

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 2021

EXETER PHOENIX LTD.

YEAR END 31 MARCH 2021

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EXETER PHOENIX LTD.

YEAR END 31 MARCH 2021

COMPANY INFORMATION

Charity Name

Exeter Phoenix Ltd.

Charity Registration Number

290011

Company Registration number

1844169

Registered office

Bradinch Place
Gandy Street, Exeter
EX4 3LS

Directors

D Phillips – resigned 17 February 2021
A Sands – resigned 11 November 2020
O Pearson
A Dean
D Coxon
H Noye
E Connett
P Crockett
Nick Benson

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 01844169

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 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.

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 during the pandemic

- Managed to retain the vast majority of staff
- Re-opened the building and delivered as much activity as possible between each Lockdown
- Successfully applied for various grants to ensure viability and sustainability

Like most organisations, the impact of Covid-19 on Exeter Phoenix has been huge and after 18 months the recovery is only really just underway. Here's how we responded:

The immediate impact of the pandemic

Up until January 2020 we were on course for a breakeven year before income dropped. This followed on from four successive years of operating surpluses.

Since 2015 we have steadily increased the proportion of generated income, reaching an historic high of 84% in 2019. As a result of the pandemic generated income was not projected to return to 2019 levels until May 2021, with progress slowed by the restrictions and only totalling 22% of that originally budgeted. Particular losses during 2020-21 included:

- Café Bar – no income until late July for our normally very profitable operation.
- Events – no income expected until November. Losses include Exeter Contemporary Open, Exeter Pride, Big Screen in the Park, plus a range of other festivals and our Summer Film School.
- Rentals & Workshops – £15k - £25k a month is being lost with no workshop income expected until October.

Our response:

Our strategy was to

Protect staff, our building and our financial viability.

Support artists, film makers & freelancers and keep audiences engaged with a programme of online, streamed activity and events, labelled Front Room Phoenix.

Recover our programme of activity and plan for the future.

In particular, to:

- Retain a team of valued and experienced staff that has taken many years to assemble
- Safeguard the building that has had considerable recent investment.
- Support the implementation of a step-by-step re-opening of our building and re-start our many streams of activity.

Summer 2020

Over the summer we made our first tentative steps towards re-opening by using our outdoor spaces - bar terrace (social use) and Secret Garden (events/workshops) – re-configuring and re-purposing spaces to re-engage with audiences/customers and generate some income. enabled us to re-build public confidence and also provide support and income to artists and freelancers – all on a viable, low cost/risk basis.

Other activity:

- Tenants – letting them return to re-start their operations on reduced rents in order to help their viability.
- Online – streaming and sharing screenings, performances and talks
- Planned to be Covid-proof – including new seating plans & equipment; re-purposing/re-configuring spaces to maximise safe capacities; allowed for more home working & extra online activity.

Autumn & Winter 2020-2021

The autumn and winter months are, historically, our busiest. We surveyed our audiences/customer base, freelance tutors and space hirers and received overwhelming support for re-opening with a programme similar to before - with 85% of people willing to come back straight away - proving that the demand to return exists.

October – from early September more staff were flexibly furloughed. This allowed us to gear up for re-starting

indoor activity in early October and by the end of the month screenings, live performances, exhibitions and workshops had all re-started, just in time for another Lockdown in November! The bulk of the live programme, meanwhile, was re-scheduled for 2021 in order to utilise normal capacities.

December – activities were re-started and continued up to Christmas Eve.

All our actions were informed by consultations with customers, users and other stakeholders and we received very positive feedback from attendees, appreciative of our efforts in providing a safe and welcoming return.

January to March 2021 Lockdown – the bulk of staff were furloughed again; online activity continued - a mix of live-streamed and shared screenings, performances and talks (which also helped to broaden audiences and was good R&D for a future blended live/virtual programme); preparations were made for coming out of Lockdown in April.

Viability in 2020 – 2021

In order to remain viable we cut costs and found new sources of income:

- Government schemes - Job Retention Scheme – we furloughed 90% of staff from March, moving staff in and out of furlough as required during the year; Deferral of HMRC payments – we used the VAT Payment Deferral scheme; Bounce-Back Loan – we took one of these out in order to save on overdraft interest costs but generally our policy was not to take out loans because we would have been unable to repay them.
- Grants - we successfully applied for ACE Emergency Response Fund and Culture Recovery Fund Round 1 grants, various government Business Support Grants and a BFI Resilience Fund grant
- Donations - we had some minor success in converting ticket income into donations and through selling face masks and T-shirts
- Costs - we reduced our overheads and deferred, cancelled or staggered payments; halted all planned maintenance and repair work; made permanent savings on leases, insurance and service contracts; and reduced some casual box office and café bar staffing costs.

Viability in 2021-2022

As we began the recovery process in 2021, post year end, we have successfully tackled the challenge by:

Reduced/flexible opening hours – to meet the customer/user demand.

Cautious budgeting - costs budgeted for this period are proportionate to our needs and cost effective and income projections are cautious but reasonable based on our experiences in 2020.

Reduced costs – we have made savings against pre-Covid expenditure levels.

Grants - successfully applying for more support grants.

Activity

Due to various lockdowns we were only able to deliver in-person activity during October and December. In total over the two months we were able to present 25 live performances, 68 film screenings, 5 exhibitions and 55 workshops/classes – all governed by the existing government restrictions and guidelines.

Online & streamed events – during the year we delivered over 100 live, as-live and other streamed events – talks, screenings, performances – under the banner Front Room Phoenix during October and December.

Live events – these included children's theatre performance, poetry, comedy and cabaret events.

Workshops & Classes – these re-started in late September.

Cinema – we re-opened Studio 74 in early October.

Café Bar – we opened up an outdoor only food and drink service on our terrace area from mid July and took part in the Eat Out To Help Out scheme in August. In another outdoor space – the Secret Garden – we hosted a number of jazz concerts and social events.

Financial Sustainability

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. Annual funding from the Arts Council is in place at least until March 2023. As a result the City Council are providing support at the same level and for the same period.

In response to the Covid-19 pandemic the company has successfully met its financial commitments by raising new income from a mix of grants (including the largest from the Culture Recovery Fund) and other government funding schemes, plus implemented the measures outlined above.

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.

Post year end the company has continued to successfully apply for a number of government grants and also been able to successfully re-start trading, with turnover levels comparable to 2019.

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.

Financial Review

The Group's operating surplus for the year, amounts to £21,988 After allowing for a depreciation charge of £131,109 the net outgoing resources for the year amounted to £153,097 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 £208,580 at 31 March 2021. The directors are trying to obtain additional income streams and reviewing all of the company's expenditure with a view to recovering the position in due course.

Reserves Policy

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

Principal funding sources

Grants received – our two main funders are Exeter City Council and Arts Council England. With the former we have a 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

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) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

EXETER PHOENIX LTD.

YEAR END 31 MARCH 2021

Auditors

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

On behalf of the Board

H Noye

Date: 20 December 2021

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 2021 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.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's affairs as at 31 March 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

However, not all future events or conditions can be predicted. The COVID-19 viral pandemic is one of the most significant economic events for the UK with unprecedented levels of uncertainty of outcomes. It is therefore difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and wider economy. The Directors' view on the impact of COVID-19 is disclosed in the accounting policy note.

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, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors.

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 directors' 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 or in preparing the Report of the Directors.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

The objectives of our audit are to identify and assess the risks of material misstatement of the financial statements due to fraud and error; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud or error; and to respond appropriately to those risks. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

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.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of the legal and regulatory frameworks applicable to the Company and the sector in which it operates. We determined that the following laws and regulations were most significant: The Companies Act 2006, UK GAAP, UK corporate tax law, Charity Commission regulations, GDPR, Occupational Health and Safety regulations and Food Safety Standards.
- We obtained an understanding of how the Company are complying with those legal and regulatory frameworks and made enquiries to the management of known or suspected instances of fraud and non-compliance with laws and regulations. We corroborated our enquiries through our review of board minutes, other relevant meeting minutes and review of correspondence with regulatory bodies.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the audit team included:
 - Identifying and assessing the controls management has in place to prevent and detect fraud;
 - Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
 - Challenging assumptions and judgments made by management in its significant accounting estimates and judgments, in particular depreciation, accruals and prepayments;
 - Identifying and testing journal entries, in particular journal entries posted with unusual account combinations; and
 - Assessing the extent of compliance with the relevant laws and regulations.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations are from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusions.

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 Auditors

Use of our report

This report is made solely to the 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 company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Jade Quaintance

Senior Statutory Auditor

for and on behalf of:

Haines Watts Accountants (Exeter) Limited, Statutory Auditor

Exeter

EX1 1JG

Date: 21 December 2021

EXETER PHOENIX LTD.

YEAR END 31 MARCH 2021

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

	Notes	Unrestricted Funds £	Restricted Funds £	2021 Total Funds £	2020 Total Funds £
Income:					
Donations and legacies		11,143	-	11,143	16,679
<i>Income from charitable activities:</i>					
Grants receivable		978,924	64,994	1,043,918	288,639
Events and Exhibitions		63,119	-	63,119	400,876
Film and video resource		752	-	752	142,308
Courses, classes and related income		7,305	-	7,305	75,803
<i>Income from other trading activities:</i>					
Commercial trading operations	5	92,367	-	92,367	605,063
Other income	6	12,366	-	12,366	76,170
Total income		1,165,976	64,994	1,230,970	1,605,538
Expenditure:					
<i>Cost of raising funds:</i>					
Commercial trading operations		(396,039)	-	(396,039)	(656,883)
Expenditure on charitable activities	7, 8				
Events and Exhibitions		(350,256)	(129,665)	(479,921)	(806,815)
Film and video resource		(133,522)	(38,035)	(171,557)	(295,745)
Courses, classes and related income		(14,205)	(5,187)	(19,392)	(22,764)
Governance costs	9	(10,963)	-	(10,963)	(8,381)
Total expenditure		(904,986)	(172,887)	(1,077,873)	(1,790,588)
Net income/ (expenditure) for the year		260,990	(107,893)	153,097	(185,050)
Total funds brought forward		(430,180)	823,310	393,130	578,180
Transfers of funds		(39,386)	39,386		
Total funds carried forward		(208,580)	754,804	546,225	393,130

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 2021

COMPANY NUMBER 01844169

CONSOLIDATED BALANCE SHEET

	Note	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
FIXED ASSETS					
Intangible fixed assets	16	6,000	9,000	-	-
Tangible assets	16	854,353	929,982	773,842	902,088
Investments	17	25,500	25,500	26,500	26,500
Total fixed assets		885,853	964,482	800,342	928,588
CURRENT ASSETS					
Stock		8,862	14,779	-	-
Debtors	19	62,220	38,201	52,719	88,995
Cash at hand and in bank		60,728	24,303	52,850	22,131
Total current assets		131,811	77,283	105,569	111,126
CURRENT LIABILITIES					
Creditors: amounts falling due within one year	20	(415,151)	(629,768)	(326,704)	(476,719)
Net current assets/(liabilities)		(283,340)	(552,485)	(221,135)	(365,593)
Total assets less current liabilities		602,513	411,997	579,207	562,995
Creditors: amounts falling due after more than one year	21	(56,288)	(18,867)	(41,667)	(11,936)
Net assets		546,225	393,130	537,540	551,059
Represented by:					
Unrestricted funds	22, 23	(208,580)	(430,180)	(217,265)	(272,251)
Restricted funds	22, 23	754,804	823,310	754,804	823,310
Total Charity funds		546,225	393,130	537,540	551,059

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 28 were approved and authorised for issue by the trustees on 20 December 2021 signed on their behalf by:

H Noye
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. Annual funding from the Arts Council is in place at least until March 2023. As a result the City Council are providing support at the same level and for the same period.

In response to the Covid-19 pandemic the company has successfully met its financial commitments by raising new income from a mix of grants (including the largest from the Culture Recovery Fund) and other government funding schemes, plus implemented the measures outlined above.

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.

Post year end the company has continued to successfully apply for a number of government grants and also been able to successfully re-start trading, with turnover levels comparable to 2019.

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.

Statutory information

Exeter Phoenix Ltd is a private company, limited by guarantee, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

Accounting convention

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

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

Group Financial Statements

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

Fund Accounting

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

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

Incoming Resources

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

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

Grants

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

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

Resources Expended

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

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

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

Investments

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

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

Amortisation of Intangible assets is straight line over the useful life of the asset, which is 4 years.

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 15 is considered to be equivalent to an Income and Expenditure Account and comply with the reporting requirements and consequently no separate income and expenditure statement has been prepared.

2. Income

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

The income and net resources are attributable to continuing activities.

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)

	2021 £	2020 £
Gross Incoming Resources	929,569	991,193
Total Expenditure on charitable activities	(932,122)	(1,125,324)
Governance costs	(10,963)	(8,381)
	<u>(13,516)</u>	<u>(142,511)</u>
Net incoming/(outgoing) resources	(13,516)	(142,511)
Total Funds at 1 April 2020	551,059	693,570
Total Funds at 31 March 2021	<u>537,539</u>	<u>551,059</u>
Represented by:		
Unrestricted Funds	(217,265)	(272,251)
Restricted Funds	754,804	823,310
Total net assets	<u>537,539</u>	<u>551,059</u>

5. Incoming resources generated funds

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

Results of EATS	2021 £	2020 £
Turnover	301,401	614,345
Cost of sales and administration costs	<u>(134,787)</u>	<u>(656,883)</u>
Net loss	<u>166,614</u>	<u>(42,538)</u>
The assets and liabilities of EATS were:		
Fixed Assets	86,511	36,894
Current assets	26,242	26,399
Current liabilities	(88,447)	(213,290)
Long term liabilities	<u>(14,621)</u>	<u>(6,931)</u>
Total net assets	<u>9,685</u>	<u>(156,928)</u>
Aggregate share capital and reserves	<u>9,685</u>	<u>(156,928)</u>

EXETER PHOENIX LTD.**YEAR END 31 MARCH 2021****6. Other Income**

	2021	2020
	£	£
Theatre lettings and conferences	938	29,670
Box office income	2,509	21,740
Sundry	2	70
Membership	45	45
Property rental and maintenance recharge	8,872	24,645
	12,366	76,170

7. Costs of Charitable Activities

	Support	Direct Staff	Other Direct	2021	2020
				£	£
Event and exhibitions	546,363	119,234	10,262	675,859	806,815
Film and video resource	160,266	58,390	10,375	229,031	295,745
Courses, classes and related expenses	21,855		5,375	27,230	22,764
	728,484	177,624	26,012	932,120	1,125,324

8. Support Costs

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

	2021	2020
	£	£
Administration and marketing salaries	228,542	249,046
Training and other staff costs	330	1,158
Rent	37,944	37,470
Service charge	27,050	25,000
Premises maintenance	2,928	4,664
Marketing costs	4,649	44,070
Printing, postage and stationery	2,207	6,662
Telephone	1,185	1,914
Box office costs	712	4,420
General insurance	11,007	9,206
Subscriptions	1,117	1,073
Hospitality	12	3,039
Sundries	468	1,170
Equipment hire and maintenance	3,749	10,657
Professional fees	1,702	328
Bank charges and interest	1,831	3,406
Hire purchase interest	4,957	4,957
Bad debts	266,985	2,782
Depreciation	131,109	131,880
	728,484	542,902

EXETER PHOENIX LTD.**YEAR END 31 MARCH 2021**

9. Governance Cost

	2021 £	2020 £
Auditors fees	10,963	8,381
	<u>10,963</u>	<u>8,381</u>

During the year the auditor charged audit fees of £6,550 (2020: £5,250) and other fees of £3,413 (2020: £3,131).

10. Staff Costs

	2021 £	2020 £
Wages and salaries	594,345	668,362
Social Security costs	21,950	33,619
Pension costs	13,233	14,515
	<u>629,528</u>	<u>716,496</u>

During the year key management personnel received remuneration and benefits totalling £121,052 (2020: £135,978).

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 2021 expenses of £nil (2020: £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

	2021 £	2020 £
Depreciation of owned assets	<u>131,110</u>	<u>131,880</u>

13. Government grants

During the year the group received the following government grants:

- £376,706 (2020 £nil) Coronavirus Job Retention Scheme

The amount of government grants recognised in the financial statements was £376,706 (2020 £nil).

The total amount of grants recognised in the year was £1,028,882 (2020 £288,639).

14. 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.

15. Comparatives for the consolidated statement of financial activities (including income and expenditure account)

	Unrestricted Funds £	Restricted Funds £	2020 Total Funds £
Income:			
Donations and legacies	16,679	-	16,679
<i>Income from charitable activities:</i>			
Grants receivable	232,441	56,198	288,639
Events and Exhibitions	400,876	-	400,876
Film and video resource	142,308		142,308
Courses, classes and related income	75,803		75,803
<i>Income from other trading activities:</i>			
Commercial trading operations	605,063	-	605,063
Other income	76,170	-	76,170
Total income	1,549,340	56,198	1,605,538
Expenditure:			
<i>Cost of raising funds:</i>			
Commercial trading operations	(656,883)	-	(656,883)
Expenditure on charitable activities			
Events and Exhibitions	(687,572)	(119,243)	(806,815)
Film and video resource	(255,667)	(40,078)	(295,745)
Courses, classes and related income	(17,995)	(4,769)	(22,764)
Governance costs	(8,381)	-	(8,381)
Total expenditure	(1,626,498)	(164,090)	(1,790,588)
Net income/ (expenditure) for the year	(77,158)	(107,892)	(185,050)
Total funds brought forward	(353,022)	931,202	578,180
Total funds carried forward	<u>(430,180)</u>	<u>823,310</u>	<u>393,130</u>

EXETER PHOENIX LTD.

YEAR END 31 MARCH 2021

16. Fixed Assets- Charity

	Redevelopment Costs £	Leasehold Improvements £	Fixtures, Fittings & Equipment £	Computer £	Total £
Cost					
At 1 April 2020	2,696,728	7,033	619,795	58,837	3,382,393
Additions	-	-	1,065	1,799	2,864
Disposals	-	-	-	-	-
At 31 March 2021	<u>2,696,728</u>	<u>7,033</u>	<u>620,860</u>	<u>60,636</u>	<u>3,385,257</u>
Depreciation					
At 1 April 2020	1,862,024	5,570	554,402	58,309	2,480,305
Charge for the year	107,579	313	22,341	877	131,110
Eliminated on disposal	-	-	-	-	-
At 31 March 2021	<u>1,969,603</u>	<u>5,883</u>	<u>576,743</u>	<u>59,186</u>	<u>2,611,415</u>
Net Book Value					
At 31 March 2021	<u>727,125</u>	<u>1,150</u>	<u>44,117</u>	<u>1,450</u>	<u>773,842</u>
At 31 March 2020	<u>834,704</u>	<u>1,463</u>	<u>65,393</u>	<u>528</u>	<u>902,088</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.

Fixed Assets – Group

Tangible Fixed Assets - Group	Redevelopment Costs £	Leasehold Improvements £	Fixtures, Fittings & Equipment £	Computer £	Total £
Cost					
At 1 April 2020	2,696,728	20,732	768,090	58,837	3,544,387
Additions	-	34,611	37,933	1,799	74,343
Disposals	-	-	-	-	-
At 31 March 2021	<u>2,696,728</u>	<u>55,343</u>	<u>806,023</u>	<u>60,636</u>	<u>3,618,730</u>
Depreciation					
At 1 April 2020	1,862,024	6,940	687,132	58,309	2,614,405
Charge for the year	107,579	5,144	36,372	877	149,972
Eliminated on disposals	-	-	-	-	-
At 31 March 2021	<u>1,969,603</u>	<u>12,084</u>	<u>723,504</u>	<u>59,186</u>	<u>2,764,377</u>
Net Book Value					
At 31 March 2021	<u>727,125</u>	<u>43,259</u>	<u>82,519</u>	<u>1,450</u>	<u>854,353</u>
At 31 March 2020	<u>834,704</u>	<u>13,792</u>	<u>80,958</u>	<u>528</u>	<u>929,982</u>

EXETER PHOENIX LTD.**YEAR END 31 MARCH 2021****Fixed Assets – Group and Charity**

Intangible Fixed Assets - Group and Charity	Website	Total
	£	£
Cost		
At 1 April 2020	12,000	12,000
Additions	-	-
Disposals	-	-
At 31 March 2021	<u>12,000</u>	<u>12,000</u>
Depreciation		
At 1 April 2020	3,000	3,000
Charge for the year	3,000	3,000
Eliminated on disposals	-	-
At 31 March 2021	<u>6,000</u>	<u>6,000</u>
Net Book Value		
At 31 March 2021	<u>6,000</u>	<u>6,000</u>
At 31 March 2020	<u>9,000</u>	<u>9,000</u>

17. Fixed Asset Investments

	Works of Art	Unlisted Investments	Total
	£	£	£
Value			
At 1 April 2020	25,500	1,000	26,500
Disposals	-	-	-
At 31 March 2021	<u>25,500</u>	<u>1,000</u>	<u>26,500</u>

The historical cost of works of art as at 31 March 2021 is £36,901.

18. Unlisted Investments

The trading subsidiary, Exeter Arts Trading Services Limited (EATS), is wholly owned by the company registered in England and Wales. Its registered office is Bradninch Place, Gandy Street, Exeter, Devon, EX4 3LS.

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 subsidiary has been included in these consolidated accounts.

The investment is primarily for charitable activities.

EXETER PHOENIX LTD.

YEAR END 31 MARCH 2021

19. Debtors

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Trade debtors	8,514	27,505	6,183	20,864
Other debtors	43,540	7,165	43,540	(2,117)
Prepayments and accrued income	4,632	3,531	2,996	3,365
Amounts owed by group undertakings	-	-	-	66,883
VAT	5,535	-	-	-
	<u>62,220</u>	<u>38,201</u>	<u>52,719</u>	<u>88,995</u>

20. Creditors: Amounts falling due within one year

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Obligations under hire purchase contracts	15,828	28,272	11,136	21,189
Trade creditors	52,811	111,947	30,693	69,213
Other taxes and social security costs	29,887	37,143	24,882	24,957
Other creditors	255,849	325,682	210,817	263,352
Accruals and deferred income	52,443	84,030	40,843	67,834
Bank overdraft and loans	8,333	30,174	8,333	30,174
VAT	-	12,520	-	-
	<u>415,151</u>	<u>629,768</u>	<u>326,704</u>	<u>476,719</u>

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

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Obligations under hire purchase contracts	2,239	18,867	-	11,936
Other Creditors	12,382	-	-	-
Bank Loans over 1 year	41,667	-	41,667	-
	<u>56,288</u>	<u>18,867</u>	<u>41,667</u>	<u>11,936</u>

EXETER PHOENIX LTD.

YEAR END 31 MARCH 2021

22. Movement in funds

Group

	Total funds at 1 April 2020 £	Incoming resources £	Resources expensed £	Transfers £	Total funds at 31 March 2021 £
Unrestricted funds					
General funds	(430,180)	1,165,976	(904,986)	(39,386)	(208,580)
Restricted funds					
Capital Redevelopment	797,957	-	(107,892)	64,739	754,804
Other	25,353	64,994	(64,994)	(25,353)	-
Total funds	393,130	1,230,970	(1,077,873)	-	546,225

Charity

	Total funds at 1 April 2020 £	Incoming resources £	Resources expensed £	Transfers £	Total funds at 31 March 2021 £
Unrestricted funds					
General funds	(272,251)	864,575	(770,198)	(39,386)	(217,265)
Restricted funds					
Capital Redevelopment	797,957	-	(107,893)	64,739	754,804
Other	25,353	64,994	(64,994)	(25,353)	-
Total funds	551,059	929,569	(943,085)	-	537,540

The Transfer relates to the payment of a restricted overdraft from unrestricted bank accounts.

Comparatives for movements in funds

Group

	Total funds at 1 April 2019 £	Incoming resources £	Resources expensed £	Total funds at 31 March 2020 £
Unrestricted funds				
General funds	(353,022)	1,549,340	(1,626,498)	(430,180)
Restricted funds				
Capital Redevelopment	905,849	-	(107,892)	797,957
Other	25,353	56,198	(56,198)	25,353
Total funds	578,180	1,605,538	(1,790,588)	393,130

22. Movement in funds - continued**Charity**

	Total funds at 1 April 2019	Incoming resources £	Resources expensed £	Total funds at 31 March 2020 £
Unrestricted funds				
General funds	(237,632)	934,996	(969,615)	(272,251)
Restricted funds				
Capital Redevelopment	905,849	-	(107,892)	797,957
Other	25,353	56,198	(56,198)	25,353
Total funds	693,570	991,194	(1,133,705)	551,059

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.

23. Analysis of group net assets between funds

	Tangible fixed assets £	Intangible fixed assets £	Investment assets £	Net current assets/liabilities £	Long term liabilities £	Total £
Unrestricted funds						
General funds	126,078	6,000	-	(284,371)	(56,288)	(208,580)
Restricted funds						
Capital redevelopment	728,275	-	25,500	1,030	-	754,805
Other	-	-	-	-	-	-
Total net assets	854,353	6,000	25,500	(283,341)	(56,288)	546,225

EXETER PHOENIX LTD.**YEAR END 31 MARCH 2021****Analysis of charity net assets between funds**

	Tangible fixed assets £	Intangible fixed assets £	Investment assets £	Net current assets/liabilities £	Long term liabilities £	Total £
Unrestricted funds						
General funds	45,567	-	-	(221,166)	(41,667)	(217,265)
Restricted funds						
Capital redevelopment	728,275	-	26,500	30	-	754,804
Other	-	-	-	-	-	-
Total net assets	773,842	-	26,500	(221,136)	(41,667)	537,539

24. Operating Leases

Non cancellable operating leases are as follows:

	2021 £	2020 £
Less than 1 year	85,984	85,984
2-5 year	138,992	224,976
	224,976	310,960

The annual amount due in respect of rent and service charges on Bradninch Place for 2020/21 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.

The company has a lease liability of £32,976 per annum until 31 March 2023 for premises. The company's subsidiary are operating from the premises and are paying the annual liability on behalf of the company.

25. 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 £62,470 (2020 - £62,778). The Council is also a grant provider to the organisation granting £176,925 (2020 - £92,000) and a service level agreement exists between the Council and the company totalling £53,008 (2020 - £53,008).

A Senior Manager of Exeter Phoenix has a balance due from the company of £38,938 (2020 £20,283).