

REGISTERED NUMBER: 01844169 (England and Wales)
REGISTERED CHARITY NUMBER: 290011

EXETER PHOENIX LTD.
ANNUAL REPORT AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

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EXETER PHOENIX LTD.

YEAR END 31 MARCH 2017

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EXETER PHOENIX LTD.

YEAR END 31 MARCH 2017

COMPANY INFORMATION

Charity Name
Exeter Phoenix Ltd.

Charity Registration Number
290011

Company Registration number
1844169

Registered office
Bradinch Place
Gandy Street, Exeter
EX4 3LS

Directors
D Phillips
A Smith (resigned 17 May 2017)
A Sands
O Pearson
C Goldstraw
A Dean (appointed 18 Jan 2017)
D Coxon (appointed 18 Jan 2017)
A Carnell (appointed 18 Jan 2017)
H Noye (appointed 15 Nov 2017)

Secretary
P Cunningham

Senior Management Team
P Cunningham
J Hawkins
A Peel Cusson
M Coulson
M Burrows
N Sheterline
L Cameron Long

Secretary
Digital Manager
Visitor Services Manager
Finance Manager
Galleries Manager

Bankers
Bank of Scotland
17 Dix's Field, Exeter
EX1 1UZ

Auditors
Haines Watts Exeter LLP
3 Southernhay West, Exeter
EX1 1JG

Solicitors
Stephens & Scown
Southernhay West, Exeter
EX1 1RS

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DIRECTORS' REPORT

COMPANY NUMBER 1844169

Structure, Governance and Management

Governing Structure

The organisation is a charitable company limited by guarantee, incorporated on 29 August 1984 and registered as a charity on the 6 September 1984. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up each member is required to contribute an amount not exceeding £10.

Directors holding office in the year

For directors holding office in the year see Company Information on page 1.

Recruitment and Appointment of Board Members

The directors of the company are also charity trustees for the purposes of charity law and under the company's Articles are known as the Board of Directors. Each director serves a three year period and can be co-opted for a further three years. The Articles stipulate that the Board should contain a minimum of six directors, one of which will be nominated by Exeter City Council. During this year the nominee was Mr O Pearson. Board members are requested to provide a list of their skills and in the event of particular skills being lost due to retirements individuals are approached to offer themselves for election to the Board, either through advertisement or by recommendation.

Directors' Induction and Training

New directors are informally interviewed by a sub-committee of the Board, fully familiarised with the operation and activities of the company and supplied with a pack of documents which includes:

- The Board Profile – which sets out the obligations of Board members;
- Audited Accounts – for the latest year plus current management accounts;
- Minutes of recent Board meetings.

Organisational Structure

The company has a Board of Management with seven members which meets 10 times a year and is responsible for strategic direction, policy and financial robustness of the charity. Members have a variety of professional backgrounds relevant to the work of the charity. Also in attendance at the meetings are the Company Secretary, who is also the executive director but has no voting rights, a staff representative and the company's accountant. The day-to-day responsibility for the provision of events, activities and services is delegated to the executive director who, with the

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help of the senior management team – who form an Executive - manages and delivers the output. The Board has two sub-committees, one for staffing matters and one for corporate fundraising.

Subsidiary undertakings

Exeter Arts Trading Services Limited (EATS) is a wholly owned subsidiary. EATS operates the café and bar and all commercial trading operations carried on at the premises. It donates all of its profits to the company.

Related Parties

The company has a nominated representative from Exeter City Council on its Board. The company leases its building from the City Council. The Council is also the largest single grant provider to the organisation and a service level agreement exists between the company and them.

Pay policy for senior staff

Exeter Phoenix is committed to ensuring that we pay our staff fairly and in a way which ensures we attract and retain the right skills to have the greatest impact in delivering our charitable objectives.

There is a Finance/Staffing Sub-Committee of the Board - composed of the Chair and one other Board member - which recommends the pay for all staff and also considers annual cost of living increases. The Director and Finance attend these meetings but no members of the Executive are members of the committee. All decisions have to be ratified by the full Board.

Risk Management

The directors are continuing to carry out a detailed assessment of the risks faced by the company, both financial and non-financial. As part of this process, the directors are implementing a risk management strategy comprising of:

An annual review of the risks which the charity may face;

The establishment of systems and procedures to mitigate those risks;

The implementation of procedures designed to minimise any potential impact on the charity should any of those risks materialise.

Objective and Activities

The objects of the company are:

To promote, maintain, improve, encourage and provide public education in the arts of drama, music, singing, dance, painting, sculpture, literature, cinematography and handicrafts.

The provision of facilities in the interest of social welfare for the recreation and leisure time occupation of the public with particular regard to Exeter and its surrounding districts with the object of improving the conditions of life of the persons for whom the facilities are primarily intended.

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The company carries out the objects through the promotion of arts events and exhibitions, the provision of film and video resources, the provision of community arts services, and arts development work.

Vision and Mission

The vision of the organisation is:

Creative spaces that inspire, support and enable connections between artists and audiences.

We will deliver the vision by:

- Maintaining a regional creative hub where artists, audiences and cultural partners meet, create and thrive.
- Commissioning, hosting and developing exciting new work from the best emerging artists.
- Embracing diversity, accessibility and artistic rigour in everything we do.
- Supporting and nurturing the creative community and providing opportunities and platforms to develop its skills and talents.
- Constantly innovating and seeking ways to develop the quality and scope of a sustainable balance of cultural activity.

Achievements and Performance

Audiences

In 2016-17 we had an 24% increase in ticket sales, with more audiences coming from Devon than in past years. We had a 15% increase in new attenders, one in six of whom re-attended after their first visit. Increased capacity in our auditorium thanks to a new balcony and our new Workshop space provides greater public access to arts events.

Programme Expansion

One of our SMART objectives is to achieve a 10% increase in the number of live performances from a base line of 175 per year. In 2016 - 17 we actually presented 324 live performances and attendances were 8% up on the previous year.

Other successes during the year include:

- The new cinema, Studio 74, has increased its programme by 100% in 2016 – 17.
- BBC Radio 1 Academy - set up exclusively at across our whole building for a week. Activities included: 5 live concerts broadcast each morning live on Radio One from the auditorium; a BBC Introducing evening concert with some of the best bands from the area; Radio 1 presenters broadcasting live from the cafe bar; Workshops and Q&A sessions on music, film/TV, radio, business and social media. 8000 people attended, 64% of whom were aged 16 -19.

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- The Creative Hub - which gives a greater profile to the opportunities and artist support activity - went from strength to strength - an increased number of events giving audiences and artists the opportunity to connect and share (eg. Q&As with local filmmakers).
- This year Studio 74 hosted 43 events with added value, this included Q&As with directors and artists, post screening discussions and workshops. Examples are the BAFTA shorts tour with a Q&A from a BAFTA winning producer and an insect eating workshop after a screening of Danish documentary BUGS.

Removing the Barriers

To increase the opportunities for the public to experience and participate in arts activity across our programme, we are mindful to limit any barriers which prevent specific community groups from engaging:

- We pride ourselves on being a multi-cultural window on the world. Much of our programming includes a multi-cultural flavor and is of a highly diverse nature.
- As such, we have increased the number of relaxed and BSL-interpreted events across our programme to offer more opportunities to groups who have a more limited access to the arts, partnering for example with Encounter Theatre and Therapy in running the Audience Club, helping those with learning difficulties to socialise in an arts environment.
- We ensure affordable ticket prices across our programme (our cinema tickets are the lowest priced in Exeter).
- We continue to offer a large range of free events including, artist talks, youth arts groups and drop in sessions as well as discounted and concessionary prices.

Spaces Where Creativity Thrives

This year we have created new, beautifully designed, multifunctional spaces including our new Workshop space, and have renovated existing spaces (our Café Bar and lobby area) to improve quality of experience for all visitors.

Audience Development

Our new audience development strategy (developed from Nov 2016 and implemented from April 2017) has been chosen by box office system providers Spektrix as a case study, which means we are receiving much input, benchmarking data and training support with its development and implementation.

Taking into account each individual's relationship with the organisation (from first time booker to true advocate), we will create a tangible journey to deepen and increase frequency of contact and engagement.

Deepening Digital Engagement

We have increased access to event information by better utilising social media channels such as Storify,

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Instagram, Pinterest, Soundcloud, Vimeo, Youtube as well as Facebook and Twitter. Over the year 2016-17 the number of likes/followers to the three main platforms increased from 32,264 to 42,126.

Children & Young People

We have been making changes to our youth group, Freefall, which will provide more opportunities for those aged 15-18 to develop their skills as artists, offering more opportunities to take their Silver / Gold Arts Awards and supporting their progression as artists. We programmed 82 live events and screenings for CYP, plus held 101 sessions of digital media and art activity e.g. animation, computer coding. We have developed our relationship with Into Film, offering young people access to the cinema via Into Film national film festival, spring screening days and responding to opportunities to host specialised educational activity.

Financial Sustainability

One of our objectives is to increase resilience so that by 2018 the proportion of earned income has risen from 80% to 83%. In 2016-17 we introduced a number of measures to both reduce costs and increase earned income.

We were able to increase income in a number of areas - art class ticket sales; increased cinema ticket sales; café bar sales (and profit) and extra equipment hire. The net result is that the proportion of earned/contributed income rose from 79% to 81% over the year.

In September 2016 we made a new appointment of a Fundraising & Development Manager to develop new income streams, apply for funding and increase donations.. She has been able to apply for and secure a number of funding applications for capital and other projects. She has also been instrumental in forming a new Audience Development Group of staff and kick-starting a new Fundraising Sub Committee of the Board. Two new Board appointments were made during the year particularly to strengthen our work in this area.

Environmental Sustainability

We are dedicated to increasing our environmental sustainability and ensuring that environmental sustainability is at the core of our operations.

New developments in 2016-17:

- Development of cinema technology - installation of LANsat has allowed us to cut down on film transport, instead relying on direct downloads.
- We have now changed to the new waste collector which takes our food waste for composting. We composted 2.6 tonnes in the second half of the year
- We have produced around 11,000kWh of onsite renewable energy since solar panels were installed in late 2015.
- We have worked with the Carbon Trust and Exeter Community Energy to plan future energy-saving measures

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Financial Review

The operating surplus for the year, amounts to £29,951. After allowing for a depreciation charge of £118,706, the net outgoing resources for the year amounted to £96,009 and are dealt with as shown in the Consolidated Statement of Financial Activities on page 11. Exeter Phoenix Ltd meets the day to day running costs from generated income and grants from its funding partners.

The general support fund, which is an unrestricted fund, has a deficit of £270,641 at 31 March 2017. The fund's deficit has increased in the year due to the deficit on the unrestricted funds during the year. The directors are trying to obtain additional income streams and reviewing all of the company's expenditure with a view to recovering the position in due course.

Reserves Policy

The directors have forecast the level of unrestricted reserves needed to sustain the charity's operations over a period when its anticipated income generated from activities may be temporarily curtailed. The directors consider the most appropriate level of free reserves which should be retained is in the region of £85,000 which would represent approximately 3 months of fixed overheads. At the year end, the charity had not built up reserves to this level, but the directors continue to regularly review the budgeting and financial performance of the organisation with a view to achieving this target in due course.

Principal funding sources

Grants received – our two main funders are Exeter City Council and Arts Council England. With the former we have a service level agreement to provide a targeted programme of activity; with the latter we have an agreed programme plan.

Income from trading activities – income from our room rentals, tenants and ticket agency sales helps to underwrite the cost of our charitable work.

Events and exhibitions – the ticket income and sales commission both underpin our budgets and helps support artists

Film and Video Resource – income earned from hires and rentals enables us to support artists
Courses, classes and related activities – income from these helps us to offer concessionary rates.

Plan for Future Periods

The charity intends to continue the activities outlined above in the forthcoming years subject to satisfactory funding arrangements. After the year end we heard that we had been successful with another application for a capital grant to Arts Council England and in 2018 will be able to make some substantial improvements to the front part of the building.

Public benefit

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The directors confirm that they have complied with the duty in Section 4 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit.

We have referred to the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the directors consider how planned activities will contribute to the aims and objectives they have set.

Financial Instruments

Price risk, credit risk, and cash flow risk

The company's principle financial instruments comprise bank balances, trade creditors and trade debtors. The main purpose of these instruments is to raise funds for the company's operations and to finance these operations.

Due to the nature of the financial instruments used by the company there is no exposure to price risk. Trade debtors are managed in respect of credit and cash flow risk through policies regarding the credit offered to customers and the regular monitoring of amounts outstanding. Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

Responsibilities of the Board of Directors

The directors (who are also trustees of Exeter Phoenix Ltd. for the purposes of company law) are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable group company and of the incoming resources and application of resources, including the income and expenditure, of the charitable group 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 judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The directors 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.

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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.

Statement as to disclosure of information to auditors

We, the directors of the company who held office at the date of approval of these Financial Statements, as set out above, each confirm so far as we are aware, that:

- there is no relevant audit information of which the company's auditors are unaware; and
- we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

A resolution to re-appoint Haines Watts Exeter LLP as the company's auditors will be put to the forthcoming Annual General Meeting.

On behalf of the Board



P Cunningham – Company Secretary

Date 31-12-17

EXETER PHOENIX LTD.

YEAR END 31 MARCH 2017

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EXETER PHOENIX LTD.

We have audited the financial statements of Exeter Phoenix Ltd. for the year ended 31 March 2017 which comprise the Consolidated Group Statement of Financial Activities, the Group and the Parent Charitable Company Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities.

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 directors, as a body, in accordance with regulations made under 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 directors 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 and the charitable company's members and its directors as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the directors' responsibilities statement set out on page 7, the directors (who are also the trustees 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.

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with 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 (APB'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 company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non financial information in the Directors 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.

EXETER PHOENIX LTD.

YEAR END 31 MARCH 2017

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

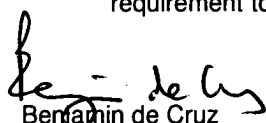
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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 and the Charities Act 2011 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the parent 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 directors 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.


Benjamin de Cruz

Senior Statutory Auditor

for and on behalf of:

Haines Watts Exeter LLP, Statutory Auditor

Haines Watts Exeter LLP
Southernhay West
Exeter
Devon
EX1 1JG

Date...22/12/17.....

EXETER PHOENIX LTD.

YEAR END 31 MARCH 2017

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Including Income and Expenditure Account)

	Notes	Unrestricted Funds £	Restricted Funds £	2017 Total Funds £	2016 Total Funds £
Income:					
Donations and legacies		4,785	-	4,785	966
<i>Income from charitable activities:</i>					
Grants receivable		217,725	77,471	295,196	637,104
Events and Exhibitions		316,626	-	316,626	315,435
Film and video resource		110,627	3,934	114,561	33,942
Courses, classes and related income		83,769	1,700	85,469	70,414
<i>Income from other trading activities:</i>					
Commercial trading operations	5	596,164	-	596,164	525,121
Other income	6	74,125	-	74,125	62,069
Total Income		1,403,821	83,105	1,486,926	1,645,051
Expenditure:					
<i>Cost of raising funds:</i>					
Commercial trading operations		(569,821)	-	(569,821)	(500,983)
<i>Expenditure on charitable activities</i>	7, 8				
Events and Exhibitions		(597,422)	(122,196)	(719,618)	(677,478)
Film and video resource		(220,531)	(37,214)	(257,745)	(180,738)
Courses, classes and related income		(23,609)	(4,888)	(28,497)	(41,461)
Governance costs	9	(7,254)	-	(7,254)	(6,606)
Total expenditure		(1,418,637)	(164,298)	(1,582,935)	(1,407,266)
Net income/ (expenditure) for the year		(14,816)	(81,193)	(96,009)	237,785
Total funds brought forward		(255,825)	965,709	709,884	472,099
Total funds carried forward		(270,641)	884,516	613,875	709,884

The statement of financial activities includes all gains and losses recognised in the year.

All incoming resources and resources expended derive from continuing activities.

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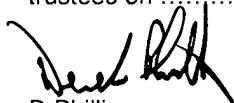
YEAR END 31 MARCH 2017

**COMPANY NUMBER 1844169
CONSOLIDATED BALANCE SHEET**

	Note	Group 2017 £	Group 2016 £	Charity 2017 £	Charity 2016 £
FIXED ASSETS					
Tangible assets	14	970,440	1,057,240	942,484	1,049,104
Investments	15	26,500	26,500	27,500	27,500
Total fixed assets		<u>996,940</u>	<u>1,083,740</u>	<u>969,984</u>	<u>1,076,604</u>
CURRENT ASSETS					
Stock		12,048	10,555	-	-
Debtors	17	48,960	56,932	73,388	71,367
Cash at hand and in bank		10,236	16,021	2,513	13,570
Total current assets		<u>71,244</u>	<u>83,508</u>	<u>75,901</u>	<u>84,937</u>
CURRENT LIABILITIES					
Creditors: amounts falling due within one year	18	(426,844)	(457,364)	(311,292)	(345,952)
Net current assets/(liabilities)		<u>(355,600)</u>	<u>(373,856)</u>	<u>(235,391)</u>	<u>(261,015)</u>
Total assets less current liabilities		<u>641,340</u>	<u>709,884</u>	<u>734,593</u>	<u>815,589</u>
Creditors: amounts falling due after more than one year	19	(27,465)	-	(15,013)	-
Net assets		<u><u>613,875</u></u>	<u><u>709,884</u></u>	<u><u>719,580</u></u>	<u><u>815,589</u></u>
Represented by:					
Unrestricted funds	20,21	(270,641)	(255,825)	(164,936)	(150,120)
Restricted funds	20,21	884,516	965,709	884,516	965,709
Total Charity funds		<u><u>613,875</u></u>	<u><u>709,884</u></u>	<u><u>719,580</u></u>	<u><u>815,589</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and with the Financial Reporting Standard for 102 (effective January 2016).

The financial statements on pages 1 to 24 were approved and authorised for issue by the trustees onand signed on their behalf by:


D Phillips
Director

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting Policies

Going concern

The company is dependent on the continuing support of its funding partners (Arts Council England and Exeter City Council) to enable it to continue operating and to meet its liabilities as they fall due.

Post year end we were successful in securing core funding from Arts Council England until March 2022. On that basis we will also be funded by Exeter City Council in future years.

The directors have in place plans to reduce costs and services, given different levels of funding. The effect of possible higher levels of grants cuts and the current economic environment provide uncertainty regarding the future, but on balance the directors believe that there will be adequate resources for the foreseeable future and consequently that it is appropriate to prepare the financial statements on a going concern basis.

The accounts do not include any adjustments which would result if continued support is not available. Such adjustments would reduce the value of the assets of Exeter Phoenix Ltd. to their realisable value and to provide for liabilities not presently included in the financial statements.

Accounting convention

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard 102 (effective January 2016) and the Companies Act 2006.

The statement of financial activities (SOFA) and balance sheet consolidate the financial statements of the charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

Group Financial Statements

These financial statements consolidate the results of the charity and its wholly owned subsidiary Exeter Arts Trading Services Limited on a line by line basis. A separate Statement of Financial Activities and Income and Expenditure Account are not presented for the charity itself following the exemption afforded by section 408 of the Companies Act 2006.

Fund Accounting

General support funds are unrestricted funds which are available for use at the discretion of the Board of Directors in the furtherance of the general objectives of the charity which have not been designated for other purposes.

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Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for the particular purposes.

Incoming Resources

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be qualified with reasonable accuracy. For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received.

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

Grants

Grants are included in the Statement of Financial Activities in the accounting year to which they relate.

Grants received in advance are shown as deferred income at the year end.

Resources Expended

All expenditure is accounted for on an accruals basis. Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure.

Overhead and other support costs not directly attributable to particular charitable activities are apportioned over the relevant activities pro rata to the value of the directly attributable costs of each category.

- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

Investments

Investments are stated at estimated market value at the balance sheet date. The Consolidated Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

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YEAR END 31 MARCH 2017

Fixed Assets

Fixed assets are included at cost less depreciation.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Computer equipment	4 years
Fixtures, fittings and equipment	3 to 10 years
Motor vehicle	4 years
Gallery café equipment	2 years
Redevelopment costs	remaining period of the lease

Stock

Stock is included at the lower of cost or net realisable value.

Leasing and hire purchase commitments

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

Assets held under hire purchase contract are capitalised in the balance sheet and are depreciated over their useful lives. The capital element of future obligations under the hire purchase contracts are included as liabilities in the balance sheet.

The interest elements of the rental obligations are charged in the Consolidated Statement of Financial Activities over the periods of the hire purchase contracts.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities and equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities

Income and Expenditure Account

The Consolidated Group Statement of Financial Activities on page 10 is considered to be equivalent to an Income and Expenditure Account and comply with the reporting requirements and consequently no separate income and expenditure statement has been prepared.

2. Income

Income represents amounts derived from the provision of goods and services which fall within the company's ordinary activities.

The income and net resources are attributable to continuing activities.

EXETER PHOENIX LTD.**YEAR END 31 MARCH 2017****3. Legal status of the Charity**

The charity is a private company limited by guarantee and has no share capital. The liability of each member in the event of winding up is £10.

4. Financial Activities of the Charity (excluding the subsidiary)

	2017 £	2016 £
Gross Incoming Resources	917,105	1,144,068
Total Expenditure on charitable activities	(1,005,860)	(901,921)
Governance costs	(7,254)	(4,362)
	<u>(96,009)</u>	<u>237,785</u>
Net outgoing resources	(96,009)	237,785
Total Funds at 1 April 2016	815,589	577,804
Total Funds at 31 March 2017	<u>719,580</u>	<u>815,589</u>
Represented by:		
Unrestricted Funds	(164,936)	(150,120)
Restricted Funds	884,516	965,709
Total net assets	<u>719,580</u>	<u>815,589</u>

5. Incoming resources generated funds

The wholly owned trading subsidiary Exeter Arts Trading Services Limited (EATS), which is incorporated in the UK, donates all of its profits to the charity. EATS operates the café and bar and all commercial trading operations carried on at the premises of the charity. The charity owns the entire share capital of EATS of 1,000 ordinary shares of £1 each. A summary of the trading results of EATS is shown below:

Results of EATS	2017 £	2016 £
Turnover	596,164	526,121
Cost of sales and administration costs	<u>(596,164)</u>	<u>(526,121)</u>
Net profit	-	-
The assets and liabilities of EATS were:		
Fixed Assets	27,956	8,136
Current assets	27,516	22,709
Current liabilities	(147,725)	(135,550)
Long term liabilities	(12,452)	-
Total net assets	<u>(104,705)</u>	<u>(104,705)</u>
Aggregate share capital and reserves	<u>104,705</u>	<u>104,705</u>

EXETER PHOENIX LTD.**YEAR END 31 MARCH 2017****6. Other Income**

	2017 £	2016 £
Theatre lettings and conferences	26,505	27,288
Box office income	25,466	18,737
Sundry	1,253	59
Membership	45	45
Property rental and maintenance recharge	20,856	15,940
Other	-	-
Interest receivable	-	-
	<u>74,125</u>	<u>62,069</u>

7. Costs of Charitable Activities

	Support Costs	Direct Staff Costs	Other Direct Costs	2017 £	2016 £
Event and exhibitions	387,743	100,206	231,669	719,618	677,478
Film and video resource	113,738	62,850	81,157	257,745	180,738
Courses, classes and related expenses	15,510	4,091	8,896	28,497	41,461
	<u>516,991</u>	<u>167,147</u>	<u>321,722</u>	<u>1,005,860</u>	<u>899,677</u>

8. Support Costs

Included in the cost of charitable activities are the following support costs:

	2017 £	2016 £
Administration and marketing salaries	220,153	204,582
Training and other staff costs	2,258	1,071
Rent	38,144	37,944
Service charge	38,550	38,550
Premises maintenance	6,590	4,087
Marketing costs	41,188	34,432
Printing, postage and stationery	7,812	8,191
Telephone	2,335	2,050
Box office costs	4,605	3,208
General insurance	8,083	9,178
Motor expense	-	14
Subscriptions	1,092	963
Hospitality	1,537	1,781
Sundries	2,068	588
Equipment hire and maintenance	8,926	9,299
Professional fees	2,735	4,293
Bank charges and interest	3,531	2,449
PAYE interest and fines	3,890	-
Hire purchase interest	4,788	1,463
Bad debts	-	348
Depreciation	<u>118,706</u>	<u>121,147</u>
	<u>516,991</u>	<u>485,638</u>

EXETER PHOENIX LTD.**YEAR END 31 MARCH 2017****9. Governance Cost**

	2017 £	2016 £
Auditors fees	7,254	6,606
	<u>7,254</u>	<u>6,606</u>

During the year the auditor charged audit fees of £5,000 (2016: £5,000) and accountancy fees of £2,254 (2016: £1,606).

10. Staff Costs

	2017 £	2016 £
Wages and salaries	365,405	335,147
Social Security costs	19,081	20,053
Pension costs	2,814	2,565
	<u>387,300</u>	<u>357,765</u>
The average weekly number of employees in the year was as follows:	<u>28</u>	<u>27</u>

No employee receives emoluments exceeding £60,000.

11. Directors Remuneration

The directors of the company did not receive any payments from the company in respect of their role as a director.

During the year ended 31 March 2017 expenses of £nil (2016 - £nil) were reimbursed to directors.

Related party transactions involving the directors are set out in note 24.

12. Net incoming/(outgoing) resources is stated after charging

	2017 £	2016 £
Depreciation of owned assets	<u>118,706</u>	<u>121,147</u>

13. Taxation

Exeter Phoenix Ltd. is an exempt charity and is eligible for the exemptions from taxation available to charities on their charitable activities. No charge to corporation tax therefore arises.

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14. Tangible Fixed Assets- Charity

	Redevelopment Costs £	Leasehold Improvements £	Fixtures, Fittings & Equipment £	Computer £	Motor Vehicles £	Total £
Cost						
At 1 April 2016	2,428,485	7,033	534,819	57,128	5,890	3,033,355
Additions	7,460	-	4,625	-	-	12,085
Disposals	-	-	-	-	(5,890)	(5,890)
At 31 March 2017	<u>2,435,945</u>	<u>7,033</u>	<u>539,444</u>	<u>57,128</u>	<u>-</u>	<u>3,039,550</u>
Depreciation						
At 1 April 2016	1,453,864	4,318	472,202	47,977	5,890	1,984,251
Charge for the year	97,441	313	17,900	3,051	-	118,705
Eliminated on disposal	-	-	-	-	(5,890)	(5,890)
At 31 March 2017	<u>1,551,305</u>	<u>4,631</u>	<u>490,102</u>	<u>51,028</u>	<u>-</u>	<u>2,097,066</u>
Net Book Value						
At 31 March 2017	<u>884,640</u>	<u>2,402</u>	<u>49,342</u>	<u>6,100</u>	<u>-</u>	<u>942,484</u>
At 31 March 2016	<u>974,621</u>	<u>2,715</u>	<u>62,617</u>	<u>9,151</u>	<u>-</u>	<u>1,049,104</u>

The company operates from a short leasehold building. The company entered into a 25 year lease from 1 April 2004 with four yearly rental reviews. Exeter City Council has purchased various fixed assets which the company uses without charge.

Tangible Fixed Assets – Group

	Redevelopment Costs £	Leasehold Improvements £	Fixtures, Fittings & Equipment £	Computer £	Motor Vehicles £	Total £
Cost						
At 1 April 2016	2,428,485	7,033	619,737	57,128	5,890	3,118,273
Additions	7,460	-	40,079	-	-	47,539
Disposals	-	-	-	-	(5,890)	(5,890)
At 31 March 2017	<u>2,435,945</u>	<u>7,033</u>	<u>659,816</u>	<u>57,128</u>	<u>-</u>	<u>3,159,922</u>
Depreciation						
At 1 April 2016	1,453,864	4,318	548,984	47,977	5,890	2,061,033
Charge for the year	97,441	313	33,534	3,051	-	134,339
Eliminated on disposals	-	-	-	-	(5,890)	(5,890)
At 31 March 2017	<u>1,551,305</u>	<u>4,631</u>	<u>582,518</u>	<u>51,028</u>	<u>-</u>	<u>2,189,482</u>
Net Book Value						
At 31 March 2017	<u>884,640</u>	<u>2,402</u>	<u>77,298</u>	<u>6,100</u>	<u>-</u>	<u>970,440</u>
At 31 March 2016	<u>974,621</u>	<u>2,715</u>	<u>70,753</u>	<u>9,151</u>	<u>-</u>	<u>1,057,240</u>

EXETER PHOENIX LTD.**YEAR END 31 MARCH 2017****15. Fixed Asset Investments**

	Works of Art £	Unlisted Investments £	Total £
Value			
At 1 April 2016	26,500	1,000	27,500
At 31 March 2017	<u>26,500</u>	<u>1,000</u>	<u>27,500</u>

The historical cost of works of art as at 31 March 2017 is £36,901.

16. Unlisted Investments

The trading subsidiary, Exeter Arts Trading Services Limited (EATS), is wholly owned by the company. The subsidiary has been valued in the accounts at the original cost of the shares. Financial figures for EATS are shown in note 5.

The investment is primarily for charitable activities.

17. Debtors

	Group		Charity	
	2017 £	2016 £	2017 £	2016 £
Trade debtors	36,354	35,764	29,202	26,755
Other debtors	7,998	15,754	7,998	15,754
Prepayments and accrued income	4,608	5,414	4,015	4,720
Amounts owed by group undertakings	-	-	32,173	24,138
	<u>48,960</u>	<u>56,932</u>	<u>73,388</u>	<u>71,367</u>

18. Creditors: Amounts falling due within one year

	Group		Charity	
	2017 £	2016 £	2017 £	2016 £
Obligations under hire purchase contracts	39,860	68,043	28,366	68,043
Trade creditors	97,978	99,225	65,814	73,172
Other taxes and social security costs	59,286	71,926	24,729	26,522
Other creditors	143,971	146,502	142,724	111,890
Accruals and deferred income	42,892	24,088	6,802	24,088
Bank overdraft and loans	42,857	47,580	42,857	42,237
Amounts owed to group undertakings	-	-	-	-
	<u>426,844</u>	<u>457,364</u>	<u>311,292</u>	<u>345,952</u>

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19. Creditors: Amounts falling due after more than one year

	Group		Charity	
	2017	2016	2017	2016
	£	£	£	£
Obligations under hire purchase contracts	27,465	-	15,013	-
	<u>27,465</u>	<u>-</u>	<u>15,013</u>	<u>-</u>

20. Analysis of Charitable funds- Group

	Total funds at 1 April 2016	Incoming resources	Resources expensed	Total funds at 31 March 2017
	£	£	£	£
Unrestricted funds				
General funds	(255,825)	1,403,821	(1,418,637)	(270,641)
Restricted funds				
Capital Redevelopment	946,919	10,000	(97,756)	859,163
Other	18,790	73,105	(66,542)	25,353
Total funds	<u>709,884</u>	<u>1,486,926</u>	<u>(1,582,935)</u>	<u>613,875</u>

Analysis of Charitable funds- Charity

	Total funds at 1 April 2016	Incoming resources	Resources expensed	Total funds at 31 March 2017
	£	£	£	£
Unrestricted funds				
General funds	(150,120)	834,000	(848,816)	(164,936)
Restricted funds				
Capital Redevelopment	946,919	10,000	(97,756)	859,163
Other	18,790	73,105	(66,542)	25,353
Total funds	<u>815,589</u>	<u>917,105</u>	<u>(1,013,114)</u>	<u>719,580</u>

The restricted funds are primarily represented by a capital redevelopment project funded by the lottery for the redevelopment of the building. The purpose of the fund was to pay for the building of the auditorium, media centre, bar area and other general refurbishments. As a condition of the fund, the company is restricted in its use of the building to its charitable purposes for at least another seven years.

The general funds reserve represents the free funds of the charitable company which are not designated for particular use.

During the year a further grant was made by the Arts Council England in order to increase capacity and extend the facilities provided.

EXETER PHOENIX LTD.**YEAR END 31 MARCH 2017****21. Analysis of group net assets between funds**

	Tangible fixed assets £	Investment assets £	Net current assets/liabilities £	Long term liabilities £	Total £
Unrestricted funds					
General funds	83,398	-	(354,039)	-	(270,641)
Restricted funds					
Capital redevelopment	887,042	26,500	(54,379)	-	859,163
Other	-	-	25,353	-	25,353
Total net assets	<u>970,440</u>	<u>26,500</u>	<u>(383,065)</u>	<u>-</u>	<u>613,875</u>

Analysis of charity net assets between funds

	Tangible fixed assets £	Investment assets £	Net current assets/liabilities £	Long term liabilities £	Total £
Unrestricted funds					
General funds	55,442	-	(220,378)	-	(164,936)
Restricted funds					
Capital redevelopment	887,042	27,500	(55,379)	-	859,163
Other	-	-	25,353	-	25,353
Total net assets	<u>942,484</u>	<u>27,500</u>	<u>(250,404)</u>	<u>-</u>	<u>719,580</u>

22. Other financial commitments

	2017 £	2016 £
Over 5 years	456,288	521,472
	<u>456,288</u>	<u>521,472</u>

The annual amount due in respect of rent and service charges on Bradninch Place for 2016/17 is £65,184. Exeter City Council has agreed to pay a grant of £65,184 in that year. The lease expires on 31 March 2024. These costs are grant aided in full by Exeter City Council.

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YEAR END 31 MARCH 2017

23. Related party transactions

Exeter City Council

The company has a nominated representative from Exeter City Council on its Board. The company leases its building from the City Council. The rent and service charge charged during the year totalled £76,490 (2016 - £76,490). The Council is also a grant provider to the organisation granting £92,000 (2016 - £92,000) and a service level agreement exists between the Council and the company totalling £65,184 (2016 - £65,184).

Western Event Hire Limited

A company controlled by A Phillips, the son of D Phillips who is a director of Exeter Phoenix. During the year Western Event Hire Limited received £279 for hire of equipment.

O Pearson

A director of Exeter Phoenix. During the year O Pearson received £1,400 in tutor fees from the company.

24. First year adoption

The date of transition to FRS 102 was 1 April 2015. There were no changes to accounting policies or adjustments to comparative figures as a result of transition to FRS 102.