

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 2017**

Registered number: 07090305
Charity Number: 1137420

Contents	Page
General information	1
Chairman's Statement	2-3
Trustees' Report	4-14
Independent Auditor's Report	15-16
Consolidated Statement of Financial Activities	17
Consolidated Balance Sheet	18
Charity Balance Sheet	19
Statement of Cash Flows and Consolidated Statement of Cash Flows	20
Notes to the Financial Statements	21-33

STAG COMMUNITY ARTS CENTRE
(A Company limited by guarantee)

General information

Trustees

Simon Raikes, Chairman
Pam Walshe, Vice Chairman

Stephen Arnold
Nicholas Busvine OBE
Merilyn 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
(A Company limited by guarantee)

CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 MARCH 2017

Overall it has been a year of consolidation and despite a slight reduction in theatrical audience numbers the income, for the hirers who put these shows on, has been maintained. We will continue to persuade promoters to bring high quality shows to the Stag alongside the first run world-class films and live performances in our Stag Select brand. However, we will also continue to welcome community groups. A particular pleasure is the use of the main auditorium by thousands of younger performers. Our large stage and ability to offer large spaces for changing makes it particularly popular with dance shows, however it is also good to see local schools giving their pupils the opportunity to perform in a traditional professional auditorium and theatre environment.

We will continue to invest any surplus income into the building and its equipment. Alongside the large-scale refurbishment of the air handling system it is planned to install air handling in the basement dressing rooms for the first time in the theatre's history and this continues the programme of improvements that have been ongoing ever since Sevenoaks Town Council took over the lease of the building seven years ago. To me it is staggering that in excess of £750,000 has been invested in the building by Sevenoaks Town Council and the Stag itself. The headline improvements are:

Cinema projection and sound systems	£ 120,000
Main auditorium seating and carpeting	£ 69,500
Cinema seating, carpets and computer systems	£ 108,000
Air handling system	£ 137,000
Website, ticketing and ePOS	£ 50,000
Basement toilets and dressing rooms	£ 23,000
Replacement of external lift	£ 27,900
LED and theatre safety lighting	£ 30,000
Conversion of House in the Basement	£ 172,000

All of the above demonstrates the level of commitment to maintaining the building as a major community asset.

Much of this would not have been possible without the grant support of Ibstock Cory Environmental Trust and the Cory Environmental Trust in Britain, the Estate of Miss Zobel, Sevenoaks Town Council, Sevenoaks District Council, and the Friends of Stag to all of whom we owe tremendous thanks. But the fact that a substantial proportion of the investment has been funded from our own resources is a credit to the ability of our management team to run the business in a way that enables us to plan for investment in facilities whilst yet again showing a modest surplus and building up our reserves. It is very much a team effort and of course they are also responsible for identifying sources of grant funding and completing the necessary documentation. However those grant applications would not succeed if we were not able to prove that the Stag is an integral part of our community to which it brings demonstrable benefit. Something of which we are all very proud.

This continuing success gives us confidence in our business model going forward. 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.

STAG COMMUNITY ARTS CENTRE
(A Company limited by guarantee)

CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 MARCH 2017

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 and into the current 2017-18 financial year include - the vehicle lift; completing the refurbishment of the air handling system and extending it into the downstairs dressing rooms; upgrading the ticketing and ePos systems. The current policy also ensures we are able to cope with any unexpected breakdowns. One area high on the agenda going forwards is the state of the toilets. They do the job, but not always in the most appealing manner after more than 20 years since they were part of the last major refurbishment of the building.

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

The headline results for the year are as follows:-

	2017	<i>2016</i>
Turnover	£1,119,410	<i>£1,095,103</i>
Surplus	£7,705	<i>£5,128</i>
Funds at 31 March 2017	£243,776	<i>£211,237</i>
Funds after ongoing commitments for improvements to the building	£101,449	<i>£67,161</i>

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 Apprentice 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

28 September 2017

STAG COMMUNITY ARTS CENTRE
(A Company limited by guarantee)

TRUSTEE'S REPORT
FOR THE YEAR ENDED 31 MARCH 2017

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 2017. 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.

TRUSTEE'S REPORT
FOR THE YEAR ENDED 31 MARCH 2017

In 2016/17 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 giving them a far wider marketing effort and reach enabling customers locally to book activities at the Stag, across the Town and in the surrounding area. The Stag 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 musical performances of West End musicals and excellent and original drama by the Stag Youth Company;
- Café open 6 days per week including the re-furbished free-to-use community art wall to display school, amateur and professional art shows;
- Training events;
- Conferences;
- Regional events;
- Promotional events;

SYT (the 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 run during previous years at the Stag. The Charity is keen to build on the successes built with those 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 our continuous development of Stag Select live transmissions and specialised films, Parent & Baby Club plus a variety of private hire, community users. The Stag has also enabled locally made films to be shown as part of the 'Film in a Week' original output from the Stag Youth Theatre.

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

Since March 2016 the Stag 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.

TRUSTEE'S REPORT
FOR THE YEAR ENDED 31 MARCH 2017

The Trustees once again thank the large and seemingly never-flagging 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 year of changeable politics and economics. Ticket sales overall have fallen marginally by around 1.9% although hirers have still been able to increase their income from tickets by 0.6%. 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 a reformed Cleopatra singing alongside the superb Ricky Norwood), comedy, musical theatre including ballet and classical symphonic music from Sevenoaks' own orchestra, 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 Sleeping Beauty; and Sevenoaks Entertainers also providing the people of Sevenoaks with their own excellent alternative - Cinderella. 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 adding new orchestra music stands and orchestral chairs plus additional lighting stock. As part of the ongoing refurbishment of the air handling system, it will also install air handling in the basement dressing rooms – for the first time in the Stag's theatrical history.

Hirer feedback for the facilities and service – both technical and front of house service provided at the Stag Theatre continues to be strong and positive.

Commercial Cinema

The commercial cinema has continued to perform exceptionally well providing funding for the wider aims of the Charity. Customers have given excellent feedback about the comfort of the new seating and behind the scenes investment of £110,000. A by-product of the improved sightlines of the new seating has been the 6% increase in seating capacity. The Stag is the local cinema of choice providing a wide variety of first run blockbuster, family and other films of all genres. This year the Stag showed more than one hundred well received and well attended films with the latest Star Wars release - 'Rogue One' - achieving the most ticket sales at the Stag closely followed by 'Bridget Jones's Baby'. The Stag provides a wonderful mix of film aimed at all ages covering films for the whole family such as Star Wars, Finding Dory, Beauty & the Beast, The Jungle Book and Swallows & Amazons through to stories aimed at our parents and grandparents such as 'Bridget Jones's Baby', La La Land, The Girl on the Train, Absolutely Fabulous, Viceroy's House and Jason Bourne. A number of our most watched films have been the Comic Book hero films and those aimed at younger customers such as Lego Batman, Trolls, Moana and Zootropolis. Overall a list of films to cover everyone's taste. Ticket sales were up by nearly 3% over last year producing an increase in income from tickets of more than 6% - reflecting an increase in the number of adult tickets sold this year whilst maintaining our younger audience members. 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.

TRUSTEE'S REPORT
FOR THE YEAR ENDED 31 MARCH 2017

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. This year we have shown more than 20 specialist productions and have also included an arts strand with high definition programmes looking at La Scala, The Vatican and the work of Leonardo Da Vinci. We have also re-introduced foreign language films with the award winning German language film 'Toni Erdmann'. We will continue to look for high quality productions which we can use as Stag Select presentations. 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.

We have continued the regular and well-received Parent & Baby screenings where the latest films are shown with the lights turned up and the sound turned down providing a safe environment for new parents to enjoy watching a film without worrying that their children cause interruption and upset to other customers.

Stag Plaza

The Stag Plaza continues to be a popular choice providing superb low cost value and a flexible space 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 has continued to provide facility support to chaperone training by Kent County Council. The Stag Plaza has been used for training seminars, community and business meetings as well as a sold out and successful wellbeing show and regular craft fairs. The Secretary of State for Defence, the Rt. Hon. Sir Michael Fallon MP for Sevenoaks was kind enough to open the sold out Town Partnership's Business Fair in his role as its patron of the Partnership.

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.

The Stag received funding from the Friends of Stag to refurbish the walls, decoration and replace the furniture in the Stag Cafe. We have also installed the Little Fawn café area for younger visitors with toys and books as well as dressing up clothes and theatrical puppets for future theatre directors! It continues to be a popular town centre destination for social and business meetings providing space and flexibility for meetings of all size. 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 hiring groups working hard in the theatre or Plaza.

Theatre and Stag Plaza events continue to be supported by volunteers for front of house support. 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.

TRUSTEE'S REPORT
FOR THE YEAR ENDED 31 MARCH 2017

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 intend to replace the ticketing and ePOS retail systems next year combining the two making the customer experience much better as well as reporting and monitoring much easier. 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. It is leading discussions alongside the Town Partnership to set up mutual cooperation between the various art providers in Sevenoaks (art galleries, art shops, the library and the Stag)

We continue to work with other local theatres and as a result recently shared a stand at the Kent County Show.

We were very grateful to receive a bequest from the Zobel Trust and 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. It provides a wonderful professional experience for pupils and staff.

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 original 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

TRUSTEE'S REPORT
FOR THE YEAR ENDED 31 MARCH 2017

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 more than 5,000 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 provided elsewhere within the Stag and includes such activities as 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 operations 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 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 2016/17 towards general operational costs and £9,402 towards the refurbishment of the Stag Café.

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.

TRUSTEE'S REPORT
FOR THE YEAR ENDED 31 MARCH 2017

Trustees

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

Simon Raikes (Chairman)
Pam Walshe (Vice Chairman)
Stephen Arnold
Nicholas Busvine OBE
Meryl Canet
Maxine Chakowa
Tony Clayton
Roderick Hogarth
Rachel Parry
Richard Parry
Edward Parson
Robert Piper
Oliver Schneider
Edward Waite

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.

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 2017 there were fourteen members each of which guarantee to contribute £10 in the event of the Charity ceasing to operate.

TRUSTEE'S REPORT
FOR THE YEAR ENDED 31 MARCH 2017

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
- Sevenoaks Lions
- Sevenoaks Round Table
- Friends of Stag

TRUSTEE'S REPORT
FOR THE YEAR ENDED 31 MARCH 2017

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 £7,705 (2016 - £5,128) into the General Reserves with a net contribution of £25,735 (2016 - £43,507) into the Designated Fund for future dilapidation repairs and renewals. A further £9,402 (2016 - £59,678) was donated to the Stag in the year towards specific projects of which £10,303 (2016 - £68,788) 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 97% (2016 - 92%) 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 3% (2016 - 8%) of income was raised through external grants and donations, the biggest single contribution of which comes from its public funder, the Sevenoaks Town Council.

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.

TRUSTEE'S REPORT
FOR THE YEAR ENDED 31 MARCH 2017

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 £55,971 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 £27,385 (2016 - £19,680) and is steadily being built up each year to reach the ideal level of £55,971.

The Designated Reserve Balance at the year end amounts to £213,458 (2016 - £187,723) of which £102,009 has been utilised to purchase fixed assets, £10,000 has been set aside for the cinema projector fund leaving £101,449 free to commit to future projects in 2017. The current policy is to accumulate at least £30,000 per annum into this fund. In the year under review a net contribution of £25,735 (2016 - £43,507) was made. Of the £101,449 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 2017/18 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 £9,402 of such donations which were utilised towards the refurbishment and redecoration of the Stag cafe.

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 £240,843 (2016 - £207,403) at the balance sheet date, cash balances of £292,477 (2016 - £257,934) 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).

TRUSTEE'S REPORT
FOR THE YEAR ENDED 31 MARCH 2017

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 28 September 2017 and signed on their behalf, by:

Simon Raikes, Chairman

STAG COMMUNITY ARTS CENTRE
(A Company limited by guarantee)

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 2017 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 2017 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 2017

	Note:	Restricted Funds £	Unrestricted Funds Designated £	General £	2017 Total Funds £	Restricted Funds £	Unrestricted Funds Designated £	General £	2016 Total Funds £
INCOME									
Donations	3	9,402	-	28,730	38,132	59,678	-	29,371	89,049
<i>Income from charitable activities:</i>									
Operation of community arts centre	4	-	-	185,549	185,549	-	-	176,920	176,920
<i>Income from other trading activities:</i>									
Commercial trading operations	2	-	-	895,591	895,591	-	-	828,832	828,832
Investment income	5	-	-	138	138	-	-	302	302
TOTAL INCOME		9,402	-	1,110,008	1,119,410	59,678	-	1,035,425	1,095,103
EXPENDITURE									
<i>Cost of raising funds:</i>									
Commercial trading operations		-	-	798,942	798,942	-	-	733,693	733,693
<i>Expenditure on charitable activities:</i>									
Operation of community arts centre	6	10,303	19,265	258,361	287,929	68,788	9,493	235,604	313,885
TOTAL EXPENDITURE		10,303	19,265	1,057,303	1,086,871	68,788	9,493	969,297	1,047,578
NET INCOME/(EXPENDITURE) BEFORE TRANSFERS									
		(901)	(19,265)	52,705	32,539	(9,110)	(9,493)	66,128	47,525
Transfers between funds		-	45,000	(45,000)	-	8,000	53,000	(61,000)	-
NET MOVEMENT IN FUNDS FOR THE YEAR		(901)	25,735	7,705	32,539	(1,110)	43,507	5,128	47,525
RECONCILIATION OF FUNDS									
<i>Total funds at 31 March 2016</i>		3,834	187,723	19,680	211,237	4,944	144,216	14,552	163,712
TOTAL FUNDS AT 31 MARCH 2017		2,933	213,458	27,385	243,776	3,834	187,723	19,680	211,237

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 2017
Company number 07090305**

	Notes	2017 £	2016 £
Fixed Assets			
Intangible assets	14	927	1,284
Tangible assets	15	130,701	148,384
		131,628	149,668
Current Assets			
Stock		8,379	8,753
Debtors	17	41,792	42,926
Cash at bank and in hand		292,477	257,934
		342,648	309,613
Current Liabilities			
Creditors: amounts falling due within one year	18	(230,500)	(248,044)
		112,148	61,569
NET CURRENT ASSETS			
		243,776	211,237
FUNDS			
Restricted funds	19	2,933	3,834
Designated funds	19	213,458	187,723
Unrestricted funds	19	27,385	19,680
		243,776	211,237

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 28 September 2017

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 2017
Company number 07090305**

	Notes	2017 £	2016 £
Fixed Assets			
Intangible assets	14	927	1,284
Tangible assets	15	130,701	148,384
Investment	16	100	100
		131,728	149,768
Current Assets			
Stock		8,379	8,753
Debtors	17	41,792	42,926
Cash at bank and in hand		292,377	257,834
		342,548	309,513
Current Liabilities			
Creditors: amounts falling due within one year	18	(230,500)	(248,044)
		112,048	61,469
NET CURRENT ASSETS		112,048	61,469
NET ASSETS		243,776	211,237
FUNDS			
Restricted funds	19	2,933	3,834
Designated funds	19	213,458	187,723
Unrestricted funds	19	27,385	19,680
		243,776	211,237

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies. The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of financial activities in these financial statements. The surplus of the parent company for the year was £32,539 (2016 -£47,525).

The financial statements were approved and authorised for issue by the trustees and were signed on its behalf on 28 September 2017.

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 2017

	Notes	Group		Charity	
		2017	2016	2017	2016
		£	£	£	£
Cash used in operating activities	23	46,741	126,096	46,741	126,096
<hr/>					
Cash flows from investing activities					
Interest income		138	302	138	302
Purchase of intangible fixed assets		-	-	-	-
Purchase of tangible fixed assets		(12,336)	(11,818)	(12,336)	(11,818)
<hr/>					
Cash provided by (used in) investing activities		(12,198)	(11,516)	(12,198)	(11,516)
<hr/>					
Cash used in financing activities		-	-	-	-
<hr/>					
Increase/(decrease) in cash and cash equivalents in the year		34,543	114,580	34,543	114,580
<hr/>					
Cash and cash equivalents at the beginning of the year		257,934	227,468	257,834	227,462
<hr/>					
Total cash and cash equivalents at the end of the year		292,477	342,048	292,377	342,042
<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 2017

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 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 £240,843 (2016 - £207,403) at the balance sheet date, cash balances of £292,477 (2016 - £257,934) and no long term borrowings.

1.3 Basis of consolidation

The consolidated financial statements include the Charity and its subsidiary, Stag Community Arts Centre Trading Limited (no. 07614710). 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.

1.4 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.

STAG COMMUNITY ARTS CENTRE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2017

1.5 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.

1.6 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.

1.7 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.

1.8 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.

1.9 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.

STAG COMMUNITY ARTS CENTRE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2017

1.10 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

1.11 Stock

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

1.12 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.

1.13 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.

1.14 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.

1.15 Pensions

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 £3,597 (2016 - £2,022).

1.16 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.

STAG COMMUNITY ARTS CENTRE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2017

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:

	2017	<i>2016</i>
	£	<i>£</i>
Turnover	895,591	<i>828,832</i>
Cost of sales and administration costs	(798,942)	<i>(733,693)</i>
Net profit	96,649	<i>95,139</i>
Amount gift aided to the Charity	(96,649)	<i>(95,139)</i>
Retained profit for the financial year	-	<i>-</i>
Aggregate share capital and reserves	100	<i>100</i>

3 Donations

	2017	<i>2016</i>
	£	<i>£</i>
Donations from Trusts, Foundations and Councils	38,132	<i>89,049</i>

The income from donations was £38,132 (2016 - £89,049) of which £9,402 (2016 - £59,678) was restricted and £28,730 (2016 - £29,371) 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	<i>Unrestricted</i>
	Funds	<i>Funds</i>
	2017	<i>2016</i>
	£	<i>£</i>
Performance and Hire	110,793	<i>104,534</i>
Community Cinema	34,092	<i>37,524</i>
Bars and Catering	37,123	<i>31,528</i>
Youth Outreach	3,541	<i>3,334</i>
	185,549	<i>176,920</i>

STAG COMMUNITY ARTS CENTRE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2017

5 Investment income

All of the Charity's investment income of £138 (2016 - £302) arises from money held in the Charity's interest bearing deposit account.

6 Analysis of expenditure on charitable activities

	Theatre					2017 Total £	2016 Total £
	Performance and Hire	Community Cinema	Youth Outreach	Bars and Catering	Plaza Suite		
	£	£	£	£	£		
Direct staff costs	106,718	576	-	18,061	-	125,355	99,513
Other direct costs	4,415	16,590	-	25,038	108	46,151	100,382
Depreciation	13,358	15,274	-	1,507	237	30,376	25,064
Amortisation	-	-	-	-	-	-	1,802
Governance	8,570	-	-	-	-	8,570	11,221
Support Costs	26,833	30,182	907	16,700	2,855	77,477	75,903
	159,894	62,622	907	61,306	3,200	287,929	313,885

Expenditure on charitable activities was £287,929 (2016 - £313,885) of which £10,303 (2016 - £68,788) was restricted and £277,626 (2016 - £245,097) 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					2017 Total £	2016 Total £
	Performance and Hire	Community Cinema	Youth Outreach	Bars and Catering	Plaza Suite		
	£	£	£	£	£		
Costs	(159,894)	(62,622)	(907)	(61,306)	(3,200)	(287,929)	(313,885)
Hire and ticket sales	103,629	34,092	3,541	-	7,164	148,426	145,392
Food and drink sales	-	-	-	37,123	-	37,123	31,528
Net cost funded from other income	(56,265)	(28,530)	2,634	(24,183)	3,964	(102,380)	(136,965)

8 Analysis of support costs

	Theatre					2017 Total £	2016 Total £
	Performance and Hire	Community Cinema	Youth Outreach	Bars and Catering	Plaza Suite		
	£	£	£	£	£		
Establishment expenses	15,701	15,354	542	9,118	1,583	42,298	40,294
Wages and salaries	6,306	13,226	184	5,664	904	26,284	24,771
Other staff costs	301	100	11	120	23	555	1,366
General office costs	4,525	1,502	170	1,798	345	8,340	9,472
	26,833	30,182	907	16,700	2,855	77,477	75,903

STAG COMMUNITY ARTS CENTRE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2017

9 Analysis of governance costs

	Unrestricted Funds 2017 £	<i>Unrestricted Funds 2016 £</i>
External auditor remuneration	8,544	10,630
Internal auditor remuneration	-	565
Company secretarial	26	26
	<u>8,570</u>	<u>11,221</u>

10 Net income/(expenditure) for the year

	2017 £	<i>2016 £</i>
This is stated after charging:		
Depreciation	30,019	25,064
Amortisation	357	1,802
Hire of plant and equipment	8,400	8,400
Auditor's remuneration		
Audit fees for current year	7,500	7,505
Audit fees for previous year	(1,456)	250
Audit fees for subsidiary undertaking	2,500	2,875
	<u>2,500</u>	<u>2,875</u>

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

	2017 £	<i>2016 £</i>
Wages and salaries	413,646	366,264
Social security costs	23,133	19,274
Pension costs	3,597	2,022
	<u>440,376</u>	<u>387,560</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 £106,229 (2016 - £96,811).

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 2017**

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 43 staff (2016 - 40 staff) and the average monthly number of full time equivalent employees (including casual and part time staff) during the year were as follows:

	2017 Number	<i>2016 Number</i>
Operations	15	<i>15</i>
Finance	3	<i>3</i>
Events and Marketing	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 2016	16,242
Additions	-
Disposals	-
At 31 March 2017	<u>16,242</u>
Amortisation	
At 1 April 2016	14,958
Amortisation expense	357
Disposals	-
At 31 March 2017	<u>15,315</u>
Net book value	
At 31 March 2017	<u>927</u>
<i>At 31 March 2016</i>	<i><u>1,284</u></i>

**STAG COMMUNITY ARTS CENTRE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2017**

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

	Leasehold improvements £	Venue Fittings & Equipment £	Total £
Cost			
At 1 April 2016	65,597	173,368	238,965
Additions	5,712	6,624	12,336
Disposals	-	-	-
At 31 March 2017	<u>71,309</u>	<u>179,992</u>	<u>251,301</u>
Depreciation			
At 1 April 2016	1,093	89,488	90,581
Charge for the year	7,131	22,888	30,019
Disposals	-	-	-
At 31 March 2017	<u>8,224</u>	<u>112,376</u>	<u>120,600</u>
Net Book Value			
At 31 March 2017	<u>63,085</u>	<u>67,616</u>	<u>130,701</u>
<i>At 31 March 2016</i>	<i><u>64,504</u></i>	<i><u>83,880</u></i>	<i><u>148,384</u></i>

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	
	2017	2016	2017	2016
	£	£	£	£
Trade debtors	2,178	5,697	2,178	5,697
Other debtors	4,857	11,036	4,857	11,036
Prepayments and accrued income	34,757	26,193	34,757	26,193
	<u>41,792</u>	<u>42,926</u>	<u>41,792</u>	<u>42,926</u>

18 Creditors: amounts falling due within one year

	Group		Charity	
	2017	2016	2017	2016
	£	£	£	£
Trade creditors	60,529	56,851	60,529	56,851
Taxation and social security costs	27,899	9,689	27,899	9,689
Other creditors	102,038	132,895	102,038	132,895
Accruals and deferred income	40,034	48,609	40,034	48,609
	<u>230,500</u>	<u>248,044</u>	<u>230,500</u>	<u>248,044</u>

**STAG COMMUNITY ARTS CENTRE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2017**

19 Analysis of charitable funds

Analysis of movements in unrestricted funds

	Funds 1 April 2016 £	Incoming resources £	Resources expended £	Transfers £	Funds 31 March 2017 £
General Fund	19,680	1,110,008	(1,057,303)	(45,000)	27,385
Designated Dilapidations Fund	67,161	-	-	34,288	101,449
Designated Cinema Projector Fund	5,000	-	-	5,000	10,000
Designated Property Assets Fund	115,562	-	(19,265)	5,712	102,009
	207,403	1,110,008	(1,076,568)	-	240,843

Analysis of movements in unrestricted funds - previous year

	Funds 1 April 2015 £	Incoming resources £	Resources expended £	Transfers £	Funds 31 March 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
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2017**

Analysis of movements in restricted fund

	Funds 1 April 2016 £	Incoming resources £	Resources expended £	Transfers £	Funds 31 March 2017 £
Fixed asset donations	3,834	9,402	(10,303)	-	2,933
	<u>3,834</u>	<u>9,402</u>	<u>(10,303)</u>	<u>-</u>	<u>2,933</u>

Analysis of movements in restricted fund - previous year

	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)	-	-
	<u>4,944</u>	<u>59,678</u>	<u>(68,788)</u>	<u>8,000</u>	<u>3,834</u>

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 was carried out in the year funded by a donation from the Sevenoaks Town Council.

**STAG COMMUNITY ARTS CENTRE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2017**

20 Analysis of net assets between funds

Group

	Restricted funds	Unrestricted funds	Total funds
	£	£	£
Fixed assets	2,933	128,695	131,628
Current assets	-	342,648	342,648
Current liabilities	-	(230,500)	(230,500)
	<u>2,933</u>	<u>240,843</u>	<u>243,776</u>

Analysis of net assets between funds - previous year

Group

	Restricted funds	Unrestricted funds	Total funds
	£	£	£
Fixed assets	3,834	145,834	149,668
Current assets	-	309,613	309,613
Current liabilities	-	(248,044)	(248,044)
	<u>3,834</u>	<u>207,403</u>	<u>211,237</u>

Analysis of net assets between funds

Charity

	Restricted funds	Unrestricted funds	Total funds
	£	£	£
Fixed assets	2,933	128,795	131,728
Current assets	-	342,548	342,548
Current liabilities	-	(230,500)	(230,500)
	<u>2,933</u>	<u>240,843</u>	<u>243,776</u>

Analysis of net assets between funds - previous year

Charity

	Restricted funds	Unrestricted funds	Total funds
	£	£	£
Fixed assets	3,834	145,934	149,768
Current assets	-	309,513	309,513
Current liabilities	-	(248,044)	(248,044)
	<u>3,834</u>	<u>207,403</u>	<u>211,237</u>

STAG COMMUNITY ARTS CENTRE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2017

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 (2016 - £27,000) to the Charity towards general operational costs and £Nil (2016 - £51,037) towards the air handling system refurbishment. 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 (2016 - £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 £96,649 (2016 - £95,139) of which £96,649 was outstanding at 31 March 2017 (2016 - £95,139).

There were no other outstanding balances with related parties as at 31 March 2017 (2016 - £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
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2017

23 Reconciliation of net movement in funds to net cash flow from operating activities

	Group		Charity	
	2017	2016	2017	2016
	£	£	£	£
Net movement in funds	32,539	47,525	32,539	47,525
Add back amortisation charge	357	1,802	357	1,802
Add back depreciation charge	30,019	25,064	30,019	25,064
Deduct interest income shown in investing	(138)	(302)	(138)	(302)
Decrease/(increase) in stock	374	(1,426)	374	(1,426)
Decrease/(increase) in debtors	1,134	13,153	1,134	13,153
Increase/(decrease) in creditors	(17,544)	40,280	(17,544)	40,280
Net cash used in operating activities	46,741	126,096	46,741	126,096

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 1.10. 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.