

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 2019

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EXETER PHOENIX LTD.

YEAR END 31 MARCH 2019

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EXETER PHOENIX LTD.

YEAR END 31 MARCH 2019

COMPANY INFORMATION

Charity Name

Exeter Phoenix Ltd.

Charity Registration Number

290011

Company Registration number

1844169

Registered office

Bradninch Place
Gandy Street, Exeter
EX4 3LS

Directors

D Phillips
A Sands
O Pearson
C Goldstraw – Resigned on 21 November 2018
A Dean
D Coxon
A Carnell – Resigned on 26 September 2018
H Noye

Secretary

P Cunningham

Senior Management Team

P Cunningham	Secretary
J Hawkins	Digital Manager
A Peel Cusson	Visitor Services Manager
M Coulson	Finance Manager
M Burrows	Galleries Manager
R Wolkers	Technical Manager
L Cameron Long	Fundraiser

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

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 a maximum of eight members which meets six 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

EXETER PHOENIX LTD.

YEAR END 31 MARCH 2019

and delivers the output. The Board has two sub-committees, one for finance matters and one for fundraising/development.

Subsidiary undertakings

Exeter Arts Trading Services Limited (EATS) (company number 06280657) 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.

EXETER PHOENIX LTD.

YEAR END 31 MARCH 2019

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

Headline Achievements

- Completing a £243k capital project to improve the front entrance, galleries and box office/reception facilities.
- The number of first time bookers increased by 8%, 1 in 7 of whom re-attended after their first visit.
- Establishing a satellite performance rehearsal space, MakeTank.
- We expanded and diversified our programme in a number of ways, including:

Removing the Barriers

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

Activities and initiatives during the year included:

- We continue to offer the broadest range of artistic events and activity of any creative organisation in the city spanning contemporary art, live music, DJs, cinema, theatre, dance, comedy, talks, creative courses, family events and more – appealing to the widest possible audiences and demographic.
- This year our cinema, Studio 74, hosted more events with added value including Q&As with film makers, post-screening discussions, workshops and short films and continued to broaden its audience eg partnering with Exeter Pride to present Cine Queer – a season of LGBT+ screenings and events.

EXETER PHOENIX LTD.

YEAR END 31 MARCH 2019

- Our contemporary art programme included talks and workshops from artists to give a richer experience of our exhibitions.
- We created and shared visual story guides ahead of our relaxed performances to ensure the best possible experience.
- We increased engagement with the least engaged by offering ticket discounts, outreaching and group discounts to local groups, win ticket competitions and improving the quality of the experience through building renovations.
- During the year we instigated a review of our Marketing Strategy in order to ensure that the activity and processes of the marketing department are fit for purpose and able to service our increased programme, improved building and artistic ambition.

Broadening & Diversifying Audiences & Activity

Examples of ways we increased diversity during the year include:

- Come As You Are – a weekend of LGBT+-focussed performances and workshops in partnership with Camden Peoples Theatre
- A new regular LGBT+ Open Mic and Social event
- Mental Health Awareness Week – a week of events in May – with workshops, music, poetry and other events
- Animation Plus Project - during the year we worked with young people with autism who wished to develop their animation skills in a group that reflected their specific ability and social interaction levels and to give their parents respite time. We plan to extend this model to other groups.
- Women of the World (WOW) festival in October
- Exeter Pride – the region's largest LGBT+ festival, centred in and around our building
- Discounted cinema tickets for under 25's
- Partnering with our tenant Magic Carpet on disability-led events
- A diverse programme of contemporary art exhibitions that platform work from young, female and disabled artists
- Our extremely diverse live programme, which extensively features the best of touring BME artists from across the world eg US bluesman Jerron Blind Boy Paxton and Mongolian musicians Anda Union as well as a wide range of female artists such as Pussy Riot, Natalie Merchant and Josie Long.

Developing Talent

Examples of ways in which we helped to develop talent during the year include:

- As part of the Creative Hub we had six artists or companies as Associate Artists during the year – providing a framework for working with artists and to support the next steps in their career.
- In addition, we have supported the development of a new network, Filmmakers Lab, which aims to offer skills-building and events for the film making community in the south west.
- We have supported experimental photographer Brendan Barry as he develops community photography models particularly aimed at young people and with Preston St Union – a group of visual artists exploring models of collaborative practice by providing meeting/rehearsal space, advice and feedback.

- MakeTank – in February we launched a short term artist-led performance production space in a disused city centre shop space in partnership with theatre makers. We are using this as an R&D project to prove the need for a more permanent facility – one that ties in with ambitions for a nationally significant artistic talent development programme.

Improving the Depth and Quality of the Audience Experience

- This year our cinema Studio 74 hosted more events with added value including Q&As with film makers, post-screening discussions, workshops and short films.
- Our contemporary art programme included talks and workshops from artists to give a richer experience of our exhibitions.
- We utilised social media to share interviews with artists and performers and share content to improve the experience of our events.
- We create and share visual story guides ahead of our relaxed performances to ensure the best possible experience.

Deepening Digital Engagement

- Over the year 2018-19 the number of likes/followers to our three main social media platforms increased by 10%.
- We utilised social media to share interviews with artists and performers and shared content to improve the experience of our events.

Children & Young People

- During the year we staged 44 performances specifically by and for children and young people, including two relaxed performances and two BSL-signed.
- Amongst other activity we particularly run two general youth art groups. They actively encourage participation from CYP from all walks of life and all abilities to meet, share and explore the arts together, bolstering self-confidence and creative thinking as well as an ownership and enjoyment of cultural activity.
- Freefall is open to 13-16 year olds, weekly during term time. We are consistently full (15) and have a waiting list to join the group, which has a good mix of young people from different backgrounds including those from less affluent areas of the city - people who struggle to access mainstream education, as well as young people with a number of mental health issues such as anxiety. Participants have noted that being part of Freefall has helped them in a number of ways, including offering a non-judgemental safe space to express themselves and a place to make lasting friendships.
- We are an accredited Arts Award Centre, and each year we aim to support at least 6 young people to achieve their Arts Award. This year 6 young people were completing their Bronze and Silver Arts Awards.
- Freefall+ is a new weekly group for up to 20 18-25 year old school leavers with special educational needs, delivered in partnership with local disability charity, The Pelican Project. The sessions are specifically for young adults with disabilities, providing them with high quality experiences and tuition in various art forms. We have had extremely positive feedback about the impact on their lives so far. As part of the project, 6th form students were invited to join the sessions, promoting integration between young people with disabilities and mainstream students, helping to address the feelings of isolation.

Financial Sustainability

We successfully completed a £243k capital project during the year, funds raised from a mix of successful grant applications (including £187k from Arts Council England) and crowd funding. We were able to transform our main gallery spaces at the front of the building, provide a better customer reception experience, invested in digital screen technology, renew the auditorium seating and replace out-dated toilet facilities. In so doing we were also able re-configure space in such way that we created an extra office space for rent. Together these works have massively upgraded the visitor and audience experience and the attractiveness of the building as a destination and we have received lots of plaudits for the work.

Environmental Sustainability

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

New developments in 2018 - 19 included:

- We installed more LED lighting as part of our capital development project. Due to this, we have seen a reduction in our energy usage of some 3,000 kWh per month.
- We also completed an Energy Consumption Audit to identify ways of reducing our carbon footprint. One measure contributed by the capital project was a glass entrance vestibule to reduce heat loss from our Foyer as well as new LED lighting.
- We are dedicated to environmental sustainability in all areas of our work; in our internal practices, considered artistic programming, recognition of our position as a leading cultural hub for the community, and the responsibility we carry with that position.
- Our staff members are encouraged to use environmentally friendly means of travelling to work; walking, cycling, or using public transport.
- We re-use as many materials as possible, and recycle our used cans, plastics, glass, paper, cardboard, batteries, and chip oil.
- We value environmental awareness in the local community, and do our best to welcome and promote environmentally-focussed initiatives and events in the building

Financial Review

The operating surplus for the year, amounts to £243,026. After allowing for a depreciation charge of £147,401, the net incoming resources for the year amounted to £95,625 and are dealt with as shown in the Consolidated Statement of Financial Activities on page 14. 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 £353,022 at 31 March 2019. 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

EXETER PHOENIX LTD.

YEAR END 31 MARCH 2019

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 three year funding 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.

Statement on fundraising activities

In carrying out its fundraising activities the charity has not behaved unreasonably towards vulnerable people or any other members of the public.

Disabled persons

The charity operates an Equal Opportunities Policy for its staff, users and audiences, which includes the following provisions governing the employment of disabled persons:

- Adherence to the Disability Discrimination Act 1995
- Adoption of a Code of Good Practice on the employment of disabled persons, including recruitment, selection, training and promotion. This includes: 'Reasonable adjustments will be taken where a disabled person is put in a detrimental position and such reasonable adjustments remove the detriment.'

Plan for Future Periods

The charity intends to continue the activities outlined above in the forthcoming years subject to satisfactory funding arrangements.

Public benefit

EXETER PHOENIX LTD.

YEAR END 31 MARCH 2019

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.

EXETER PHOENIX LTD.

YEAR END 31 MARCH 2019

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.

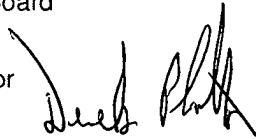
Auditors

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

D Phillips - Director

Date 11/12/19



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 2019 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.

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 Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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 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.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and 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 or our knowledge obtained in the audit or otherwise appears to be materially misstated. 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 matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

Matters on which we are required to report by exception

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

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

Our 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 a Report of the Independent Auditors 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.

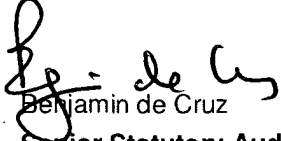
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

EXETER PHOENIX LTD.

YEAR END 31 MARCH 2019

Use of our report

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 auditors' 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.



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: 11/12/19

EXETER PHOENIX LTD.

YEAR END 31 MARCH 2019

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

	Notes	Unrestricted Funds £	Restricted Funds £	2019 Total Funds £	2018 Total Funds £
Income:					
Donations and legacies		14,301	-	14,301	9,687
<i>Income from charitable activities:</i>					
Grants receivable		217,725	280,701	498,426	307,259
Events and Exhibitions		373,981	-	373,981	344,249
Film and video resource		160,774	-	160,774	118,470
Courses, classes and related income		77,157	-	77,157	76,535
<i>Income from other trading activities:</i>					
Commercial trading operations	5	643,363	-	643,363	609,379
Other income	6	76,064	-	76,064	79,403
Total income		1,563,365	280,701	1,844,066	1,544,982
Expenditure:					
<i>Cost of raising funds:</i>					
Commercial trading operations		(628,581)		(628,581)	(619,064)
<i>Expenditure on charitable activities</i>	7, 8				
Events and Exhibitions		(662,624)	(117,771)	(780,395)	(766,296)
Film and video resource		(274,992)	(34,546)	(309,538)	(261,723)
Courses, classes and related income		(16,736)	(4,711)	(21,447)	(21,813)
Governance costs	9	(8,480)		(8,480)	(7,406)
Total expenditure		(1,591,413)	(157,028)	(1,748,441)	(1,676,302)
Net income/ (expenditure) for the year		(28,048)	123,673	95,625	(131,320)
Total funds brought forward		(324,974)	807,529	482,555	613,875
Total funds carried forward		(353,022)	931,202	578,180	482,555

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 2019

**COMPANY NUMBER 1844169
CONSOLIDATED BALANCE SHEET**

	Note	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
FIXED ASSETS					
Tangible assets	15	1,032,193	887,387	1,020,081	870,909
Investments	16	25,500	26,500	26,500	27,500
Total fixed assets		<u>1,057,693</u>	<u>913,887</u>	<u>1,046,581</u>	<u>898,409</u>
CURRENT ASSETS					
Stock		12,394	12,798	-	-
Debtors	18	122,999	61,233	108,603	94,719
Cash at hand and in bank		13,676	25,395	730	479
Total current assets		<u>149,069</u>	<u>99,426</u>	<u>109,333</u>	<u>95,198</u>
CURRENT LIABILITIES					
Creditors: amounts falling due within one year	19	(586,129)	(529,800)	(425,696)	(395,662)
Net current assets/(liabilities)		<u>(437,060)</u>	<u>(430,374)</u>	<u>(316,363)</u>	<u>(300,464)</u>
Total assets less current liabilities		<u>620,633</u>	<u>483,513</u>	<u>730,218</u>	<u>597,945</u>
Creditors: amounts falling due after more than one year	20	(42,453)	(958)	(36,648)	-
Net assets		<u><u>578,180</u></u>	<u><u>482,555</u></u>	<u><u>693,570</u></u>	<u><u>597,945</u></u>
Represented by:					
Unrestricted funds	21,22	(353,022)	(324,974)	(237,633)	(209,584)
Restricted funds	21,22	931,202	807,529	931,203	807,529
Total Charity funds		<u><u>578,180</u></u>	<u><u>482,555</u></u>	<u><u>693,570</u></u>	<u><u>597,945</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 29 were approved and authorised for issue by the trustees on 11th April 2019 and signed on their behalf by:



D Phillips
Director

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting Policies

Going concern

The company is partly dependant 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. During the year a further four year period of funding from the Arts Council was secured, at the existing level, until March 2022. As a result the City Council will continue their support at the same level and for the same period. An additional £226,000 was secured to fund a capital project in 2018-19 to substantially improve the facilities provided by the company. The project was successfully delivered in the summer and autumn of 2018 and has already resulted in an increase in the company's financial sustainability.

The company is also reliant on an overdraft that is renewed on an annual basis and we have no reason to believe that the bank would not renew this at a level that meets the needs of the charity.

The directors have in place new plans to further reduce costs and generate extra income. These include an action plan of energy-saving measures as a result of a comprehensive audit of energy consumption; a new Marketing Strategy to generate extra ticket sales; initiatives to increase café bar income; and an expanded programme of summer activity.

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

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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.

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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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 14 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.

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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 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)

	2019 £	2018 £
Gross Incoming Resources	1,215,485	935,603
Total Expenditure on charitable activities	(1,111,380)	(1,049,832)
Governance costs	(8,480)	(7,406)
	<u>95,625</u>	<u>(121,635)</u>
Net incoming/(outgoing) resources	95,625	(121,635)
Total Funds at 1 April 2018	597,945	719,580
Total Funds at 31 March 2019	<u>693,570</u>	<u>597,945</u>
Represented by:		
Unrestricted Funds	(237,632)	(209,584)
Restricted Funds	931,202	807,529
Total net assets	<u>693,570</u>	<u>597,945</u>

EXETER PHOENIX LTD.**YEAR END 31 MARCH 2019****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	2019 £	2018 £
Turnover	643,363	609,379
Cost of sales and administration costs	(643,363)	(619,064)
Net loss	-	(9,685)
The assets and liabilities of EATS were:		
Fixed Assets	12,111	16,478
Current assets	39,736	43,726
Current liabilities	(160,434)	(173,636)
Long term liabilities	(5,805)	(958)
Total net assets	(114,392)	(114,390)
Aggregate share capital and reserves	114,392	114,390

6. Other Income

	2019 £	2018 £
Bar franchise	-	-
Theatre lettings and conferences	37,366	32,513
Box office income	16,161	23,689
Sundry	137	333
Membership	45	45
Property rental and maintenance recharge	22,355	22,823
Other	-	-
Interest receivable	-	-
	76,064	79,403

7. Costs of Charitable Activities

	Support Costs	Direct Staff Costs	Other Direct Costs	2019 £	2018 £
Event and exhibitions	395,342	122,104	262,949	780,395	766,296
Film and video resource	115,967	75,559	118,012	309,538	261,723
Courses, classes and related expenses	15,814	-	5,633	21,447	21,813
	527,123	197,663	386,594	1,111,380	1,049,832

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8. Support Costs

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

	2019 £	2018 £
Administration and marketing salaries	234,159	216,648
Training and other staff costs	1,799	1,604
Rent	38,144	37,944
Service charge	24,634	38,550
Premises maintenance	7,264	3,429
Marketing costs	42,390	43,941
Printing, postage and stationery	5,699	6,920
Telephone	1,774	2,326
Box office costs	3,962	3,626
General insurance	9,622	8,784
Subscriptions	1,239	2,274
Hospitality	2,035	1,682
Sundries	1,739	2,498
Equipment hire and maintenance	11,513	10,253
Professional fees	313	-
Bank charges and interest	3,559	3,337
Hire purchase interest	6,205	5,636
Loss on disposal	1,000	-
Depreciation	130,072	121,287
	<u>527,122</u>	<u>510,739</u>

9. Governance Cost

	£	£
Auditors fees	7,406	7,254
	<u>7,406</u>	<u>7,254</u>

During the year the auditor charged audit fees of £5,000 (2018: £5,000) and accountancy fees of £2,406 (2018: £2,254).

10. Staff Costs

EXETER PHOENIX LTD.**YEAR END 31 MARCH 2019**

	2019 £	2018 £
Wages and salaries	402,058	385,851
Social Security costs	23,518	17,296
Pension costs	6,246	2,911
	<u>431,822</u>	<u>406,058</u>
The average weekly number of employees in the year was as follows:	<u>32</u>	<u>33</u>

During the year key management personnel received remuneration and benefits totalling £128,637 (2018 - £137,637).

No employee received 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 2019 expenses of £nil (2018 - £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

	2019 £	2018 £
Depreciation of owned assets	<u>130,072</u>	<u>121,287</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. Comparatives for the consolidated statement of financial activities (including income and expenditure account)

	Unrestricted Funds	Restricted Funds	2017 Total Funds
	Unrestricted Funds £	Restricted Funds £	2018 Total Funds £
Income:			
Donations and legacies	9,687	-	9,687
<i>Income from charitable activities:</i>			
Grants receivable	217,725	89,534	307,259
Events and Exhibitions	344,249	-	344,249
Film and video resource	118,470	-	118,470
Courses, classes and related income	76,535	-	76,535
<i>Income from other trading activities:</i>			
Commercial trading operations	609,379	-	609,379
Other income	79,403	-	79,403
Total income	1,455,448	89,534	1,544,982
Expenditure:			
<i>Cost of raising funds:</i>			
Commercial trading operations	(619,064)	-	(619,064)
<i>Expenditure on charitable activities</i>			
Events and Exhibitions	(641,848)	(124,448)	(766,296)
Film and video resource	(224,628)	(37,095)	(261,723)
Courses, classes and related income	(16,835)	(4,978)	(21,813)
Governance costs	(7,406)	-	(7,406)
Total expenditure	(1,509,781)	(166,521)	(1,676,302)
Net income/ (expenditure) for the year	(54,333)	(76,987)	(131,320)
Total funds brought forward	(270,641)	884,516	613,875
Total funds carried forward	(324,974)	807,529	482,555

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15. Tangible Fixed Assets- Charity

	Redevelopment Costs £	Leasehold Improvements £	Fixtures, Fittings & Equipment £	Computer £	Total £
Cost					
At 1 April 2018	2,482,711	7,033	541,081	58,437	3,089,262
Additions	207,246	-	71,599	400	279,245
Disposals	-	-	-	-	-
At 31 March 2019	<u>2,689,957</u>	<u>7,033</u>	<u>612,680</u>	<u>58,837</u>	<u>3,368,507</u>
Depreciation					
At 1 April 2018	1,651,738	4,944	507,266	54,405	2,218,353
Charge for the year	102,707	313	23,575	3,477	130,072
Eliminated on disposal	-	-	-	-	-
At 31 March 2019	<u>1,754,445</u>	<u>5,257</u>	<u>530,841</u>	<u>57,882</u>	<u>2,348,425</u>
Net Book Value					
At 31 March 2019	<u>935,512</u>	<u>1,776</u>	<u>81,839</u>	<u>955</u>	<u>1,020,082</u>
At 31 March 2018	<u>830,973</u>	<u>2,089</u>	<u>33,815</u>	<u>4,032</u>	<u>870,909</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 £	Total £
Cost					
At 1 April 2018	2,482,711	7,033	664,416	58,437	3,212,597
Additions	207,246	-	84,561	400	292,207
Disposals	-	-	-	-	-
At 31 March 2018	<u>2,689,957</u>	<u>7,033</u>	<u>748,977</u>	<u>58,837</u>	<u>3,504,804</u>
Depreciation					
At 1 April 2018	1,651,738	4,944	614,123	54,405	2,325,210
Charge for the year	102,707	313	40,904	3,477	147,401
Eliminated on disposals	-	-	-	-	-
At 31 March 2019	<u>1,754,445</u>	<u>5,257</u>	<u>655,027</u>	<u>57,882</u>	<u>2,472,611</u>
Net Book Value					
At 31 March 2019	<u>935,512</u>	<u>1,776</u>	<u>93,950</u>	<u>955</u>	<u>1,032,193</u>
At 31 March 2018	<u>830,973</u>	<u>2,089</u>	<u>50,293</u>	<u>4,032</u>	<u>887,387</u>

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16. Fixed Asset Investments

	Works of Art	Unlisted Investments	Total
	£	£	£
Value			
At 1 April 2018	26,500	1,000	27,500
Disposals	- 1,000	-	- 1,000
At 31 March 2019	<u>25,500</u>	<u>1,000</u>	<u>26,500</u>

The historical cost of works of art as at 31 March 2019 is £36,901.

17. 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.

18. Debtors

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Trade debtors	43,808	36,827	30,382	31,166
Other debtors	16,616	20,918	16,616	20,917
Prepayments and accrued income	4,072	3,488	3,102	3,138
Amounts owed by group undertakings	-	-	58,503	39,498
	<u>64,496</u>	<u>61,233</u>	<u>108,603</u>	<u>94,719</u>

19. Creditors: Amounts falling due within one year

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Obligations under hire purchase contracts	23,521	30,971	18,465	19,477
Trade creditors	118,139	115,731	88,586	63,758
Other taxes and social security costs	29,472	43,421	19,342	29,900
Other creditors	264,485	239,132	258,435	228,726
Accruals and deferred income	40,313	47,269	11,715	12,502
Bank overdraft and loans	29,153	41,299	29,153	41,299
Amounts owed to group undertakings	-	-	-	-
VAT	22,544	11,977	-	-
	<u>527,627</u>	<u>529,800</u>	<u>425,696</u>	<u>395,662</u>

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

	Group		Charity	
	2019 £	2018 £	2019 £	2018 £
Obligations under hire purchase contracts	42,453	958	36,648	-
	<u>42,453</u>	<u>958</u>	<u>36,648</u>	<u>-</u>

21. Movement in funds

Group

	Total funds at 1 April 2018 £	Incoming resources £	Resources expensed £	Total funds at 31 March 2019 £
Unrestricted funds				
General funds	(324,974)	1,563,365	(1,591,413)	(353,022)
Restricted funds				
Capital Redevelopment	782,176	280,701	(157,028)	905,849
Other	25,353	-		25,353
Total funds	<u>482,555</u>	<u>1,844,066</u>	<u>(1,748,441)</u>	<u>578,180</u>

Charity

	Total funds at 1 April 2018 £	Incoming resources £	Resources expensed £	Total funds at 31 March 2019 £
Unrestricted funds				
General funds	(209,584)	934,784	(962,832)	(237,632)
Restricted funds				
Capital Redevelopment	782,176	280,701	(157,028)	905,849
Other	25,353	-		25,353
Total funds	<u>597,945</u>	<u>1,215,485</u>	<u>(1,119,860)</u>	<u>693,570</u>

EXETER PHOENIX LTD.**YEAR END 31 MARCH 2019****21. Movement in funds - continued****Comparatives for movements in funds****Group**

	Total funds at 1 April 2017 £	Incoming resources £	Resources expensed £	Total funds at 31 March 2018 £
Unrestricted funds				
General funds	(270,641)	1,455,448	(1,509,781)	(324,974)
Restricted funds				
Capital Redevelopment	859,163	89,534	(166,521)	782,176
Other	25,353			25,353
Total funds	<u>613,875</u>	<u>1,544,982</u>	<u>(1,676,302)</u>	<u>482,555</u>

Charity

	Total funds at 1 April 2017 £	Incoming resources £	Resources expensed £	Total funds at 31 March 2018 £
Unrestricted funds				
General funds	(164,936)	846,069	(890,717)	(209,584)
Restricted funds				
Capital Redevelopment	859,163	89,534	(166,521)	782,176
Other	25,353			25,353
Total funds	<u>719,580</u>	<u>935,603</u>	<u>(1,057,238)</u>	<u>597,945</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 restricted 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.

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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	94,905	-	(404,474)	(42,453)	(352,022)
Restricted funds					
Capital redevelopment	937,287	25,500	(57,937)	-	904,850
Other	-	-	25,353	-	25,353
Total net assets	883,020	25,500	(437,058)	(42,453)	578,181

Analysis of charity net assets between funds

	Tangible fixed assets £	Investment assets £	Net current assets/liabilities £	Long term liabilities £	Total £
Unrestricted funds					
General funds	82,794	-	(283,778)	(36,648)	(237,632)
Restricted funds					
Capital redevelopment	937,287	26,500	(57,938)	-	905,849
Other	-	-	25,353	-	25,353
Total net assets	1,020,081	26,500	(316,363)	(36,648)	693,570

23. Other financial commitments

	2019 £	2018 £
Over 5 years	338,096	391,104
	<u>338,096</u>	<u>391,104</u>

The annual amount due in respect of rent and service charges on Bradninch Place for 2018/19 is £53,008. Exeter City Council has agreed to pay a grant of £53,008 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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24. 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 £62,778 (2018 - £76,694). The Council is also a grant provider to the organisation granting £92,000 (2018 - £92,000) and a service level agreement exists between the Council and the company totalling £53,008 (2018 - £65,184).

O Pearson

A director of Exeter Phoenix. During the year, O Pearson received £3,237 (2018: £1,950) in tutor fees from the company.

