

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 2018**

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
Meryl 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 U.K. LLP
Riverside House
40-46 High Street
Maidstone
Kent ME14 1JH

STAG COMMUNITY ARTS CENTRE
(A Company limited by guarantee)

CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 MARCH 2018

It is a pleasure to be able to report another successful year for The Stag. It is never easy and this year has been no exception. We succeed because of our diversified business model, with our cinemas and the theatrical, business and commercial hirers of the spaces in our venue. Commercial hiring of the theatre, the Plaza, the bar and our meeting and dressing rooms are vital to enable us to continue providing facilities to the community groups which are so much a part of the culture of the town and surrounding area. By bringing people into our theatre and into our town we also make a vital contribution to the night time economy and vitality of the town.

The headline results for the year are as follows:-

	2018	<i>2017</i>
Turnover	£1,165,252	<i>£1,119,410</i>
Surplus	£7,094	<i>£7,705</i>
Funds at 31 March 2018	£257,369	<i>£243,776</i>
Funds after ongoing commitments for improvements to the building	£101,449	<i>£101,449</i>

As usual, you will see that we have generated only a small surplus on our operations. Our policy is always to put any available funds back into the business. I am someone who has performed on the stage, the £13,000 spent on upgrading the air handling system and refurbishment of the dressing rooms is a welcome improvement to the facilities for performers and hirers. This year also saw the installation of the new external stage lift. The previous lorry lift was beyond repair having survived outside through more than thirty Winters. The Friends of Stag continue their fund raising and we are exceptionally grateful for their efforts. This year they provided funds of around £7,000 to refurbish the foyer of the Stag Plaza creating a valuable new technician office and work area.

We will continue to invest any surplus income into the building and its equipment. Our refurbishments are always aimed at improving the service to our customers and our hirers - such as replacing the commercial dishwasher in the Stag Plaza and renewing the air conditioning in the projection room. However the largest project was completion of the refurbishing of the air handling system. We have previously commented on replacement of the outdated and increasingly unreliable central control system and we were able to complete the overhaul of the control valves and other ancillary functions relating to the circulation of air within the building. The overall cost of the project was more than £165,000 and from the lack of comments during our unusually hot Summer it would appear to have achieved its aim of making the building far more comfortable. Since 2009 around £800,000 has been invested in the building by Sevenoaks Town Council and by The Stag itself pulling together its operational income and external grants. This year the headline improvements are:

Basement dressing rooms improvements	£ 13,000
External lift	£ 30,000
Stag Plaza foyer refurbishment	£ 7,000
Projection room air conditioning	£ 3,000
Kitchen commercial dishwasher	£ 2,000

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CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 MARCH 2018

This is however an old building and there is always ongoing work to do. Having refurbished the air handling system, we are likely over the next couple of years to need to replace the boilers which are quite substantial items in a building of this size.

We are proud that we have been able to maintain and improve the building over the nine years since Sevenoaks Town Council took over the lease and subsequently sublet it to the independent and not for profit charity. That fantastic investment of £800,000 over the last decade would not have been possible without the continued support of Sevenoaks Town Council and a variety of generous donors. But above all it could not have happened without the support and creativity of our staff who are fully aware that we are an integral part of our town's cultural and economic community. The Stag is one of the features that make Sevenoaks such a unique, vibrant and special town. It is heartening that the reputation of its service and its facilities continues to spread. New dance schools, performing arts schools and drama companies continue to contact us to perform at The Stag with its large stage and large backstage areas and flexible Plaza space. It is of course also home to the Stag Youth Theatre and their premiere performances of SYT's professional and ground breaking Film in a Week. These are written, directed, performed and filmed by members of SYT under the guidance of the extraordinarily talented Simon Cossons. Simon also writes and directs the theatrical productions of the Stag Youth Theatre thereby inspiring and drawing out talents from so many young people. We are lucky to have him. The Stag Youth Theatre has been accepted into the National Theatre's national drama competition - which we are all looking forward to - as well as its production as part of The Stag Arts Festival which this year as 'Sevenoaks Remembers' will mark the centenary commemoration of The Great War. The Stag Arts Festival will run throughout November 2018 and will also include a new play, cinema screening, literary event and an art exhibition.

It will be apparent from this that youth is a key feature of our activities. This does not just apply to what happens on stage as we are also proud of our record helping youth training and employment in many different ways. For example we are on our second generation of finance managers who started here as apprentices and we have just taken on another finance apprentice to continue that proud tradition.

Simon Raikes, Chairman

27 September 2018

STAG COMMUNITY ARTS CENTRE
(A Company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2018

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 2018. 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.07090305) 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.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2018

In 2017/18 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 working with many local artists and the Sevenoaks Kaleidoscope;
- Primary and secondary school theatre, music and dance shows;
- Family friendly shows;
- Enabling access events - Mencap Drama Group, Dementia Care, Headway Injury Support;
- 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.

The Stag Café operates 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.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2018

The Trustees once again thank both our staff and our enthusiastic group of volunteers without whom the Stag could not operate so well. All our people not only give their time but also their passion to continue the success the Stag enjoys. The small group of staff is supported by the volunteers who 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. Whilst the impact of Britain leaving the European Union does not directly impact The Stag, the political and economic uncertainty undoubtedly does. Ticket sales overall have fallen by around 3% principally through fewer cinema tickets; a decrease reflected nationally although ticket income has only fallen by around 1% reflecting the strong local economy. 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 cleverly staged Snow White), comedy, musical theatre including ballet and classical symphonic music from Sevenoaks' own orchestra, choral music, rock, prog rock, folk and blues. Bullfrog Youth once again produced an excellent performance with their new production of Les Miserables. 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 completing the refurbishment of the air handling system -the first major work on it since installation in 1991. The investment of more than £165,000 was provided from Sevenoaks Town Council's Community Fund and a generous grant from the Zobel Trust for which we are very grateful. Overall it brings to nearly £800,000 the amount which has been invested in The Stag since The Town Council and then the Charity took over the operation in 2009. The basement dressing rooms now have air handling for the first time (they weren't included in the original 1991 plans) and in addition the basement dressing rooms have been refurbished with new dressing tables, mirrors and lighting.

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. The improvements in air handling have also extended to here and they have raised again the level of comfort for The Stag's customers. 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 films with Darkest Hour and Dunkirk performing excellently alongside family films such as Paddington 2, Despicable Me 3 and The Greatest Showman which was also shown as a 'singalong' event plus the annual latest Star Wars release - 'The Last Jedi'. The Stag deliberately continues to provide a wonderful mix of film aimed at all ages covering films for the whole family. Overall a list of films to suit everyone's taste. Ticket sales were down by around 10% on 2016/17 although the cinema and its kiosk sales continue to be the major contributor to The Stag's income. 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.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2018

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 28 specialist productions and have also included an arts strand with high definition programmes looking at the Japanese artist Hokusai and the re-mastered Monty Python classic, *The Life of Brian*. 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 is an increasingly 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 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.

Ticket sales and income for hirers of the Stag Plaza have improved and this is an area on which we will continue to focus - especially increasing the number of community and business users hiring hourly. The local MENCAP drama group continue to use the Plaza for their end of term show and the West Kent Dementia group now has meetings every fortnight in the Plaza.

The Stag received funding from Sevenoaks Town Council from its Community Fund and with internally raised funds The Stag was able to refurbish and replace in a number of areas. As well as the upgrade and refurbishment of the basement choral dressing rooms, the ancient and broken external scenery lift was replaced. On a smaller but no less important scale, the Plaza dishwasher was replaced and the projection room received new air conditioning.

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 Cafe 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.

The Art Wall continues to be popular and is in use throughout the year for local amateur and professional artists and groups. It is now the only freely available art display facility in Sevenoaks.

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.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2018

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 aimed to be 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 have installed a new website, ticketing and ePOS retail system which is a vast improvement over the old systems. The website continues to be developed providing additional facilities. 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 working with Sevenoaks Town Council and Sevenoaks Town Partnership to set up mutual cooperation between the various art providers in Sevenoaks (art galleries, art shops, the library and The Stag).

We were very grateful to have received such a valuable bequest from the Zobel Trust which has enabled the air-handling upgrades to take place. 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 Simon Cossons working with The Stag. Together we provide the Stag Youth Theatre and 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 for youth and school users - 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 the Sevenoaks Town Council free-to-all youth café, House in The Basement;
- 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;

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 thousands of hours of volunteering. 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.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2018

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 doesn't at present use bucket collections but does have a donation area at the box office. The new website booking system provides the facility to donate to the Stag Development Fund. This general income enables more refurbishment to be carried out and new equipment to be sourced.

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 Synapse Design. We receive significant donations in kind of their time from these partners and their support is gratefully received.

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.

We have received no complaints regarding our fundraising activities.

Other Income

The Charity continued to receive grant income of £27,000 from Sevenoaks Town Council during the financial year 2017/18 towards general operational costs and £69,663 towards general refurbishment of the building and equipment.

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.

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

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2018

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 2018 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.

The Trustees are aware of the Charity Commission's Charity Governance Code published on 13 July 2017 which will be implemented during the next twelve months.

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.

STAG COMMUNITY ARTS CENTRE
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2018

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 County Council
- Synapse Design
- Sencio Leisure Centre
- Sevenoaks Chamber of Commerce
- Sevenoaks Chronicle and other local media
- 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 & controlling, running & 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 £7,094 (2017 - £7,705) into the General Reserves with a net contribution of £7,400 (2017 - £25,735) into the Designated Fund for future dilapidation repairs and renewals. A further £36,195 (2017 - £9,402) was donated to the Stag in the year towards specific projects of which £37,096 (2017 - £10,303) 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.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2018

The Stag Community Arts Centre earned 88% (2017 - 97%) 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 12% (2017 - 3%) 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.

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 £58,263 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 £34,479 (2017 - £27,385) and is steadily being built up each year to reach the ideal level of £58,263.

The Designated Reserve Balance at the year end amounts to £220,858 (2017 - £213,458) of which £109,409 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 2018. The current policy is to accumulate at least £30,000 per annum into this fund where possible. In the year under review a net contribution of £7,400 (2017 - £25,735) 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 future years 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 £36,195 of such donations which were utilised towards the Air Handling refurbishment project.

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 £255,337 (2017 - £240,843) at the balance sheet date, cash balances of £354,894 (2017 - £292,477) and no long term borrowings.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2018

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).

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 U.K. 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 27 September 2018 and signed on their behalf, by:

Simon Raikes, Chairman

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

Opinion

We have audited the financial statements of Stag Community Arts Centre for the year ended 31 March 2018 set out on pages 17 to 33.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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. Our audit work has been undertaken so that we might state to the charitable company's members 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 for our audit work, for this report, or for the opinions we have formed.

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 2018 and of the group's incoming resources and application of resources, for the year then ended;

- 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.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

STAG COMMUNITY ARTS CENTRE
(A Company limited by guarantee)

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements of our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

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

- the parent company has not kept adequate accounting records; or
- the parent 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.

STAG COMMUNITY ARTS CENTRE
(A Company limited by guarantee)

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 13, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's or the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Ian Weekes
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor

Riverside House
40-46 High Street
Maidstone
Kent
ME14 1JH

STAG COMMUNITY ARTS CENTRE
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(including consolidated income and expenditure account)
YEAR ENDED 31 MARCH 2018

	Note:	Restricted Funds £	Unrestricted Funds Designated £	General £	2018 Total Funds £	Restricted Funds £	Unrestricted Funds Designated £	General £	2017 Total Funds £
INCOME									
Donations	3	36,195	-	106,487	142,682	9,402	-	28,730	38,132
<i>Income from charitable activities:</i>									
Operation of community arts centre	4	-	-	189,693	189,693	-	-	185,549	185,549
<i>Income from other trading activities:</i>									
Commercial trading operations	2	-	-	832,795	832,795	-	-	895,591	895,591
Investment income	5	-	-	82	82	-	-	138	138
TOTAL INCOME		36,195	-	1,129,057	1,165,252	9,402	-	1,110,008	1,119,410
EXPENDITURE									
<i>Cost of raising funds:</i>									
Commercial trading operations		-	-	759,045	759,045	-	-	798,942	798,942
<i>Expenditure on charitable activities:</i>									
Operation of community arts centre	6	37,096	19,265	336,253	392,614	10,303	19,265	258,361	287,929
TOTAL EXPENDITURE		37,096	19,265	1,095,298	1,151,659	10,303	19,265	1,057,303	1,086,871
NET INCOME/(EXPENDITURE) BEFORE TRANSFERS									
		(901)	(19,265)	33,759	13,593	(901)	(19,265)	52,705	32,539
Transfers between funds		-	26,665	(26,665)	-	-	45,000	(45,000)	-
NET MOVEMENT IN FUNDS FOR THE YEAR		(901)	7,400	7,094	13,593	(901)	25,735	7,705	32,539
RECONCILIATION OF FUNDS									
<i>Total funds at 31 March 2017</i>		2,933	213,458	27,385	243,776	3,834	187,723	19,680	211,237
TOTAL FUNDS AT 31 MARCH 2018		2,032	220,858	34,479	257,369	2,933	213,458	27,385	243,776

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 2018
Company number 07090305**

	Notes	2018 £	2017 £
Fixed Assets			
Intangible assets	14	624	927
Tangible assets	15	131,157	130,701
		131,781	131,628
Current Assets			
Stock		8,778	8,379
Debtors	17	24,229	41,792
Cash at bank and in hand		354,894	292,477
		387,901	342,648
Current Liabilities			
Creditors: amounts falling due within one year	18	(262,313)	(230,500)
		125,588	112,148
NET CURRENT ASSETS			
		257,369	243,776
FUNDS			
Restricted funds	19	2,032	2,933
Designated funds	19	220,858	213,458
Unrestricted funds	19	34,479	27,385
		257,369	243,776

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 27 September 2018

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 2018
Company number 07090305

	Notes	2018 £	2017 £
Fixed Assets			
Intangible assets	14	624	927
Tangible assets	15	131,157	130,701
Investment	16	100	100
		131,881	131,728
Current Assets			
Stock		8,778	8,379
Debtors	17	24,229	41,792
Cash at bank and in hand		354,794	292,377
		387,801	342,548
Current Liabilities			
Creditors: amounts falling due within one year	18	(262,313)	(230,500)
		125,488	112,048
NET CURRENT ASSETS			
		257,369	243,776
FUNDS			
Restricted funds	19	2,032	2,933
Designated funds	19	220,858	213,458
Unrestricted funds	19	34,479	27,385
		257,369	243,776
		257,369	243,776

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 £13,593 (2017: £32,539).

The financial statements were approved and authorised for issue by the trustees and were signed on its behalf on 27 September 2018.

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 2018

	Notes	Group		Charity	
		2018 £	2017 £	2018 £	2017 £
Cash used in operating activities	23	89,978	46,741	89,978	46,741
<hr/>					
Cash flows from investing activities					
Interest income		82	138	82	138
Purchase of intangible fixed assets		-	-	-	-
Purchase of tangible fixed assets		(27,643)	(12,336)	(27,643)	(12,336)
<hr/>					
Cash provided by (used in) investing activities		(27,561)	(12,198)	(27,561)	(12,198)
<hr/>					
Cash used in financing activities		-	-	-	-
<hr/>					
Increase/(decrease) in cash and cash equivalents in the year		62,417	34,543	62,417	34,543
<hr/>					
Cash and cash equivalents at the beginning of the year		292,477	257,934	292,377	257,834
<hr/>					
Total cash and cash equivalents at the end of the year		354,894	292,477	354,794	292,377
<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 2018

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 £255,337 (2017 - £240,843) at the balance sheet date, cash balances of £354,894 (2017 - £292,477) 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 2018

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 2018

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 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 £3,566 (2017 - £3,597).

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 2018

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:

	2018	<i>2017</i>
	£	<i>£</i>
Turnover	832,795	<i>895,591</i>
Cost of sales and administration costs	(759,045)	<i>(798,942)</i>
Profit for the financial year	73,750	<i>96,649</i>
Distribution - Gift Aid	(73,750)	<i>(96,649)</i>
Profit for the financial year after distribution	-	<i>-</i>
Aggregate share capital and reserves	100	<i>100</i>

3 Donations

	2018	<i>2017</i>
	£	<i>£</i>
Donations from Trusts, Foundations and Councils	142,682	<i>38,132</i>

The income from donations was £142,682 (2017 - £38,132) of which £36,195 (2017 - £9,402) was restricted and £106,487 (2017 - £28,730) 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>
	2018	<i>2017</i>
	£	<i>£</i>
Performance and Hire	116,547	<i>110,793</i>
Community Cinema	30,442	<i>34,092</i>
Bars and Catering	38,645	<i>37,123</i>
Youth Outreach	4,059	<i>3,541</i>
	189,693	<i>185,549</i>

STAG COMMUNITY ARTS CENTRE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2018

5 Investment income

All of the Charity's investment income of £82 (2017 - £138) arises from money held in the Charity's interest bearing deposit account.

6 Analysis of expenditure on charitable activities

	Theatre					
	Performance and Hire	Community Cinema	Youth Outreach	Bars and Catering	2018 Total	2017 Total
	£	£	£	£	£	£
Direct staff costs	70,551	166	-	17,513	88,230	125,355
Other direct costs	82,490	16,951	-	15,588	115,029	46,151
Depreciation	10,708	15,274	-	1,507	27,489	30,376
Amortisation	-	-	-	-	-	-
Governance	10,500	-	-	-	10,500	8,570
Support Costs	51,128	64,884	1,746	33,608	151,366	77,477
	225,377	97,275	1,746	68,216	392,614	287,929

Expenditure on charitable activities was £392,614 (2017 - £287,929) of which £37,096 (2017 - £10,303) was restricted and £355,518 (2017 - £277,626) was unrestricted.

7 Summary analysis of expenditure and related income for charitable activities

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

	Theatre					
	Performance and Hire	Community Cinema	Youth Outreach	Bars and Catering	2018 Total	2017 Total
	£	£	£	£	£	£
Costs	(225,377)	(97,275)	(1,746)	(68,216)	(392,614)	(287,929)
Hire and ticket sales	116,547	30,442	4,059	-	151,048	148,426
Food and drink sales	-	-	-	38,645	38,645	37,123
Net cost funded from other income	(108,830)	(66,833)	2,313	(29,571)	(202,921)	(102,380)

8 Analysis of support costs

	Theatre					
	Performance and Hire	Community Cinema	Youth Outreach	Bars and Catering	2018 Total	2017 Total
	£	£	£	£	£	£
Establishment expenses	18,944	16,481	678	10,262	46,365	42,298
Wages and salaries	26,111	46,665	813	20,913	94,502	26,284
Other staff costs	388	103	15	144	650	555
General office costs	5,685	1,635	240	2,289	9,849	8,340
	51,128	64,884	1,746	33,608	151,366	77,477

STAG COMMUNITY ARTS CENTRE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2018

9 Analysis of governance costs

	Unrestricted Funds 2018 £	<i>Unrestricted Funds 2017 £</i>
External auditor remuneration	10,500	8,544
Company secretarial	-	26
	<u>10,500</u>	<u>8,570</u>

10 Net income/(expenditure) for the year

	2018 £	<i>2017 £</i>
This is stated after charging:		
Depreciation	27,187	30,019
Amortisation	303	357
Hire of plant and equipment	4,200	8,400
Auditor's remuneration		
Audit fees for current year	8,000	7,500
Audit fees for previous year	-	(1,456)
Audit fees for subsidiary undertaking	2,500	2,500
	<u>2,500</u>	<u>2,500</u>

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

	2018 £	<i>2017 £</i>
Wages and salaries	428,991	413,646
Social security costs	23,366	23,133
Pension costs	3,566	3,597
	<u>455,923</u>	<u>440,376</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 £110,752 (2017 - £106,229).

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 2018**

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 38 staff (2017 - 43 staff) and the average monthly number of full time equivalent employees (including casual and part time staff) during the year were as follows:

	2018	<i>2017</i>
	Number	<i>Number</i>
Operations	16	15
Finance	3	3
Events and Marketing	4	3
	<u>23</u>	<u>21</u>

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 2017	16,242
Additions	-
Disposals	<u>(14,724)</u>
At 31 March 2018	<u>1,518</u>
Amortisation	
At 1 April 2017	15,315
Amortisation expense	303
Disposals	<u>(14,724)</u>
At 31 March 2018	<u>894</u>
Net book value	
At 31 March 2018	<u>624</u>
<i>At 31 March 2017</i>	<u>927</u>

**STAG COMMUNITY ARTS CENTRE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2018**

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

	Leasehold improvements £	Venue Fittings & Equipment £	Total £
Cost			
At 1 April 2017	71,309	179,992	251,301
Additions	15,486	12,157	27,643
Disposals	-	-	-
At 31 March 2018	<u>86,795</u>	<u>192,149</u>	<u>278,944</u>
Depreciation			
At 1 April 2017	8,224	112,376	120,600
Charge for the year	7,260	19,927	27,187
Disposals	-	-	-
At 31 March 2018	<u>15,484</u>	<u>132,303</u>	<u>147,787</u>
Net Book Value			
At 31 March 2018	<u>71,311</u>	<u>59,846</u>	<u>131,157</u>
<i>At 31 March 2017</i>	<i><u>63,085</u></i>	<i><u>67,616</u></i>	<i><u>130,701</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	
	2018	2017	2018	2017
	£	£	£	£
Trade debtors	4,715	2,178	4,715	2,178
Other debtors	5,206	4,857	5,206	4,857
Prepayments and accrued income	14,308	34,757	14,308	34,757
	<u>24,229</u>	<u>41,792</u>	<u>24,229</u>	<u>41,792</u>

18 Creditors: amounts falling due within one year

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
Trade creditors	40,634	60,529	40,634	60,529
Taxation and social security costs	32,853	27,899	32,853	27,899
Other creditors	131,817	102,038	131,817	102,038
Accruals and deferred income	57,009	40,034	57,009	40,034
	<u>262,313</u>	<u>230,500</u>	<u>262,313</u>	<u>230,500</u>

**STAG COMMUNITY ARTS CENTRE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2018**

19 Analysis of charitable funds

Analysis of movements in unrestricted funds

	Funds 1 April 2017 £	Incoming resources £	Resources expended £	Transfers £	Funds 31 March 2018 £
General Fund	27,385	1,129,057	(1,095,298)	(26,665)	34,479
Designated Dilapidations Fund	101,449	-	-	-	101,449
Designated Cinema Projector Fund	10,000	-	-	-	10,000
Designated Property Assets Fund	102,009	-	(19,265)	26,665	109,409
	240,843	1,129,057	(1,114,563)	-	255,337

Analysis of movements in unrestricted funds - previous year

	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

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 2018**

Analysis of movements in restricted fund

	Funds 1 April 2017 £	Incoming resources £	Resources expended £	Transfers £	Funds 31 March 2018 £
Fixed asset donations	2,933	7,575	(8,476)	-	2,032
Air handling system refurbishment	-	28,620	(28,620)	-	-
	<u>2,933</u>	<u>36,195</u>	<u>(37,096)</u>	<u>-</u>	<u>2,032</u>

Analysis of movements in restricted fund - previous year

	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>

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.
Air handling system refurbishment	Further refurbishment and replacement of the Air handling system was carried out in the year funded by a donation from the Zobel Charitable Trust.

STAG COMMUNITY ARTS CENTRE
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YEAR ENDED 31 MARCH 2018

20 Analysis of net assets between funds

Group

	Restricted funds	Unrestricted funds	Total funds
	£	£	£
Fixed assets	2,032	129,749	131,781
Current assets	-	387,901	387,901
Current liabilities	-	(262,313)	(262,313)
	<u>2,032</u>	<u>255,337</u>	<u>257,369</u>

Analysis of net assets between funds - previous year

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

Charity

	Restricted funds	Unrestricted funds	Total funds
	£	£	£
Fixed assets	2,032	129,849	131,881
Current assets	-	387,801	387,801
Current liabilities	-	(262,313)	(262,313)
	<u>2,032</u>	<u>255,337</u>	<u>257,369</u>

Analysis of net assets between funds - previous year

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>

**STAG COMMUNITY ARTS CENTRE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2018**

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 (2017 - £27,000) to the Charity towards general operational costs and £69,663 (2017 - £Nil) towards the continuing dilapidations and refurbishment program. 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 (2017 - £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 £73,750 (2017 - £96,649) of which £73,750 was outstanding at 31 March 2018 (2017 - £96,649).

There were no other outstanding balances with related parties as at 31 March 2018 (2017 - £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 2018

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

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
Net movement in funds	13,593	32,539	13,593	32,539
Add back amortisation charge	303	357	303	357
Add back depreciation charge	27,187	30,019	27,187	30,019
Deduct interest income shown in investing	(82)	(138)	(82)	(138)
Decrease/(increase) in stock	(399)	374	(399)	374
Decrease/(increase) in debtors	17,563	1,134	17,563	1,134
Increase/(decrease) in creditors	31,813	(17,544)	31,813	(17,544)
Net cash used in operating activities	89,978	46,741	89,978	46,741

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.