

EXETER PHOENIX LTD.
ANNUAL REPORT AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014
COMPANY NUMBER 1844169



EXETER PHOENIX LTD.

YEAR END 31 MARCH 2014

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

| | |
|---------------|------------------------------|
| Mr D Phillips | Chair |
| Mr N Howells | |
| Mr A Smith | |
| Mr A Sands | |
| Mr O Pearson | (Appointed 7 September 2013) |
| Ms M Street | (Appointed 20 November 2013) |
| Ms R Denham | (Resigned 17 July 2013) |
| Mr P Ellis | (Resigned 15 January 2014) |
| Mr J Sealey | (Resigned 15 January 2014) |

Secretary

Mr P Cunningham

Senior Management Team

| | |
|--------------------------|--------------------------|
| Mr P Cunningham | Director |
| Mr J Hawkins | Digital Manager |
| Ms Anna-Ruth Peel Cusson | Visitor Services Manager |
| Ms Kelly Johnson | Marketing Manager |
| Ms Milly Coulson | Finance Manager |
| Mr Matt Burrows | Galleries Manager |

Bankers

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

Auditors

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

Accountants

Sheppard, Rockey & Williams Limited
Sannerville Chase, Exminster,
Exeter
EX6 8AT

Solicitors

Stephens & Scown
Southernhay West, Exeter
EX1 1RS

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YEAR END 31 MARCH 2014

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. No directors are due to retire this year. 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 Ms R. Denham. During the year there were a total of seven directors. 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.

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.

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YEAR END 31 MARCH 2014

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 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.

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.

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.

Achievements and Performance

The Exeter Phoenix is now firmly established as the multi-purpose arts and media venue in the South West. Throughout the year the Phoenix hosts a range and depth of music, theatre, dance, visual arts, literature and film events unrivalled in the region. During the year we increased our programme of activity. We had a target of 213 ticketed theatre, dance, music and film events for

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YEAR END 31 MARCH 2014

the year and achieved 475 events (previous year – 334) for over 58,000 customers (previous year - 48,000+), across four performance spaces, our highest ever annual figure. In addition, we staged an increasing number of free entry concerts, performances and screenings (95). We also mounted 52 exhibitions and related events across our four gallery spaces

Alongside these events the lifelong learning resource provided throughout the workshop programme continues to flourish and expand, providing increased opportunities for all ages. The Digital Media Centre continues to expand the range of courses and facilities that it offers and also offers more opportunities, mentoring and support to film makers and those working in the creative industries.

Largely the work of partner organisations, the new facilities in the basement – a radio station, music recording and rehearsal studios, printmaking studios and four studio/workspaces for artists – have proved to be very successful and greatly used.

In addition, the increased involvement in, and creation of, new festivals and partnership projects by the Phoenix has helped to greatly enrich the cultural life of the city and region. We were involved with 10 different festivals during the year, ranging from our own Two Short Nights film festival to the city-wide Unexpected Exeter and including two relatively new ones originated by ourselves – Acoustica and Laugh Out Loud – that were into their fifth year, their success ensuring their longevity.

Financial Review

The operating surplus for the year, before depreciation, amounts to £13,719. After allowing for a depreciation charge of £94,712, the net outgoing resources for the year amounted to £80,993 and are dealt with as shown in the Consolidated Statement of Financial Activities on page 9. Exeter Phoenix 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 £192,913 at 31 March 2014. The fund's deficit has reduced in the year due to the surplus 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

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YEAR END 31 MARCH 2014

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.

Principle funding sources

Grants received – our two main funders are Exeter City Council and Arts 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. Since the year end we have successfully secured funding from both for a three year period starting in April 2015.

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

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

Film & 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. Plans are in hand to further increase the company's facilities in various parts of the building and expand activities in partnership with other organisations, both inside and outside the building.

Public benefit

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 guidance on 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.

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YEAR END 31 MARCH 2014

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 regulations.

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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YEAR END 31 MARCH 2014

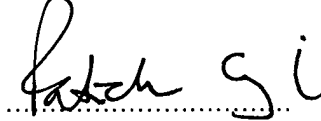
Statement as to disclosure of information to auditors

So far as we are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) 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
Secretary

Date 18-12-14

EXETER PHOENIX LTD.

YEAR END 31 MARCH 2014

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 2014 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. 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 and the charitable company's members 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 pages 6 and 7, the directors 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 report in accordance with this Act. 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 2014

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 2014 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.

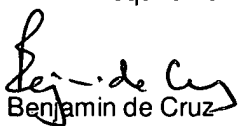
Opinion on other matter prescribed by the Companies Act 2006

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 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...18/12/2014.....

EXETER PHOENIX LTD.

YEAR END 31 MARCH 2014

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

| | Notes | Unrestricted Funds £ | Restricted Funds £ | 2014 Total Funds £ | 2013 Total Funds £ |
|---|-------|----------------------------|--------------------------|-----------------------------|-----------------------------|
| INCOMING RESOURCES | | | | | |
| Incoming resources from generated funds | | | | | |
| Voluntary income: | | | | | |
| Grants receivable | | 233,952 | 73,734 | 307,686 | 312,013 |
| Activities for generating funds: | | | | | |
| Income from Trading Activities | | 548,862 | | 548,862 | 545,021 |
| Other income | 6 | 73,922 | | 73,922 | 66,848 |
| Incoming resources from charitable activities | | | | | |
| Events and Exhibitions | | 342,919 | 4,200 | 347,119 | 254,378 |
| Film and Video resource | | 26,050 | | 26,050 | 23,136 |
| Courses, classes and related activities | | 98,716 | | 98,716 | 96,031 |
| Total incoming resources | | 1,324,421 | 77,934 | 1,402,355 | 1,297,427 |
| RESOURCES EXPENDED | | | | | |
| | 7, 8 | | | | |
| Cost of generating funds | | | | | |
| Commercial trading operations | | (537,273) | | (537,273) | (509,371) |
| Charitable activities | | | | | |
| Events and Exhibitions | | (592,175) | (123,185) | (715,360) | (668,736) |
| Film and video resource | | (126,820) | (40,334) | (167,154) | (165,649) |
| Courses, classes and related income | | (52,160) | (4,927) | (57,087) | (48,406) |
| | | (1,308,428) | (168,446) | (1,476,874) | (1,392,162) |
| Governance costs | 9 | (6,474) | | (6,474) | (3,525) |
| Total resources expended | | (1,314,902) | (168,446) | (1,483,348) | (1,395,687) |
| RECONCILIATION OF FUNDS | | | | | |
| Net income/ (expenditure) for the year | | 9,519 | (90,512) | (80,993) | (98,260) |
| Total funds at 1 April 2013 | | (202,450) | 906,240 | 703,790 | 802,050 |
| Total funds at 31 March 2014 | | (192,931) | 815,728 | 622,797 | 703,790 |

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

All incoming resources and resources expended derive from continuing activities.

EXETER PHOENIX LTD.

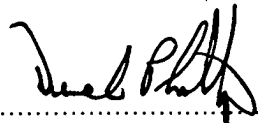
YEAR END 31 MARCH 2014

**COMPANY NUMBER 1844169
BALANCE SHEETS**

| | Note | Group 2014 £ | Group 2013 £ | Charity 2014 £ | Charity 2013 £ |
|--|-------|-----------------------|-----------------------|-----------------------|-----------------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 14 | 910,128 | 1,013,753 | 887,297 | 979,622 |
| Investments | 15 | 26,500 | 26,500 | 27,500 | 27,500 |
| Total fixed assets | | <u>936,628</u> | <u>1,040,253</u> | <u>914,797</u> | <u>1,007,122</u> |
| CURRENT ASSETS | | | | | |
| Stock | | 9,694 | 6,710 | - | - |
| Debtors | 17 | 77,770 | 98,015 | 104,339 | 117,672 |
| Cash at hand and in bank | | 4,466 | 5,491 | 1,992 | 1,932 |
| Total current assets | | <u>91,930</u> | <u>110,216</u> | <u>106,331</u> | <u>119,604</u> |
| CURRENT LIABILITIES | | | | | |
| Creditors: amounts falling due within one year | 18 | (404,364) | (437,326) | (314,736) | (339,341) |
| Net current assets/(liabilities) | | <u>(312,434)</u> | <u>(327,110)</u> | <u>(208,405)</u> | <u>(219,737)</u> |
| Total assets less current liabilities | | <u>624,194</u> | <u>713,143</u> | <u>706,392</u> | <u>787,385</u> |
| Creditors: amounts falling due after more than one year | 19 | (1,397) | (9,353) | - | - |
| Net assets | | <u><u>622,797</u></u> | <u><u>703,790</u></u> | <u><u>706,392</u></u> | <u><u>787,385</u></u> |
| Represented by: | | | | | |
| Unrestricted funds | 21,22 | (192,931) | (202,450) | (109,336) | (118,855) |
| Restricted funds | 21,22 | 815,728 | 906,240 | 815,728 | 906,240 |
| Total Charity funds | | <u><u>622,797</u></u> | <u><u>703,790</u></u> | <u><u>706,392</u></u> | <u><u>787,385</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 Smaller Entities (effective April 2008).

The financial statements on pages 1 to 21 were approved and authorised for issue by the trustees on 18.12.2014 and signed on their behalf by:



D Phillips
Director

EXETER PHOENIX LTD.

YEAR END 31 MARCH 2014

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 South West and Exeter City Council) to enable it to continue operating and to meet its liabilities as they fall due.

The two main funders Exeter City Council and Arts England have committed funding until March 2018. Whilst the funding levels have not been finalised for 2016/17 and 2017/18, the directors believe that it will be at levels sufficient to meet the needs of the company.

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 in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" published in 2005 and the Financial Reporting Standard for Smaller Entities (effective April 2008).

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 and paragraph 397 of the SORP (2005).

EXETER PHOENIX LTD.

YEAR END 31 MARCH 2014

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.

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.

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YEAR END 31 MARCH 2014

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.

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.

EXETER PHOENIX LTD.

YEAR END 31 MARCH 2014

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.

3. Legal status of the Charity

The charity is a 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)

| | 2014 £ | 2013 £ |
|--|-----------------|-----------------|
| Gross Incoming Resources | 865,082 | 788,051 |
| Total Expenditure on charitable activities | (939,601) | (882,791) |
| Governance costs | (6,474) | (3,525) |
| | <u>(80,993)</u> | <u>(98,265)</u> |
| Net outgoing resources | (80,993) | (98,265) |
| Total Funds at 1 April 2013 | 787,385 | 885,650 |
| Total Funds at 31 March 2014 | <u>706,392</u> | <u>787,385</u> |
| Represented by: | | |
| Unrestricted Funds | (109,336) | (118,855) |
| Restricted Funds | 815,728 | 906,240 |
| Total net assets | <u>706,392</u> | <u>787,385</u> |

EXETER PHOENIX LTD.**YEAR END 31 MARCH 2014****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 | 2014 | 2013 |
|---|-----------------|-----------------|
| | £ | £ |
| Turnover | 548,862 | 545,021 |
| Cost of sales and administration costs | (537,273) | (509,371) |
| Net profit | <u>11,589</u> | <u>35,650</u> |
| The assets and liabilities of EATS were: | | |
| Fixed Assets | 22,831 | 34,131 |
| Current assets | 11,902 | 42,712 |
| Current liabilities | (115,934) | (150,089) |
| Long term liabilities | (1,398) | (9,353) |
| Total net assets | <u>(82,599)</u> | <u>(82,599)</u> |
| Aggregate share capital and reserves | <u>(82,599)</u> | <u>(82,599)</u> |

6. Other Income

| | 2014 | 2013 |
|--|---------------|---------------|
| | £ | £ |
| Theatre lettings and conferences | 24,614 | 23,689 |
| Box office income | 19,984 | 17,457 |
| Sundry | 5,437 | 4,150 |
| Membership | 45 | 63 |
| Property rental and maintenance recharge | 23,842 | 18,387 |
| Property utility cost recharge | - | 3,102 |
| Interest receivable | - | - |
| | <u>73,922</u> | <u>66,848</u> |

7. Costs of Charitable Activities

| | Support Costs | Direct Staff Costs | Other Direct Costs | 2014 | 2013 |
|---------------------------------------|----------------------|---------------------------|---------------------------|----------------|----------------|
| | | | | £ | £ |
| Event and exhibitions | 363,929 | 82,288 | 269,143 | 715,360 | 668,736 |
| Film and video resource | 106,752 | 41,605 | 18,797 | 167,154 | 165,649 |
| Courses, classes and related expenses | 14,557 | 18,507 | 24,023 | 57,087 | 48,406 |
| | <u>485,238</u> | <u>142,400</u> | <u>311,963</u> | <u>939,601</u> | <u>882,791</u> |

EXETER PHOENIX LTD.

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8. Support Costs

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

| | 2014 £ | 2013 £ |
|---------------------------------------|----------------|----------------|
| Administration and marketing salaries | 219,370 | 225,023 |
| Training and other staff costs | 1,580 | 1,143 |
| Rent | 37,944 | 45,145 |
| Service charge | 38,446 | 31,345 |
| Light and heat | - 1,270 | - |
| Water rates | - 1,211 | - |
| Premises maintenance | 1,691 | 4,633 |
| Marketing costs | 38,646 | 35,562 |
| Printing, postage and stationery | 11,932 | 11,642 |
| Telephone | 2,124 | 2,786 |
| Box office costs | 3,906 | 6,650 |
| General insurance | 6,019 | 5,668 |
| Motor expense | - | 170 |
| Subscriptions | 686 | 67 |
| Hospitality | 3,596 | 3,072 |
| Sundries | 755 | 1,337 |
| Equipment hire and maintenance | 7,543 | 10,589 |
| Professional fees | 16,709 | 13,337 |
| Bank charges and interest | 1,263 | 3,720 |
| Hire purchase interest | - | 600 |
| Bad debts | 797 | 2,777 |
| Depreciation | 94,712 | 95,516 |
| | <u>485,238</u> | <u>500,782</u> |

9. Governance Costs

| | 2014 £ | 2013 £ |
|---------------------------|--------------|--------------|
| Audit and accountancy fee | 6,474 | 3,525 |
| | <u>6,474</u> | <u>3,525</u> |

10. Staff Costs

| | 2014 £ | 2013 £ |
|--|----------------|----------------|
| Wages and salaries | 338,881 | 346,978 |
| Social Security costs | 22,889 | 23,856 |
| | <u>361,770</u> | <u>370,834</u> |
| The average weekly number of employees in the year was as follows: | <u>27</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 2014 expenses of £nil (2013 - £nil) were reimbursed to Directors.

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

EXETER PHOENIX LTD.**YEAR END 31 MARCH 2014****12. Net incoming/(outgoing) resources is stated after charging**

| | 2014 £ | 2013 £ |
|---|-----------|-----------|
| Auditors' remuneration | 6,474 | 3,525 |
| Depreciation of owned assets | 109,053 | 111,448 |
| Depreciation of assets held under hire purchase contracts | - | - |
| Operating lease rentals - other equipment | - | - |

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.

14. Tangible Fixed Assets- Charity

| | Redevelopment Costs £ | Leasehold Improvements £ | Fixtures, Fittings & Equipment £ | Computer £ | Motor Vehicles £ | Total £ |
|-----------------------|-----------------------------|--------------------------------|--|---------------|------------------------|------------------|
| Cost | | | | | | |
| At 1 April 2013 | 2,131,896 | 7,033 | 464,759 | 44,928 | 5,890 | 2,654,506 |
| Additions | - | - | 2,387 | - | - | 2,387 |
| At 31 March 2014 | <u>2,131,896</u> | <u>7,033</u> | <u>467,146</u> | <u>44,928</u> | <u>5,890</u> | <u>2,656,893</u> |
| Depreciation | | | | | | |
| At 1 April 2013 | 1,184,778 | 3,379 | 436,019 | 44,818 | 5,890 | 1,674,884 |
| Charge for the year | 85,280 | 313 | 9,010 | 109 | - | 94,712 |
| At 31 March 2014 | <u>1,270,058</u> | <u>3,692</u> | <u>445,029</u> | <u>44,927</u> | <u>5,890</u> | <u>1,769,596</u> |
| Net Book Value | | | | | | |
| At 31 March 2014 | <u>861,838</u> | <u>3,341</u> | <u>22,117</u> | <u>1</u> | <u>-</u> | <u>887,297</u> |
| At 31 March 2013 | <u>947,118</u> | <u>3,654</u> | <u>28,740</u> | <u>110</u> | <u>-</u> | <u>979,622</u> |

Included above are Fixtures, fittings and equipment held under hire purchase contracts with a net book value of £nil (2013 £nil) and total depreciation charge of £nil (2013 £nil).

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.

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Tangible Fixed Assets – Group

| | Redevelopment Costs £ | Leasehold Improvements £ | Fixtures, Fittings & Equipment £ | Computer £ | Motor Vehicles £ | Total £ |
|-----------------------|-----------------------------|--------------------------------|--|---------------|------------------------|------------------|
| Cost | | | | | | |
| At 1 April 2013 | 2,131,896 | 7,033 | 541,788 | 44,928 | 5,890 | 2,731,535 |
| Additions | - | - | 5,428 | - | - | 5,428 |
| At 31 March 2014 | <u>2,131,896</u> | <u>7,033</u> | <u>547,216</u> | <u>44,928</u> | <u>5,890</u> | <u>2,736,963</u> |
| Depreciation | | | | | | |
| At 1 April 2013 | 1,184,778 | 3,379 | 478,917 | 44,818 | 5,890 | 1,717,782 |
| Charge for the year | 85,280 | 313 | 23,351 | 109 | - | 109,053 |
| At 31 March 2014 | <u>1,270,058</u> | <u>3,692</u> | <u>502,268</u> | <u>44,927</u> | <u>5,890</u> | <u>1,826,835</u> |
| Net Book Value | | | | | | |
| At 31 March 2014 | <u>861,838</u> | <u>3,341</u> | <u>44,948</u> | <u>1</u> | <u>-</u> | <u>910,128</u> |
| At 31 March 2013 | <u>947,118</u> | <u>3,654</u> | <u>62,871</u> | <u>110</u> | <u>-</u> | <u>1,013,753</u> |

15. Fixed Asset Investments

| | Works of Art £ | Unlisted Investments £ | Total £ |
|------------------|-------------------|------------------------------|---------------|
| Value | | | |
| At 1 April 2013 | 26,500 | 1,000 | 27,500 |
| At 31 March 2014 | <u>26,500</u> | <u>1,000</u> | <u>27,500</u> |

The historical cost of works of art as at 31 March 2014 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.

17. Debtors

| | Group | | Charity | |
|------------------------------------|---------------|---------------|----------------|----------------|
| | 2014 £ | 2013 £ | 2014 £ | 2013 £ |
| Trade debtors | 44,382 | 77,133 | 36,762 | 56,889 |
| Other debtors | 28,754 | 16,140 | 28,754 | 32,595 |
| Prepayments and accrued income | 4,634 | 4,742 | 2,995 | 1,419 |
| Amounts owed by group undertakings | - | - | 35,828 | 26,769 |
| | <u>77,770</u> | <u>98,015</u> | <u>104,339</u> | <u>117,672</u> |

EXETER PHOENIX LTD.**YEAR END 31 MARCH 2014****18. Creditors: Amounts falling due within one year**

| | Group | | Charity | |
|---|----------------|----------------|----------------|----------------|
| | 2014 | 2013 | 2014 | 2013 |
| | £ | £ | £ | £ |
| Obligations under hire purchase contracts | 7,957 | 7,957 | - | - |
| Trade creditors | 105,667 | 112,445 | 76,301 | 72,117 |
| Other taxes and social security costs | 28,585 | 11,223 | 26,675 | 6,748 |
| Other creditors | 149,171 | 188,394 | 148,997 | 175,794 |
| Accruals and deferred income | 24,601 | 27,078 | 12,202 | 15,627 |
| Bank overdraft and loans | 62,125 | 54,945 | 50,561 | 54,617 |
| Amounts owed to group undertakings | - | - | - | - |
| VAT | 26,258 | 35,284 | - | 14,438 |
| | <u>404,364</u> | <u>437,326</u> | <u>314,736</u> | <u>339,341</u> |

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

| | Group | | Charity | |
|---|--------------|--------------|----------|----------|
| | 2014 | 2013 | 2014 | 2013 |
| | £ | £ | £ | £ |
| Obligations under hire purchase contracts | 1,397 | 9,353 | - | - |
| Bank loan | - | - | - | - |
| | <u>1,397</u> | <u>9,353</u> | <u>-</u> | <u>-</u> |

20. Secured Debts

The following secured debts are included within creditors:

| | Group | | Charity | |
|---|--------------|---------------|----------|----------|
| | 2014 | 2013 | 2014 | 2013 |
| | £ | £ | £ | £ |
| Obligations under hire purchase contracts | 9,354 | 17,310 | - | - |
| | <u>9,354</u> | <u>17,310</u> | <u>-</u> | <u>-</u> |

EXETER PHOENIX LTD.**YEAR END 31 MARCH 2014****21. Analysis of Charitable funds- Group**

| | Total funds at 1 April 2013 £ | Incoming resources £ | Resources expensed £ | Total funds at 31 March 2014 £ |
|---------------------------|--|-------------------------------------|-------------------------------------|---|
| Unrestricted funds | | | | |
| General funds | (202,450) | 1,324,421 | (1,314,902) | (192,931) |
| Restricted funds | | | | |
| Capital Redevelopment | 879,516 | - | (85,280) | 794,236 |
| Other | 26,724 | 77,934 | (83,166) | 21,492 |
| Total funds | 703,790 | 1,402,355 | (1,483,348) | 622,797 |

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.

22. Analysis of group net assets between funds

| | Tangible fixed assets £ | Investment assets £ | Net current assets/liabilities £ | Long term liabilities £ | Total £ |
|---------------------------|--|------------------------------------|---|--|--------------------|
| Unrestricted funds | | | | | |
| General funds | 115,892 | - | (307,426) | (1,397) | (192,931) |
| Restricted funds | | | | | |
| Capital redevelopment | 767,736 | 26,500 | - | - | 794,236 |
| Other | - | - | 21,492 | - | 21,492 |
| Total net assets | 883,628 | 26,500 | (285,934) | (1,397) | 622,797 |

23. Other financial commitments

| | 2014 £ | 2013 £ |
|--------------|-------------------|-------------------|
| Over 5 years | 65,184 | 65,184 |
| | <u>65,184</u> | <u>65,184</u> |

The annual amount due in respect of rent and service charges on Bradninch Place for 2014/15 is £65,184. Exeter City Council has agreed to pay a grant of £65,184 in that year. The lease expires on 6 May 2024.

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YEAR END 31 MARCH 2014

24. Related party transactions

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 (2013 £76,490). The Council is also a grant provider to the organisation granting £108,238 (2013 £108,238) and a service level agreement exists between the Council and the company totalling £65,184 (2013 £65,184).

Mr O Pearson, a director of the company, is a web design tutor at Exeter Phoenix Ltd. During the year Mr O Pearson charged £1,420 for these services. At the balance sheet date the amount due to Mr O Pearson was £280.