

Registered number: 07090305
Charity Number: 1137420

STAG COMMUNITY ARTS CENTRE
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

Registered number: 07090305
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STAG COMMUNITY ARTS CENTRE
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General information

Trustees

Simon Raikes, Chairman
Pam Walshe, Vice Chairman

Stephen Arnold
Nicholas Busvine OBE
Merylyn Canet
Maxine Chakowa
Tony Clayton
Roderick Hogarth
Rachel Parry
Richard Parry
Edward Parson
Robert Piper
Oliver Schneider
Edward Waite

Company registered number

07090305

Charity registered number

1137420

Registered and principal operating office

London Road
Sevenoaks
Kent TN13 1ZZ

Bank

Natwest plc
67 High Street
Sevenoaks
Kent TN13 1LA

Auditor

Crowe Clark Whitehill LLP
Chartered Accountants/Statutory Auditor
10 Palace Avenue
Maidstone
Kent ME15 6NF

STAG COMMUNITY ARTS CENTRE
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CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 MARCH 2016

Last year I reported the major challenge posed to Stag Community Arts Centre (SCAC) by the ending of the 5-year handover grant from Sevenoaks District Council of £100,000. As supporters are well aware, this was known well in advance and properly planned for, as it was a condition of the original lease negotiated by Sevenoaks Town Council when it took over the Stag. I am delighted to report as you will see below that SCAC has continued to maintain steady progress off the back of that careful planning in this latest year.

That lease included a five year rent review and I am delighted to confirm that the review was completed and it enables us to look forward to the next five years with confidence whilst maintaining and improving one of Sevenoaks District Council's heritage assets for the future and for the on-going benefit of the community. I believe that this is a particular achievement at a time when funding for arts venues is increasingly restricted as local authority budgets come under increasing financial pressure. It would not be possible without the continuing support of our army of volunteers, most of whom you see front of house but many of whom also provide invaluable support behind the scenes. A further major factor is the unique blend of the business, with the main auditorium being underpinned by events in the Plaza, the cinemas, the cafe, the bars and the foyer kiosk enabling the costs to be spread and provide a healthy diversity of revenue streams.

Sevenoaks District Council continues its support of the Stag through ownership of the building and the lease granted to Sevenoaks Town Council.

| | 2016 | 2015 |
|--|------------|------------|
| Turnover | £1,095,103 | £1,026,840 |
| Surplus | £5,128 | £4,021 |
| Funds at 31 March 2016 | £211,237 | £163,712 |
| Funds after ongoing commitments for improvements to the building | £67,161 | £117,977 |

You will note that whilst reserves were increased during the year, some of them have now been spent on the major projects presaged in last year's report. The new seats and flooring have been installed in the two cinemas. The redesign has meant a small increase in capacity, an improvement in sightlines and wider seating in some of the rows to allow greater comfort. We have also moved the wheelchair spaces further back to significantly improve the view and comfort for wheelchair users. As mentioned last year we also replaced the second of our two digital projectors during the financial year. Finally with the help of a grant from Sevenoaks Town Council we were able to start the overhaul of the 20 year old air handling system – stage 1 has involved the replacement of the 30 year-old central computer control system which has improved reliability and our ability to control the system overall. However as you might imagine in a building of this size, the air has to travel through lengthy ducts and there is still a great deal of work to do on the valves and filters within those ducts before the system is restored to its full effectiveness. We hope to be able to obtain further grant funding to complete the job during the current year.

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We continue with our policy of setting aside money to reserves for ongoing refurbishment, large and unexpected repairs and replacement of major items. Some examples which occurred this year - the stage lift, the vehicle lift, improvements to the stage working lighting and necessary updates to the equipment in the cafe kitchen. It also ensures we are able to cope with unexpected breakdowns.

During this year SCAC took over direct operation of the Stag Café on the first floor. This enables us to integrate its service into the business overall. We have made the Café more inviting and child-friendly for parents with children with the introduction of the Little Fawn play and dressing up area for little ones which is proving very popular. We have also extended the café's operation into the upper foyer for those who prefer a quieter environment for business meetings.

We continue to have a wide range of commercial and local hirers using the Stag. The quality of entertainment which can be seen on stage never ceases to amaze me, notwithstanding the financial pressures that many groups are under. I believe we are unique in the County and in this region in the standard achieved by the local community groups such as amateur drama, opera, orchestral and choral societies. Our large stage and ample dressing room capacity is making us increasingly popular with dance groups, and particularly with the younger generation. I believe these activities are very important for community wellbeing in the broadest sense.

We continue to welcome around 300,000 visitors a year to the building in our audiences, on stage and using our town centre location. We provide employment for around 40 local people. We continue to receive wonderful support from volunteers to whom we all owe a debt of gratitude for the work they do and the support they give to our local community. We work with the local business community to maximise the benefit of having such a significant visitor attraction in the centre of the District. We support our young people by taking part in the Government Apprenticeship Scheme, take work experience placements from local schools, provide community experience in the Duke of Edinburgh Award schemes as well as our drama and 'Film in a Week' courses.

We are committed to continuing to improve the facilities at the Stag for both our hirers and our customers and we face the future with confidence.

Simon Raikes, Chairman

29 September 2016

STAG COMMUNITY ARTS CENTRE
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TRUSTEE'S REPORT
FOR THE YEAR ENDED 31 MARCH 2016

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Stag Community Arts Centre (the Charity/the Stag/SCAC) for the year ended 31 March 2016. The Trustees confirm that the Annual report and financial statements of the Charity comply with the current statutory requirements, the requirements of the Charity's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

The Stag Community Arts Centre is a registered UK charity (No. 1137420) and a company (No.7090305) limited by guarantee. Our registered office is:

Stag Community Arts Centre
London Road
Sevenoaks
Kent TN13 1ZZ

Charity Objectives

The Stag continues to operate as a receiving house and as a hire-only facility in the performance spaces. It continues to use volunteers extensively.

The principal objects of the Charity, as set out in the Memorandum and Articles of Association are:

- (1) to advance education for the public benefit in the appreciation and practice of the arts, including the arts of drama, film, dance, singing and music, in particular but not exclusively through the provision and production of theatre plays and educational and art based films and associated participation and educational activities; and
- (2) such charitable purposes for the benefit of the inhabitants of Sevenoaks and the surrounding area as are charitable according to the laws of England and Wales as the Trustees may from time to time determine.

The Stag Community Arts Centre acts in the best interest of the local community by:

- (i) Assisting the sustainability of the local economy of the town, particularly the night time economy and the tourism economy;
- (ii) Retaining a valuable social and leisure facility for both performers and audiences;
- (iii) Working to try and enable the development of youth services both in performing arts and Youth Outreach services;
- (iv) Retaining an iconic building in the town and preserving the street scene.

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In 2015/16 the Stag has continued its charitable and artistic aims with hundreds of events of all types, providing a focus for local groups and a location for national and touring groups. It continues to be a marketing base for the Sevenoaks Summer Festival to book activities at the Stag, across the Town and in the surrounding area. It has continued to support local amateur performing arts groups with significant reductions in hiring rates providing an excellent route to professional theatre services for local community groups. The Stag has continued its diverse offering of shows, events and now business activities. We continue to attract other events successfully diversifying audiences. These include:-

- Monthly comedy club including national and international stars
- Regular music shows bringing touring, national and international groups
- Professional and amateur pantomime shows
- Art gallery
- Primary and secondary school theatre, music and dance shows
- Family friendly shows
- Enabling access events - Mencap Drama Group, chaperone training, drugs education
- Family events such as cinema & birthday parties plus under 18 events
- Hosting Sevenoaks Town Council's House in The Basement (HiTB), a free-to-all youth café, since July 2012
- Dance shows and stage schools
- Professional ballet performances
- Youth Theatre including excellent youth performances of West End musicals
- Café open 6 days per week
- Training events
- Conferences
- Regional events
- Promotional events

SYT (Stag Youth Theatre) and the Stag's Youth Outreach provision are now well established. Unfortunately the Stag no longer receives any identified grant money to support the activities previously run at the Stag. The Charity is keen to build on the successes built with the grants and continues to provide from its own revenues reduced pricing for local state school performances and some limited support for local youth groups.

The cinema continues to show first run films on their date of national release alongside the newly developed Stag Select live transmission, Parent & Baby Club plus a variety of private hire and community users.

External donors, grant bodies and the Friends of Stag continue to provide financial and benefit in kind support.

Since March 2016 SCAC now operates its café directly alongside its catering, bar and kiosk activities. It continues to operate in the evening during theatre events as a theatre bar when it is manned by volunteers.

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The Trustees once again thank the large group of volunteers without whom the Stag could not operate. They not only give their time but also their enthusiasm to continue the success the Stag enjoys. The small group of staff works alongside the volunteers and provide commitment, dedication and passion and regularly receive plaudits from customers and hirers. Staff and volunteers are two sides of the same coin providing the individual service to customers and hirers.

Achievements this year and aims for the future

As a charity all infrastructure and equipment investment depends upon the availability of funds either generated within the business or from external grant funding. Developments will be carried out as funds are available.

Theatre

The Stag Theatre has done well for its hirers in a difficult year in which ticket sales overall have fallen marginally by around 2.5% although hirers have been able to increase their income from tickets by 2%. The Stag continues to be a destination of choice for the people of Sevenoaks and the surrounding area with high quality amateur and professional entertainment being staged. The theatre auditorium has been used throughout the year for shows such as drama, pantomime with singing stars Shane Lynch and Ben Ofoedo & television stars Jamie Foreman, with comedy to musical theatre including ballet and classical symphonic music from Sevenoaks' own orchestra. Plus choral music, rock, prog rock, folk and blues. Local groups have continued with one-night gala evenings using their long back catalogues. Magic Beans continues to break the Stag's box office records with its pantomime, this year with Peter Pan; and Sevenoaks Entertainers also providing the people of Sevenoaks with their own excellent alternative - Snow White. Bullfrog Youth once again produced a truly stunning and outstanding performance of Cats worthy of any professional stage. The Stag's comedy club Outside The Box continues to attract national and international stars as well as up and coming new comics.

The Stag was able to continue its capital investment in the theatre and its equipment by improving the stage working lights with new LED units.

Hirer feedback for the facilities and service provided at the Stag Theatre continues to be strong and positive.

Commercial Cinema

The commercial cinema continued to perform exceptionally well providing funding for the wider aims of the Charity and customers have enjoyed the upgraded facilities with new equipment, new seats and flooring installed in January in an investment of £110,000. The Stag has become the local cinema of choice providing a wide variety of first run blockbuster, family and other films of all genres. This year the industry provided a series of well received and well attended films with the latest Bond and latest Star Wars releases topping the list with more than 13,000 tickets sold for these two films alone. However the people of Sevenoaks have also been able to see other quality films such as The Lady in the Van, Suffragette, The Danish Girl, Far From the Madding Crowd and The Bridge of Spies. Family, action and animated films continue to be very popular with films such as Minions, Inside Out, Jurassic World and Avengers selling well - not forgetting of course the Spongebob Movie which our younger visitors enjoyed so much.

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Despite the cinemas being closed for 13 days for the refurbishment, ticket sales were up by more than 3% producing an increase of income from tickets of more than 8%. The Stag Cinema will continue to provide first-run films 7 days per week 52 weeks per year providing family friendly and local service & facilities with excellent value.

Community Cinema

The Charity continued to provide community events in its cinema through our successful Stag Select series covering specialist films and live drama and opera transmissions. We have also continued the regular and well-received Mother & Baby screenings where the latest films are shown with the lights turned up and the sound turned down providing a safe environment for new mothers to enjoy watching a film without worrying that their children cause interruption and upset to other customers. Our Stag Select seasons are proving very popular with most showings sold out and many being shown more than once as an as-live Encore through popular demand.

Stag Plaza

The Stag Plaza continues to be a popular choice providing superb low cost value for hirers and customers for all forms of shows covering meetings, music and drama. Regular close up magic shows continue to be well attended and regular Sunday Tea Dances to a large live band are held throughout the year. The Stag continues to provide facility support to chaperone training by Kent County Council. The Stag Plaza has been used for training seminars, community and business meetings and regular craft fairs. As part of the 950th anniversary celebrations of Magna Carta a special talk was sponsored by Sevenoaks Town Council. The Secretary of State for Defence, Michael Fallon MP for Sevenoaks was kind enough to open the Town Partnership's Business Fair.

Ticket sales and income for hirers of the Stag Plaza remained the same as last year. The local MENCAP drama group continue to use the Plaza for their end of term show.

Bars, Café & Kiosks

The Stag continues to follow its community ethos by providing refreshments in child and family friendly servings and pricing. The range of refreshments continues to be monitored and enhanced when suitable products are available. Ice cream tubs in various flavours continue to be a popular offering at theatre and cinema shows and are sourced from a local company.

The Stag took over direct running of the Stag Cafe's day operations in February 2016. It continues to be a popular town centre destination and there are plans to refurbish it in 3Q 2016. The café menu provides a wide range of cakes and snacks as well as a range of healthy salads and hot meals. The Cafe also provides an in-house service delivered to Stage Door for hard-working hiring groups working in the theatre or Plaza.

The Stag has continued its longstanding commitment to helping young people get on the employment ladder through the Government's work experience and apprentice schemes. The Stag is proud to have now received four awards for its work in helping young people with work placements which take place not only in retail but throughout the office administration of the Stag.

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Theatre and Stag Plaza events continue to be supported front of house. The volunteers not only provide support during the evening shows but during matinees, meetings and special events. Our team of volunteers also increasingly assist with administration and other tasks within the charity. Without them the Charity could not operate as successfully and the Trustees are deeply grateful.

Marketing

The Stag Community Arts Centre produces its What's On guide three times per year distributing it by post to our extensive database and also to business and public buildings such as shops, supermarkets and council offices as well as to homes in Sevenoaks, the surrounding villages and beyond. This is mainly self-funded through advertising. The Stag continues to provide eTickets for our customers with quick and direct access to tickets which do not even have to be printed. They can be shown at the theatre or cinema door on your smart phone or tablet. Our use of social media such as twitter and facebook produces excellent marketing feedback. We also provide print and design services to hirers and other theatres.

The Stag has a close relationship with Sevenoaks Town Partnership and hosts an advertising video screen in the foyer as well as an infoPod which provides tourist and business information for visitors.

We continue to be part of the Kent Theatres Network, a marketing forum linking theatres and show venues across the South East which in 2016 meant we had a stand at the Kent County Show. We will continue to strive for greater income from sponsorship, gift-aid, legacies and other sources of charitable donations.

Youth Outreach

The Stag's Youth Outreach programme is primarily provided by Magic Beans with its Stag Youth Theatre and its Film in a Week professional film courses. In the absence of dedicated funding for youth activities, we have continued to provide the Stag's facilities at a generously reduced rate subsidised by the Charity. This enables state school productions to have professional facilities for their shows at greatly reduced charges alongside some limited youth production sponsorship.

During this year the Stag Community Arts Centre has:

- Supported drama through SYT (the Stag Youth Theatre) with theatrical productions, and an over-subscribed weekly youth drama development course;
- Hosted a free-to-all youth café, HiTB, run by Sevenoaks Town Council;
- Supported professional film making courses where 20-minute feature films created and made by young people are shown at the Stag Community Art Centre's cinemas;
- Provided valuable work experience in retail, customer service, administration and stagecraft for students and local job seekers;
- Provided the opportunity for local young people to volunteer as part of their School's own schemes or as part of the Duke of Edinburgh's volunteer scheme;
- Continued to facilitate the House In The Basement youth café

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Volunteers

We continue to have the support of many individual volunteers and in addition the active support of the Friends of Stag, a separate organisation. We send out a weekly newsletter to all volunteers and provide social events and information for them.

The Stag Community Arts Centre could not operate so successfully without its volunteers and this year they provided around nearly 5,500 hours of volunteering which amounts to a value to the Charity of nearly £50,000. Three-quarters of the volunteering effort provides front of house support for events at the Stag. An increasing amount of time and now nearly a quarter of all volunteering is elsewhere in the business - retail experience, specialist cleaning, maintenance, administration and training. The volunteer office has itself provided administrative and office work experience and the Stag now uses volunteers throughout its business in support of its permanent staff.

Fundraising, Sponsorship, Grants and Bequests

Income via fundraising, sponsorship and grants has taken place plus special collections and donations, the use of gift aid and tax effective giving schemes. The Stag no longer uses or allows bucket collections but does have a donation area at the box office.

We also receive donations of goods and equipment from external donors, the Friends of Stag and benefit in kind donations from other organisations such as our technical partner NK Audio. We receive significant donations in kind of their time from our numerous volunteers which during this year amounted to the equivalent of paid employment of nearly £50,000. We provide training and experience to young people through government schemes such as the Job Centre Plus work experience scheme, and in return this enables us to provide an enhanced service at greatly reduced cost to the Charity.

We will continue to apply for grant funding wherever it is available to meet the objectives of the Charity and we will continue to source commercial sponsorship whenever possible.

Other Income

The Charity continued to receive grant income of £27,000 from Sevenoaks Town Council during the financial year 2015/16 towards general operational costs and £51,037 towards the Air Handling System refurbishment project.

Sevenoaks District Council provided a grant of £7,000 towards the LED lighting replacement programme in the year and Friends of Stag provided funds to purchase a new coffee machine for the upper foyer.

Structure, Governance and Management

Governing Document

The Charity is a company limited by guarantee and does not have share capital. The constitution of the Charity is set out in the Memorandum and Articles of Association dated 28 November 2009.

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Trustees

A full list of trustees who served during the year is detailed below:-

Simon Raikes (Chairman)
Pam Walshe (Vice Chairman)
Stephen Arnold
Cathy Baker (resigned 7 May 2015)
Nicholas Busvine OBE
Merilyn Canet
Maxine Chakowa (appointed 14 May 2015)
Graham Clack (resigned 7 May 2015)
Tony Clayton
Margaret Crabtree (resigned 7 May 2015)
Ann Dawson (resigned 7 May 2015)
Roderick Hogarth
Merrill London (resigned 7 May 2015)
Rachel Parry (appointed 14 May 2015)
Richard Parry
Edward Parson (appointed 14 May 2015)
Robert Piper
Oliver Schneider (appointed 14 May 2015)
Edward Waite (appointed 14 May 2015)

Appointment of new Trustees

The Articles of Association allow for the number of Trustees to be between 2 and 16 in number.

- (1) The subscribers to the Memorandum are the first Members of the Charity.
- (2) Membership is open to any person who is a Town Councillor of Sevenoaks Town Council who:
 - (a) applies to the Charity in the form required by the Trustees; and
 - (b) is approved by the Trustees.
- (3) The Trustees may only refuse an application for Membership if, acting reasonably and properly, they consider it to be in the best interests of the Charity to refuse application.
- (4) The Trustees must inform the applicant in writing of the reasons for the refusal within twenty one days of the decision.
- (5) The Trustees must consider any written representations the applicant may make about the decision. The Trustees decision following any written representations must be notified to the applicant in writing but may be final.
- (6) Membership is not transferable to anyone else.

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The only Members of the Company are the Trustees. Any person appointed as a Trustee automatically becomes a member and ceases to be a member when they cease to be a Trustee. At 31 March 2015 there were fourteen members each of which guarantee to contribute £10 in the event of the Charity ceasing to operate.

Induction and Training of Trustees

New Trustees undergo an individual induction session to brief them on their legal obligations under charity and company law, the content of the Articles of Association (incorporating Memorandum), the Trustee Board and decision making process, the business plan and the recent financial performance of the Charity. During induction they formally meet the executive management team. Trustees are given the opportunity to attend appropriate external training events to help them undertake their role.

The Governance Structure

The Board of Trustees administers the Charity and meets normally on a bi-monthly basis. All issues are considered at the Trustee Board meetings.

A Chief Executive manages all day to day operations of the Charity under a contract of employment by the Trustees. To facilitate effective operations, the Chief Executive has delegated authority for all operational matters including artistic programming, finance and employment issues.

Subsidiary

The Stag Community Arts Centre has one wholly owned subsidiary company, Stag Community Arts Centre Trading Limited (Company Number 7614710). The company's principal activity is the provision of commercial recreational facilities in support of the Charity. The subsidiary gift aids its profits to the Charity.

The results of the subsidiary's trading is summarised in Note 2 of the financial statements.

Related Party Relationships

The Trustees consider the following entities to be related parties of the Charity:

- Sevenoaks Town Council;
- Sevenoaks District Council.

The Stag Community Arts Centre also has a working relationship with the following organisations:

- Sevenoaks Town Partnership
- Magic Beans
- Kent Libraries
- Kent Theatre Network
- Kent County Council
- NK Audio
- Sencio Leisure Centre
- Sevenoaks Chamber of Commerce
- Sevenoaks Chronicle and other local media

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- Sevenoaks Lions
- Sevenoaks Round Table
- Friends of Stag

Pay policy for senior staff

The directors consider the board of directors, who are the Charity's trustees, and the senior management team comprise the key management personnel of the Charity in charge of directing and controlling, running and operating the Charity on a day to day basis. All Trustees give of their time freely and no Trustee received remuneration in the year.

The pay of the senior staff is reviewed regularly by the Chief Executive and increased as appropriate in line with meritorious work for the Charity. In view of the nature of the Charity, the Chief Executive considers pay levels in similar roles held elsewhere in the industry with similar attributes as the Stag whilst considering experience and any additional responsibilities. If recruitment proves difficult then a market addition can be paid.

Risk Management

The Trustees have a comprehensive risk management strategy which comprises:

- (i) A regular review at its board meetings of the risks the charity may face;
- (ii) The establishment of systems and procedures to mitigate those risks;
- (iii) The implementation of procedures designed to minimise any potential impact on the Charity should those risks materialize.

The risk management process is on-going and is regularly reviewed by the Board of Trustees. The Trustees recognise that the Charity operates in an area where reputational and financial risk is inherent in the very nature of its charitable purposes. Consideration is given to the Charity's appetite for such risks and the balance of financial and artistic risk. A key element in the management of financial risk is to continue working towards establishing an appropriate level of reserves in the unrestricted funds of the Charity.

Financial Review

The overall result for the year was a surplus of £5,128 (2015 - £4,021) into the General Reserves with a net contribution of £43,507 (2015 - £36,839) into the Designated Fund for future dilapidation repairs and renewals. A further £59,678 (2015 - £12,444) was donated to the Stag in the year towards specific projects of which £68,788 (2015 - £12,812) was utilised with funds from Restricted Funds. These funds will enable the Stag Community Arts Centre to continue to consolidate its financial position and to enable future growth.

The Stag Community Arts Centre earned 92% (2015 - 96%) of its income from performance and hire fees, bar and catering income, the Youth Outreach programme and the showing of films in the Cinema. The remaining 8% (2015 - 4%) of income was raised through external grants and donations, the biggest single contribution of which comes from its public funder, the Sevenoaks Town Council.

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The Charity is working towards building stability in its financial position in order to support the Stag Community Art Centre's aims and objectives and to be able to fund any future costs arising in relation to maintaining the fabric of the historic building and replacing key items of equipment as they wear out.

Reserves Policy

Reserves are needed to cover short term falls in day to day operational cashflows and to cover unplanned emergency repairs and other expenditure. The Trustees consider the ideal level of reserves required to mitigate the above would be £54,755 in General Reserves, which equates to 5% of turnover, and £50,000 in the Designated Dilapidations Reserve.

The Unrestricted General Reserves balance at the year-end amounts to £19,680 (2015 - £14,552) and is steadily being built up each year to reach the ideal level of £54,755.

The Designated Reserve Balance at the year end amounts to £187,723 (2015 - £144,216) of which £115,562 has been utilised to purchase fixed assets, £5,000 has been set aside for the cinema projector fund leaving £67,161 free to commit to future projects in 2016. The current policy is to accumulate at least £30,000 per annum into this fund. In the year under review a net contribution of £43,507 (2015 - £36,839) was made. Of the £67,161 that is available for future spend, £50,000 is being kept aside to cover the risk of any unplanned emergency repairs and the remainder will be utilised in 2016/17 to further improve the operational facilities available at the Stag.

Restricted funds arise from donations received from third parties to be utilised towards specific projects. During the year the Charity received £59,678 of such donations which were utilised to fund the long awaited refurbishment of the Air Handling System, the LED replacement lighting project and to purchase a coffee machine for the upper foyer.

Investments Policy and Powers

The Charity currently holds short term surplus funds with its bankers, National Westminster Bank. Any surplus funds held in excess of one month's average working capital requirements are placed on deposit at a suitable UK based financial institution, depending on the credit rating and prevailing interest rates available.

Going Concern

Accounting standards require the Trustees to consider appropriateness of the going concern basis when preparing the financial statements. The Trustees have taken notice of the Financial Reporting Council guidance which requires the reason for this decision to be explained. The Trustees regard the going concern basis remains appropriate since the Charity has unrestricted funds of £207,403 (2015 - £158,768) at the balance sheet date, cash balances of £257,934 (2015 - £269,613) and no long term borrowings.

Statement of Trustees' Responsibilities

The Trustees (who are also directors of Stag Community Arts Centre for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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Company and charity law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

Provision of Information to Auditor

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any information needed by the charitable company's auditor in connection with preparing its report and to establish that the charitable company's auditor is aware of that information.

Auditor

A resolution to reappoint Crowe Clark Whitehill LLP will be proposed at the Annual General Meeting in accordance with section 485 of the Companies Act 2006.

In preparing this report, the Trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the Trustees on 29 September 2016 and signed on their behalf, by:

Simon Raikes, Chairman

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE STAG COMMUNITY ARTS CENTRE

We have audited the financial statements of Stag Community Arts Centre for the year ended 31 March 2016 set out on pages 17 to 33.

The financial reporting framework that has been applied in their preparation is applicable law and FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's Trustees as a body, in accordance with section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's members and Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's Members as a body and the charitable company's Trustees as a body for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 151 of the Charities Act 2011 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 March 2016 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;

**STAG COMMUNITY ARTS CENTRE
(A Company limited by guarantee)**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE STAG COMMUNITY ARTS CENTRE**

- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit, the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements and has been prepared in accordance with the applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit we have not identified any material misstatements in the Trustee's Report.

Matters on which we are required to report by exception

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

- adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Trustees' Annual Report.

Ian Weekes
Senior Statutory Auditor
For and on behalf of
Crowe Clark Whitehill LLP
Statutory Auditor

10 Palace Avenue
Maidstone
Kent
ME15 6NF

Crowe Clark Whitehill LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

STAG COMMUNITY ARTS CENTRE
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(including consolidated income and expenditure account)
YEAR ENDED 31 MARCH 2016

| | Note: | Restricted Funds £ | Unrestricted Funds Designated £ | General £ | 2016 Total Funds £ | Restricted Funds £ | Unrestricted Funds Designated £ | General £ | 2015 Total Funds £ |
|--|-------|-----------------------|---------------------------------------|------------------|-----------------------------|--------------------------|---------------------------------------|------------------|-----------------------------|
| INCOME | | | | | | | | | |
| Donations | 3 | 59,678 | - | 29,371 | 89,049 | 12,444 | - | 29,663 | 42,107 |
| <i>Income from charitable activities:</i> | | | | | | | | | |
| Operation of community arts centre | 4 | - | - | 176,920 | 176,920 | - | - | 237,719 | 237,719 |
| <i>Income from other trading activities:</i> | | | | | | | | | |
| Commercial trading operations | 2 | - | - | 828,832 | 828,832 | - | 6,177 | 740,581 | 746,758 |
| Investment income | 5 | - | - | 302 | 302 | - | - | 256 | 256 |
| TOTAL INCOME | | 59,678 | - | 1,035,425 | 1,095,103 | 12,444 | 6,177 | 1,008,219 | 1,026,840 |
| EXPENDITURE | | | | | | | | | |
| <i>Cost of raising funds:</i> | | | | | | | | | |
| Commercial trading operations | | - | - | 733,693 | 733,693 | - | - | 694,609 | 694,609 |
| <i>Expenditure on charitable activities:</i> | | | | | | | | | |
| Operation of community arts centre | 6 | 68,788 | 9,493 | 235,604 | 313,885 | 12,812 | 2,338 | 271,277 | 286,427 |
| TOTAL EXPENDITURE | | 68,788 | 9,493 | 969,297 | 1,047,578 | 12,812 | 2,338 | 965,886 | 981,036 |
| NET INCOME/(EXPENDITURE) BEFORE TRANSFERS | | | | | | | | | |
| | | (9,110) | (9,493) | 66,128 | 47,525 | (368) | 3,839 | 42,333 | 45,804 |
| Transfers between funds | | 8,000 | 53,000 | (61,000) | - | 5,312 | 33,000 | (38,312) | - |
| NET MOVEMENT IN FUNDS FOR THE YEAR | | (1,110) | 43,507 | 5,128 | 47,525 | 4,944 | 36,839 | 4,021 | 45,804 |
| RECONCILIATION OF FUNDS | | | | | | | | | |
| Total funds at 31 March 2015 | | 4,944 | 144,216 | 14,552 | 163,712 | - | 107,377 | 10,531 | 117,908 |
| TOTAL FUNDS AT 31 MARCH 2016 | | 3,834 | 187,723 | 19,680 | 211,237 | 4,944 | 144,216 | 14,552 | 163,712 |

All the activities relate to continuing operations.
The statement of financial activities includes all gains and losses recognised in the current and preceding year.

The notes on pages 21 to 33 form part of these financial statements.

**STAG COMMUNITY ARTS CENTRE
CONSOLIDATED BALANCE SHEET**

AS AT 31 MARCH 2016

Company number 07090305

| | Notes | 2016 £ | 2015 (as restated) £ |
|--|-------|-----------|-------------------------|
| Fixed Assets | | | |
| Intangible assets | 14 | 1,284 | 1,601 |
| Tangible assets | 15 | 148,384 | 36,856 |
| | | 149,668 | 38,457 |
| Current Assets | | | |
| Stock | | 8,753 | 7,327 |
| Debtors | 17 | 42,926 | 56,079 |
| Cash at bank and in hand | | 257,934 | 269,613 |
| | | 309,613 | 333,019 |
| Current Liabilities | | | |
| Creditors: amounts falling due within one year | 18 | (248,044) | (207,764) |
| | | 61,569 | 125,255 |
| NET CURRENT ASSETS | | | |
| | | 211,237 | 163,712 |
| FUNDS | | | |
| Restricted funds | 19 | 3,834 | 4,944 |
| Designated funds | 19 | 187,723 | 144,216 |
| Unrestricted funds | 19 | 19,680 | 14,552 |
| | | 211,237 | 163,712 |

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies.

The financial statements were approved and authorised for issue by the trustees and were signed on its behalf on 29 September 2016

Simon Raikes
Chairman

The notes on pages 21 to 33 form part of these financial statements.

**STAG COMMUNITY ARTS CENTRE
CHARITY BALANCE SHEET
AS AT 31 MARCH 2016
Company number 07090305**

| | Notes | 2016 £ | 2015 (as restated) £ |
|--|-------|----------------|-------------------------|
| Fixed Assets | | | |
| Intangible assets | 14 | 1,284 | 1,601 |
| Tangible assets | 15 | 148,384 | 36,856 |
| Investment | 16 | 100 | 100 |
| | | 149,768 | 38,557 |
| Current Assets | | | |
| Stock | | 8,753 | 7,327 |
| Debtors | 17 | 42,926 | 56,079 |
| Cash at bank and in hand | | 257,834 | 269,513 |
| | | 309,513 | 332,919 |
| Current Liabilities | | | |
| Creditors: amounts falling due within one year | 18 | (248,044) | (207,764) |
| | | 61,469 | 125,155 |
| NET CURRENT ASSETS | | | |
| | | 61,469 | 125,155 |
| NET ASSETS | | | |
| | | 211,237 | 163,712 |
| FUNDS | | | |
| Restricted funds | 19 | 3,834 | 4,944 |
| Designated funds | 19 | 187,723 | 144,216 |
| Unrestricted funds | 19 | 19,680 | 14,552 |
| | | 211,237 | 163,712 |

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies.

The financial statements were approved and authorised for issue by the trustees and were signed on its behalf on 29 September 2016

Simon Raikes
Chairman

The notes on pages 21 to 33 form part of these financial statements.

STAG COMMUNITY ARTS CENTRE
STATEMENT OF CASH FLOWS AND CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED 31 MARCH 2016

| | Notes | Group | | Charity | |
|---|-------|------------------|-----------------|------------------|-----------------|
| | | 2016 | 2015 | 2016 | 2015 |
| | | £ | £ | £ | £ |
| Cash used in operating activities | 23 | 126,096 | <i>53,707</i> | 126,096 | <i>53,613</i> |
| <hr/> | | | | | |
| Cash flows from investing activities | | | | | |
| Interest income | | 302 | 256 | 302 | 256 |
| Purchase of intangible fixed assets | | (1,485) | - | (1,485) | - |
| Purchase of tangible fixed assets | | (136,592) | (11,818) | (136,592) | (11,818) |
| <hr/> | | | | | |
| Cash provided by (used in) investing activities | | (137,775) | <i>(11,562)</i> | (137,775) | <i>(11,562)</i> |
| <hr/> | | | | | |
| Cash used in financing activities | | - | - | - | - |
| <hr/> | | | | | |
| Increase/(decrease) in cash and cash equivalents in the year | | (11,679) | <i>42,145</i> | (11,679) | <i>42,051</i> |
| <hr/> | | | | | |
| Cash and cash equivalents at the beginning of the year | | 269,613 | 227,468 | 269,513 | 227,462 |
| <hr/> | | | | | |
| Total cash and cash equivalents at the end of the year | | 257,934 | <i>269,613</i> | 257,834 | <i>269,513</i> |
| <hr/> | | | | | |

The notes on pages 21 to 33 form part of these financial statements.

**STAG COMMUNITY ARTS CENTRE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2016**

1 Accounting Policies

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

1.1 Basis of preparation

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.

The Stag Community Arts 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.

1.2 Reconciliation with previous Generally Accepted Accounting Practice

In preparing the financial statements, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required.

At the date of transition in applying the requirement to recognise capitalised software as an intangible fixed asset rather than as a tangible fixed asset, such assets were reclassified as intangible fixed assets. The total amount reclassified was £4,546. There was no effect on the overall fund balances.

No other restatements were required. In accordance with the requirements of FRS 102 a reconciliation of opening balances is provided.

| | 1 April 2014 £ | 31 March 2015 £ |
|---|----------------------|-----------------------|
| Reconciliation of group funds and balances | | |
| Fund balances as previously stated | 117,908 | 163,712 |
| | _____ | _____ |
| Fund balances as restated | 117,908 | 163,712 |
| | _____ | _____ |

1.3 Preparation of the financial statements on a going concern basis

The Trustees regard the going concern basis as appropriate since the Charity has unrestricted funds of £207,403 (2015 - £158,768) at the balance sheet date, cash balances of £257,934 (2015 - £269,613) and no long term borrowings.

**STAG COMMUNITY ARTS CENTRE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2016**

1.4 Basis of consolidation

The consolidated financial statements include the Charity and its subsidiary, Stag Community Arts Centre Trading Limited. Intra-group sales and income are eliminated on consolidation and all sales and income relate to external transactions only. The subsidiary's results and balance sheet have been consolidated on a line by line basis.

A separate Statement of Financial Activities and Income and Expenditure Account for the Charity has not been presented because the Stag has taken advantage of the exemption afforded by Section 408 of the Companies Act 2006.

1.5 Income

All income is included in the Statement of Financial Activities when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

All grants and donations receivable are recognised when the conditions for receipt have been met. Where grants and donations received are performance related or restricted to future accounting periods they are deferred and accounted for as a liability. Donations in kind are recognised at their value to the Charity when they are received.

No amounts are included in the financial statements for services donated by volunteers.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant are recognised at the time of the donation.

1.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the Bank.

1.7 Restricted, Designated and Unrestricted Funds

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors which have been raised by the Charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

**STAG COMMUNITY ARTS CENTRE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2016**

1.8 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Cost of raising funds comprise the costs of commercial trading and their associated support costs.
- Expenditure on charitable activities includes the costs of all activities undertaken to further the purposes of the Charity and their associated support costs.

Support costs are those functions that assist the work of the Charity but are not directly attributable to one particular activity. Support costs include back office costs and governance costs which support the Stag's activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities on a basis consistent with the use of the resources concerned.

1.9 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the term of the lease.

1.10 Intangible fixed assets

Software costs are capitalised when their use will generate probable future economic benefits. They are capitalised at cost and amortised over their estimated useful economic lives on a straight line basis which is currently at a rate of 20% per annum.

1.11 Tangible fixed assets

Individual fixed assets costing £1,000 or more are capitalised at cost and depreciated over their estimated useful economic lives on a straight line basis as follows:

| | |
|------------------------------|---------------|
| Leasehold improvements | 10% per annum |
| Venue fittings and equipment | 20% per annum |

1.12 Stock

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

1.13 Debtors

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

1.14 Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term liquid investments held within a current and instant access deposit account.

STAG COMMUNITY ARTS CENTRE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2016

1.15 Creditors and provisions

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

1.16 Pensions

From 1 October 2015, all eligible employees of the Charity are automatically enrolled into the WorkSave money purchase defined contribution pension scheme operated by Legal & General unless they have exercised their right to opt out of the scheme membership.

Employees joining the money purchase pension scheme contract directly with Legal & General. The Charity makes a matching contribution of up to 3% of the qualifying employees earnings to this pension scheme and acts as agent in collecting and paying over employee pension contributions. The contributions made for the accounting period are treated as an expense and were £1,373 (2015 - £Nil).

Prior to 1 October 2015, employees were entitled to join a Stakeholder money purchase defined contribution pension scheme operated by Prudential. From 1 October 2015 all employee pension funds held within this scheme were transferred to the WorkSave money purchase defined contribution pension scheme operated by Legal & General.

The Charity made a matching contribution of up to 3% of the qualifying employees earnings to the Prudential pension scheme and acted as agent in collecting and paying over employee pension contributions. The contributions made for the accounting period were treated as an expense and amounted to £649 (2015- £1,214).

1.17 Transition to FRS 102

The opening fund balances at the transition date have been restated (see note 1.2) due to the reclassification of some tangible fixed assets to intangible fixed assets, but no subsequent restatement of items has been required in making the transition to FRS 102. The transition date to FRS 102 was 1 April 2014.

1.18 General information

Stag Community Arts Centre is a registered UK charity and a company limited by guarantee. The address of its registered office and principal place of business together with details of the principal activity are disclosed in the Trustees' report.

2 Financial performance of the subsidiary

The Charity has a wholly owned trading subsidiary that is incorporated in the UK. This subsidiary, Stag Community Arts Centre Trading Limited, runs the commercial cinema together with any commercial hire and sale operations within the Stag Community Arts Centre. The company donates its profits via gift aid to the Charity. The summary financial performance of the subsidiary is as follows:

**STAG COMMUNITY ARTS CENTRE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2016**

| | 2016 £ | 2015 £ |
|---|------------------|-----------|
| Turnover | 828,832 | 746,758 |
| Cost of sales and administration costs | (733,693) | (694,609) |
| Net profit | 95,139 | 52,149 |
| Amount gift aided to the Charity | (95,139) | (52,149) |
| Retained profit for the financial year | - | - |
| Aggregate share capital and reserves | 100 | 100 |

3 Donations

| | 2016 £ | 2015 £ |
|---|---------------|-----------|
| Donations from Trusts, Foundations and Councils | 89,049 | 42,107 |

The income from donations was £89,049 (2015 - £42,107) of which £59,678 (2015 - £12,444) was restricted and £29,371 (2015 - £29,663) unrestricted.

The Charity benefits greatly from the involvement and enthusiastic support of its many volunteers, details of which are given in our annual report. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of general volunteers is not recognised in the financial statements.

4 Income from charitable activities

| | Unrestricted Funds 2016 £ | <i>Unrestricted Funds 2015 £</i> |
|----------------------|--|--|
| Performance and Hire | 104,534 | 144,127 |
| Community Cinema | 37,524 | 41,883 |
| Bars and Catering | 31,528 | 47,008 |
| Youth Outreach | 3,334 | 4,701 |
| | 176,920 | 237,719 |

5 Investment income

All of the Charity's investment income of £302 (2015 - £256) arises from money held in the Charity's interest bearing deposit account.

**STAG COMMUNITY ARTS CENTRE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2016**

6 Analysis of expenditure on charitable activities

| | Theatre | | | | | | |
|--------------------|----------------------|------------------|----------------|-------------------|--------------|----------------|----------------|
| | Performance and Hire | Community Cinema | Youth Outreach | Bars and Catering | Plaza Suite | 2016 Total | 2015 Total |
| | £ | £ | £ | £ | £ | £ | £ |
| Direct staff costs | 96,587 | 587 | - | 2,339 | - | 99,513 | 93,945 |
| Other direct costs | 67,995 | 18,806 | - | 13,462 | 119 | 100,382 | 67,804 |
| Depreciation | 16,186 | 8,263 | - | 378 | 237 | 25,064 | 16,106 |
| Amortisation | 1,802 | - | - | - | - | 1,802 | 2,945 |
| Governance | 11,221 | - | - | - | - | 11,221 | 10,656 |
| Support Costs | 25,662 | 31,363 | 1,238 | 13,916 | 3,724 | 75,903 | 94,971 |
| | 219,453 | 59,019 | 1,238 | 30,095 | 4,080 | 313,885 | 286,427 |

Expenditure on charitable activities was £313,885 (2015 - £286,427) of which £68,788 (2015 - £12,812) was restricted and £245,097 (2015 - £273,615) was unrestricted.

7 Summary analysis of expenditure and related income for charitable activities

This table shows the cost of the five main charitable activities and the sources of income directly to support those activities.

| | Theatre | | | | | | |
|-----------------------------------|----------------------|------------------|----------------|-------------------|--------------|------------------|-----------------|
| | Performance and Hire | Community Cinema | Youth Outreach | Bars and Catering | Plaza Suite | 2016 Total | 2015 Total |
| | £ | £ | £ | £ | £ | £ | £ |
| Costs | (219,453) | (59,019) | (1,238) | (30,095) | (4,080) | (313,885) | (286,427) |
| Hire and ticket sales | 91,742 | 37,524 | 3,334 | - | 12,792 | 145,392 | 190,711 |
| Food and drink sales | - | - | - | 31,528 | - | 31,528 | 47,008 |
| Net cost funded from other income | (127,711) | (21,495) | 2,096 | 1,433 | 8,712 | (136,965) | (48,708) |

8 Analysis of support costs

| | Theatre | | | | | | |
|------------------------|----------------------|------------------|----------------|-------------------|--------------|---------------|---------------|
| | Performance and Hire | Community Cinema | Youth Outreach | Bars and Catering | Plaza Suite | 2016 Total | 2015 Total |
| | £ | £ | £ | £ | £ | £ | £ |
| Establishment expenses | 13,992 | 16,266 | 682 | 7,361 | 1,993 | 40,294 | 54,444 |
| Wages and salaries | 6,069 | 12,633 | 248 | 4,706 | 1,115 | 24,771 | 23,144 |
| Other staff costs | 706 | 310 | 39 | 233 | 78 | 1,366 | 311 |
| General office costs | 4,895 | 2,154 | 269 | 1,616 | 538 | 9,472 | 17,072 |
| | 25,662 | 31,363 | 1,238 | 13,916 | 3,724 | 75,903 | 94,971 |

**STAG COMMUNITY ARTS CENTRE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2016**

9 Analysis of governance costs

| | Unrestricted Funds 2016 £ | <i>Unrestricted Funds 2015 £</i> |
|-------------------------------|--|--|
| External auditor remuneration | 10,630 | 10,080 |
| Internal auditor remuneration | 565 | 550 |
| Company secretarial | 26 | 26 |
| | <u>11,221</u> | <u>10,656</u> |

10 Net income/(expenditure) for the year

| | 2016 £ | <i>2015 £</i> |
|---------------------------------------|---------------------|-------------------|
| This is stated after charging: | | |
| Depreciation | 25,064 | 16,106 |
| Amortisation | 1,802 | 2,945 |
| Hire of plant and equipment | 8,400 | 8,400 |
| Auditor's remuneration | | |
| Audit fees for current year | 7,505 | 7,395 |
| Audit fees for previous year | 250 | (190) |
| Audit fees for subsidiary undertaking | 2,875 | 2,875 |
| | <u>2,875</u> | <u>2,875</u> |

11 Analysis of staff costs, trustee remuneration and expenses and the cost of key management personnel

| | 2016 £ | <i>2015 £</i> |
|-----------------------|-----------------------|-------------------|
| Wages and salaries | 366,264 | 347,607 |
| Social security costs | 19,274 | 19,008 |
| Pension costs | 2,022 | 1,214 |
| | <u>387,560</u> | <u>367,829</u> |

No employee had employee benefits in excess of £60,000 in the current or preceding year.

The key management personnel of the Charity comprise the Trustees, the Chief Executive Officer, Business Development Manager, Operations Manager and the Cinema and Events Manager. The value of the total employee benefits of the key management personnel of the Charity was £96,811 (2015 - £91,219).

Pension costs are allocated to activities in proportion to the related staffing costs incurred and are wholly charged to unrestricted funds.

No Trustee received any remuneration, benefits from employment nor reimbursement of expenses in the current or preceding year.

**STAG COMMUNITY ARTS CENTRE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2016**

No Trustee received payment for professional or other services supplied to the Charity in the current or preceding year.

12 Staff numbers

The average monthly head count was 40 staff (2015 - 36 staff) and the average monthly number of full time equivalent employees (including casual and part time staff) during the year were as follows:

| | 2016 Number | <i>2015 Number</i> |
|--------------------|------------------------|------------------------|
| Operations | 18 | <i>18</i> |
| Support governance | 3 | <i>3</i> |
| | <u>21</u> | <i><u>21</u></i> |

13 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.

14 Intangible assets - Charity (also comprising that of the group)

| | Software £ |
|---------------------------------------|-----------------------|
| Cost | |
| At 1 April 2015 (as restated) | 14,757 |
| Additions | 1,485 |
| Disposals | - |
| At 31 March 2016 | <u>16,242</u> |
| Amortisation | |
| At 1 April 2015 (as restated) | 13,156 |
| Amortisation expense | 1,802 |
| Disposals | - |
| At 31 March 2016 | <u>14,958</u> |
| Net book value | |
| At 31 March 2016 | <u>1,284</u> |
| <i>At 31 March 2015 (as restated)</i> | <i><u>1,601</u></i> |

**STAG COMMUNITY ARTS CENTRE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2016**

15 Tangible fixed assets - Charity (also comprising that of the group)

| | Leasehold improvements £ | Venue Fittings & Equipment £ | Total £ |
|---------------------------------------|---|---|-----------------------|
| Cost | | | |
| At 1 April 2015 (as restated) | - | 102,373 | 102,373 |
| Additions | 65,597 | 70,995 | 136,592 |
| Disposals | - | - | - |
| At 31 March 2016 | <u>65,597</u> | <u>173,368</u> | <u>238,965</u> |
| Depreciation | | | |
| At 1 April 2015 (as restated) | - | 65,517 | 65,517 |
| Charge for the year | 547 | 24,517 | 25,064 |
| Disposals | - | - | - |
| At 31 March 2016 | <u>547</u> | <u>90,034</u> | <u>90,581</u> |
| Net Book Value | | | |
| At 31 March 2016 | <u>65,050</u> | <u>83,334</u> | <u>148,384</u> |
| <i>At 31 March 2015 (as restated)</i> | <u>-</u> | <u>36,856</u> | <u>36,856</u> |

16 Investments

The Charity holds 100 shares of £1 each in its wholly owned trading subsidiary company Stag Community Arts Centre Trading Limited which is incorporated in the United Kingdom. These are the only shares allotted, called up and fully paid. The activities and results of this company are summarised in note 2.

17 Debtors

| | Group | | Charity | |
|--------------------------------|----------------------|----------------------|----------------------|----------------------|
| | 2016 £ | 2015 £ | 2016 £ | 2015 £ |
| Trade debtors | 5,697 | 4,902 | 5,697 | 4,902 |
| Other debtors | 11,036 | 9,650 | 11,036 | 9,650 |
| Prepayments and accrued income | 26,193 | 41,527 | 26,193 | 41,527 |
| | <u>42,926</u> | <u>56,079</u> | <u>42,926</u> | <u>56,079</u> |

**STAG COMMUNITY ARTS CENTRE
NOTES TO THE FINANCIAL STATEMENTS
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18 Creditors: amounts falling due within one year

| | Group | | Charity | |
|------------------------------------|----------------|----------------|----------------|----------------|
| | 2016 | 2015 | 2016 | 2015 |
| | £ | £ | £ | £ |
| Trade creditors | 56,851 | 57,906 | 56,851 | 57,906 |
| Taxation and social security costs | 9,689 | 20,664 | 9,689 | 20,664 |
| Other creditors | 132,895 | 55,949 | 132,895 | 55,949 |
| Accruals and deferred income | 48,609 | 73,245 | 48,609 | 73,245 |
| | 248,044 | 207,764 | 248,044 | 207,764 |

19 Analysis of charitable funds

Analysis of movements in unrestricted funds

| | Funds | | | Funds | |
|----------------------------------|----------------|------------------|------------------|----------------|----------------|
| | 1 April | Incoming | Resources | Transfers | 31 March |
| | 2015 | resources | expended | £ | 2016 |
| | £ | £ | £ | £ | £ |
| General Fund | 14,552 | 1,035,425 | (969,297) | (61,000) | 19,680 |
| Designated Dilapidations Fund | 117,977 | - | (350) | (50,466) | 67,161 |
| Designated Cinema Projector Fund | 20,000 | - | - | (15,000) | 5,000 |
| Designated Property Assets Fund | 6,239 | - | (9,143) | 118,466 | 115,562 |
| | 158,768 | 1,035,425 | (978,790) | (8,000) | 207,403 |

Name of unrestricted fund

Description, nature and purposes of the fund

General Fund

The 'free reserves' after allowing for all designated funds.

Designated funds:

- a) Designated Dilapidations Fund for the continuing refurbishment of the Stag and for future dilapidation repairs and renewals.
- b) Designated Cinema Projector fund for the future replacement of the Stag's cinema projectors.
- c) Designated Property Assets Fund is the value of tangible fixed assets acquired by the Stag from unrestricted funds and used by the Charity on an ongoing basis for its daily operations.

**STAG COMMUNITY ARTS CENTRE
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Analysis of movements in restricted fund

| | Funds 1 April 2015 £ | Incoming resources £ | Resources expended £ | Transfers £ | Funds 31 March 2016 £ |
|-----------------------------------|-------------------------------|----------------------------|----------------------------|----------------|--------------------------------|
| Fixed asset donations | 4,944 | 1,641 | (2,751) | - | 3,834 |
| LED lighting fund | - | 7,000 | (15,000) | 8,000 | - |
| Air handling system refurbishment | - | 51,037 | (51,037) | - | - |
| | 4,944 | 59,678 | (68,788) | 8,000 | 3,834 |

Name of restricted fund

Description, nature and purposes of the fund

| | |
|-----------------------------------|---|
| Fixed asset donations | Donations received from the Friends of Stag and other third parties that have been used to purchase specific fixed assets. |
| LED lighting fund | Various lighting within the Stag has been updated with LED lighting in the year funded by a donation from the Sevenoaks District Council and the use of unrestricted funds. |
| Air handling system refurbishment | The first stage in refurbishing and replacing the air handling system - the computer control part - was carried out in the year funded by a donation from Sevenoaks Town Council. |

20 Analysis of net assets between funds

Group

| | Restricted funds £ | Unrestricted funds £ | Total funds 2016 £ | Total funds 2015 £ |
|---------------------|--------------------------|----------------------------|-----------------------------|-----------------------------|
| Fixed assets | 3,834 | 145,834 | 149,668 | 38,457 |
| Current assets | - | 309,613 | 309,613 | 333,019 |
| Current liabilities | - | (248,044) | (248,044) | (207,764) |
| | 3,834 | 207,403 | 211,237 | 163,712 |

**STAG COMMUNITY ARTS CENTRE
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| Charity | Restricted funds | Unrestricted funds | Total funds 2016 | <i>Total funds 2015</i> |
|---------------------|-----------------------------|-------------------------------|---------------------------------|---------------------------------|
| | £ | £ | £ | £ |
| Fixed assets | 3,834 | 145,934 | 149,768 | 38,557 |
| Current assets | - | 309,513 | 309,513 | 332,919 |
| Current liabilities | - | (248,044) | (248,044) | (207,764) |
| | <u>3,834</u> | <u>207,403</u> | <u>211,237</u> | <u>163,712</u> |

21 Related Party Transactions

The Trustees of the Charity are all elected Town Councillors of Sevenoaks Town Council. During the year Sevenoaks Town Council granted £27,000 (2015 - £27,000) to the Charity towards general operational costs, £51,037 (2015 - £nil) towards the air handling system refurbishment and £nil (2015 - £7,500) towards the Youth Outreach programme. In addition, the Charity operates the Stag via an agreement with Sevenoaks Town Council and Sevenoaks District Council where there is an annual peppercorn rent of £1 payable to Sevenoaks Town Council. Donations in kind received from Sevenoaks Town Council towards the annual rent of the Stag have been reasonably estimated at £1,000 (2015 - £1,000).

During the financial year the following transactions took place between the Charity and its wholly owned subsidiary Stag Community Arts Centre Trading Limited:

The transfer under gift aid of the trading profits of Stag Community Arts Centre Trading Limited of £95,139 (2015 - £52,149) of which £95,139 was outstanding at 31 March 2016 (2015 - £52,149).

There were no other outstanding balances with related parties as at 31 March 2016 (2015 - £Nil).

22 Agency Arrangements

The Charity's wholly owned subsidiary, Stag Community Arts Centre Trading Limited, is responsible for the operation of the commercial cinema together with other commercial activity undertaken at the Stag.

The Charity collects the revenue on behalf of its subsidiary and incurs some of the costs associated with the running of the commercial operation. A contribution is made by the subsidiary to cover the costs incurred and gift aids its taxable profits to the Charity.

The Stag also acts as an agent for all performances that take place in the Stag Theatre, Stag Plaza and other performance spaces at the Stag. The Stag charges the hirer a hire fee for the use of the Stag Theatre, Stag Plaza and other performance spaces at the Stag and collects the ticket sales for the performances on behalf of the hirer. All amounts due to the performer are paid following the completion of the performance. At the year end the amounts due to hirers are included within other creditors (see note 18).

**STAG COMMUNITY ARTS CENTRE
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23 Reconciliation of net movement in funds to net cash flow from operating activities

| | Group | | Charity | |
|--|----------------|---------------|----------------|---------------|
| | 2016 | 2015 | 2016 | 2015 |
| | £ | £ | £ | £ |
| Net movement in funds | 47,525 | 45,804 | 47,525 | 45,804 |
| Add back amortisation charge | 1,802 | 2,945 | 1,802 | 2,945 |
| Add back depreciation charge | 25,064 | 16,106 | 25,064 | 16,106 |
| Deduct interest income shown in investing activities | (302) | (256) | (302) | (256) |
| Decrease/(increase) in stock | (1,426) | 1,401 | (1,426) | 1,401 |
| Decrease/(increase) in debtors | 13,153 | (304) | 13,153 | (304) |
| Increase/(decrease) in creditors | 40,280 | (11,989) | 40,280 | (12,083) |
| Net cash used in operating activities | 126,096 | 53,707 | 126,096 | 53,613 |

24 Accounting estimates and judgements

In preparing the financial statements, the Trustees are required to make estimates and judgements. The matters considered below are considered to be the most important in understanding the judgements that are involved in preparing the financial statements and the uncertainties that could impact the amounts reported in the results of operations, financial position and cashflows. Accounting policies are shown in note 1 to the financial statements.

Cost allocation

Costs not attributable to a single activity are allocated or apportioned to activities on a basis consistent with identified cost drivers for that cost category. Cost drivers utilised include turnover and floor space and judgement is exercised in applying cost drivers to cost categories.

Remaining useful economic life of assets

Assets are depreciated over their useful economic life as explained in note 1.11. The estimation of the remaining useful economic life of the assets concerned is one of judgement based on current and past knowledge of their operational use.

Notional rent charge

As described in note 21, the Charity receives a donation in kind from Sevenoaks Town Council towards the annual rent of the Stag. A notional rent charge has therefore been estimated in the financial statements based upon the specialised nature of the building.