted funds, will continue to be critical next year if the centre is to be in a position to reduce the deficit position and look to develop reserves. Delivering on project funding achieved will enable the development of outreach programmes that have been unachievable to date and enable us to build on projects to enhance the learning opportunities within the centre.

Growing commercial trading income by investing in the shop to ensure its income potential is not limited by cashflow will be essential. We will be looking for opportunities to deliver a community focused cafe space that will support the centre activities and create a new creative space within the centre.

The Horsebridge will continue building on the development strategies for the gallery spaces to deliver an increase in quality and broaden the accessibility of exhibiting in and visiting these spaces, alongside increasing the range of supporting activities to build the cohesion of the arts offering within the centre.

Fundamentally we will be continuing to develop the centre as a resource to enrich the lives of the local community whilst attracting the seasonal visitors and expanding our customer and friends base will continue be a focus.

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 will meet with the Chair and/or Vice Chair and 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. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

Risk Management

Policies and process continue to be reviewed to achieve best practice within the organisation. Changes in personnel and supporting technology have significantly improved out financial processes and the analysis of our financial position is available to the board on a monthly basis, with weekly financial reviews within the management team. The board and senior management team monitor the organisational and operational risks and operational efficiencies to make the best use of our resources. The board continues to consider the very real possibility of decreases in local funding and impacts of austerity measures on grant availability. 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.

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.

HORSEBRIDGE ARTS AND COMMUNITY CENTRE

**TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2018**

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 6.12.2018 by:

A handwritten signature in black ink, appearing to read 'Z A Cloke', written in a cursive style.

Mrs Z A Cloke

INDEPENDENT EXAMINERS REPORT TO THE TRUSTEES OF

HORSEBRIDGE ARTS AND COMMUNITY CENTRE

I report to the charity trustees on my examination of the accounts of the company for the year ended 31 March 2018 which are set out on pages 14 to 23.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 386 of the 2006 Act other than any requirements that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

S J Wren

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

Date 7/12/18

HORSEBRIDGE ARTS AND COMMUNITY CENTRE

STATEMENT OF FINANCIAL ACTIVITIES (incorporating an Income and Expenditure Account) FOR THE YEAR ENDED 31 MARCH 2018

	Notes	Unrestricted funds £	Restricted funds £	Total funds 2018 £	Total funds 2017 £
INCOME					
Income from charitable activities	2	135,120	35,391	170,511	139,146
Income from other trading activities	3	27,203	-	27,203	36,597
Donations	4	11,105	2,070	13,175	5,664
Investment income		-	-	-	-
TOTAL INCOME		173,428	37,461	210,889	181,407
EXPENDITURE					
Costs of raising funds	5	15,094	323	15,417	15,748
Charitable activities	5	155,430	20,440	175,870	181,833
TOTAL EXPENDITURE		170,524	20,763	191,287	197,581
NET (EXPENDITURE)/INCOME FOR THE YEAR BEFORE TRANSFERS	6	2,904	16,698	19,602	(16,174)
Transfers between funds	14	969	(969)	-	-
NET MOVEMENT IN FUNDS FOR THE YEAR		3,873	15,729	19,602	(16,174)
Balance as at 1 April 2017		(37,030)	3,185	(33,845)	(17,671)
BALANCE AT 31 MARCH 2018		(33,157)	18,914	(14,243)	(33,845)

HORSEBRIDGE ARTS AND COMMUNITY CENTRE

BALANCE SHEET AS AT 31 MARCH 2018

	Notes	2018 £	2017 £
FIXED ASSETS			
Tangible assets	8	12,096	17,026
Investments	9	<u>1</u>	<u>1</u>
		12,097	17,027
CURRENT ASSETS			
Stock		3,645	2,389
Debtors and prepayments	10	17,985	17,834
Cash at bank and in hand		<u>26,926</u>	<u>4,971</u>
		48,556	25,194
CREDITORS: amounts falling due within one year	11	<u>(71,830)</u>	<u>(71,400)</u>
NET CURRENT LIABILITIES		<u>(23,274)</u>	<u>(46,206)</u>
		(11,177)	(29,179)
CREDITORS: Amounts falling due after more than one year	12	(3,066)	(4,666)
NET LIABILITIES	13	<u>(14,243)</u>	<u>(33,845)</u>
Represented by:			
FUNDS OF THE CHARITY			
Unrestricted general fund	14	(33,157)	(37,030)
Restricted funds	14	<u>18,914</u>	<u>3,185</u>
TOTAL FUNDS		<u>(14,243)</u>	<u>(33,845)</u>

For the financial year ended 31 March 2018 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 6.12.2018.



Mrs Z A Cloke



Mr S A Lawton

Company number - 04727071

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

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 2019; a programme of fundraising additional income from grants is underway and has been successful in securing income for new projects and contributions to existing running costs, in particular, a three year Improvement Grant from Canterbury City Council; 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 negative unrestricted funds, this is due to the charity deferring income for future hire of its spaces (ie hire that is to take place after 31 March 2018). 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.

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 2018

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
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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.

HORSEBRIDGE ARTS AND COMMUNITY CENTRE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

2 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
Grants :				
Canterbury City Council	40,000	-	40,000	15,000
Big Lottery Fund	-	23,991	23,991	-
Heritage Lottery Fund	-	9,900	9,900	-
Arts Council England	-	1,500	1,500	13,500
Kent County Council (Whitstable Biennale)	-	-	-	8,000
Fees receivable :				
Venue hire	91,863	-	91,863	90,919
Box office income	2,633	-	2,633	10,018
Inhouse activities	624	-	624	1,709
	<u>135,120</u>	<u>35,391</u>	<u>170,511</u>	<u>139,146</u>

3 INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
Rental income	2,460	-	2,460	9,110
Advertising income	6,955	-	6,955	7,494
Shop income	15,512	-	15,512	17,733
Commission from third party sales	1,039	-	1,039	901
Membership income	925	-	925	1,075
Sundry income	312	-	312	284
	<u>27,203</u>	<u>-</u>	<u>27,203</u>	<u>36,597</u>

4 DONATIONS AND GRANTS

	Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
Donations	3,605	450	4,055	4,361
Grants:				
Garfield Weston Foundation	7,500	-	7,500	-
Canterbury Arts Council	-	320	320	-
University of Brighton	-	300	300	-
Tesco Bags of Help	-	1,000	1,000	-
Whitstable Area Member Panel	-	-	-	1,263
Whitstable & Herne Bay Lions Club	-	-	-	40
	<u>11,105</u>	<u>2,070</u>	<u>13,175</u>	<u>5,664</u>

Of the total income in 2017 of £181,407, £158,604 was unrestricted and £22,803 was restricted.

HORSEBRIDGE ARTS AND COMMUNITY CENTRE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

5 TOTAL RESOURCES EXPENDED

	Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
Costs of activities for generating funds :				
Shop purchases	5,157	-	5,157	8,586
Wage costs	3,146	-	3,146	-
Publicity	6,791	323	7,114	7,162
	<u>15,094</u>	<u>323</u>	<u>15,417</u>	<u>15,748</u>
Service delivery costs				
Wage costs	75,567	7,986	83,553	89,451
Event and activity costs	2,543	4,854	7,397	5,030
Rates and water	6,767	-	6,767	7,529
Light and heat	11,190	2,140	13,330	13,153
Repairs and maintenance	7,127	42	7,169	7,309
Cleaning and waste	3,938	-	3,938	7,450
Travelling costs	106	55	161	108
Licences	220	5	225	97
Insurances	1,591	-	1,591	1,567
Support costs				
Wage costs	26,780	-	26,780	16,999
Bad debts	204	-	204	925
Staff welfare and training	1,400	795	2,195	30
Telephone	1,870	-	1,870	2,155
Postage and stationery	175	-	175	182
IT and equipment costs	1,306	739	2,045	798
Bank and credit card charges	2,328	-	2,328	2,543
Loan charges and interest	400	-	400	400
Office expenses	311	49	360	493
Payroll fees	756	-	756	738
Bookkeeping software	574	-	574	465
Professional fees	22	3,775	3,797	15,203
General expenses	129	-	129	393
Depreciation	5,900	-	5,900	5,727
Loss on disposal of fixed assets	-	-	-	-
Governance costs				
Wage costs	2,976	-	2,976	1,838
Independent Examiner's fee	1,250	-	1,250	1,250
	<u>155,430</u>	<u>20,440</u>	<u>175,870</u>	<u>181,833</u>
	<u>170,524</u>	<u>20,763</u>	<u>191,287</u>	<u>197,581</u>

Of the total expenditure in 2017 of £197,581, £177,811 was unrestricted and £19,770 was restricted.

HORSEBRIDGE ARTS AND COMMUNITY CENTRE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

6 NET INCOME	2018	2017
	£	£
This is stated after charging:		
Depreciation	5,900	5,727
Independent Examiner's remuneration	1,250	1,250

7 INFORMATION REGARDING EMPLOYEES	2018	2017
	£	£
Wages and salaries	111,287	104,270
Sub contract labour	1,080	1,077
Social security costs	4,832	4,445
Pension contributions	2,256	1,496
Employment Allowance	(3,000)	(3,000)
	116,455	108,288

The average monthly head count was 13 staff (2017 - 13 staff).

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

	2018	2017
	Number	Number
Service delivery	5	5
Management and administration	1	1
	6	6

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

No trustees received remuneration or expenses from the charity during the year (2017 - £Nil).

The total employee benefits (including employers national insurance) of the key management personnel of the charity were £42,126 (2017 - £27,192)

8 TANGIBLE FIXED ASSETS	Fixtures fittings & equipment £	Total £
Cost		
As at 1 April 2017	34,425	34,425
Additions	970	970
Disposals	-	-
As at 31 March 2018	35,395	35,395
Depreciation		
As at 1 April 2017	17,399	17,399
Charge for the year	5,900	5,900
Eliminated in disposals	-	-
As at 31 March 2018	23,299	23,299
Net book value		
As at 31 March 2018	12,096	12,096
As at 31 March 2017	17,026	17,026

HORSEBRIDGE ARTS AND COMMUNITY CENTRE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

9 INVESTMENTS

	2018 £	2017 £
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	(682)	(1,107)
Capital and reserves	(1,728)	(1,046)

10 DEBTORS

	2018 £	2017 £
Trade debtors	9,047	12,531
Amount owed by group undertaking	32	133
Prepayments	8,571	4,761
Accrued income	335	409
	17,985	17,834

11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Bank overdraft	-	1,316
Trade creditors	4,017	10,721
Taxation and social security	1,670	1,158
Other creditors	5,453	533
Loan - Kent Community Foundation	1,600	1,600
Accruals	15,847	6,798
Deferred income	43,243	49,274
	71,830	71,400

12 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2018 £	2017 £
Loan - Kent Community Foundation	3,066	4,666
	3,066	4,666

HORSEBRIDGE ARTS AND COMMUNITY CENTRE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

13 ANALYSIS OF NET ASSETS BETWEEN FUND

	General funds £	Restricted funds £	Total £
Fixed assets	12,096	-	12,096
Investments	1	-	1
Current assets	29,642	18,914	48,556
Current liabilities	(71,830)	-	(71,830)
Long term liabilities	(3,066)	-	(3,066)
Net assets as at 31 March 2018	(33,157)	18,914	(14,243)

14 MOVEMENT IN FUNDS

	As at 1 04 2017 £	Incoming resources £	Outgoing resources £	Transfers £	As at 31 03 2018 £
Restricted funds					
Time and Tide	-	10,220	(9,950)	(270)	-
Britain on Film	-	300	(300)	-	-
Whitstable & Herne Bay Lions	40	-	(40)	-	-
Horsebridge Feasibility 2016	3,145	1,500	(4,645)	-	-
Young Digital Makers	-	23,991	(5,799)	(350)	17,842
Laptop	-	450	(29)	(349)	72
Silver Screenings project	-	1,000	-	-	1,000
Total restricted funds	3,185	37,461	(20,763)	(969)	18,914
Unrestricted general funds	(37,030)	173,428	(170,524)	969	(33,157)
Total funds	(33,845)	210,889	(191,287)	-	(14,243)

15 RESTRICTED FUNDS

Time and Tide

Funding from Heritage Lottery Fund £9,900 and Canterbury Art Council £320 was used to deliver Time and Tide, a project celebrating Whitstable's coastal heritage, enabling local people and visitors to rediscover what life would have been like for boat builders, oyster fishermen and their families. The funds were used to create a temporary exhibition, deliver a programme of workshops and activities and record oral histories and memories.

Britain on Film

The grant from University of Brighton was used to run an archive film screening as part of the Time and Tide project, celebrating Whitstable's coastal heritage.

Whitstable and Herne Bay Lions

The funds were used to support an Easter art trail for local and visiting families.

HORSEBRIDGE ARTS AND COMMUNITY CENTRE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

15 RESTRICTED FUNDS

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 was completed 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.

Young Digital Makers

The grant from the Big Lottery Fund is used to deliver a programme of digital making activities (creative uses of technology) created by and for disadvantaged local young people. The funds are used to employ a project manager and to cover running expenses and equipment.

Laptop

A donation from an individual to fund a laptop and accessories. The laptop was purchased during the year and a transfer has been made to unrestricted funds to reflect this.

Silver Screenings project

The grant from the Tesco Bags of Help fund is to be used for a Silver Screenings project, providing an affordable, monthly film matinee, reaching people who are at risk of social exclusion and loneliness.

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 £32 (2017 - £133) by Horsebridge Café Limited, its 100% subsidiary undertaking. No rent or service charges are paid by the Café 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.