

Registered company number: 04727071
Charity number: 1099570

HORSEBRIDGE ARTS AND COMMUNITY CENTRE

**Report of the Trustees and unaudited financial statements
for the year ended 31 March 2021**

HORSEBRIDGE ARTS AND COMMUNITY CENTRE

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HORSEBRIDGE ARTS AND COMMUNITY CENTRE

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2021

The trustees, who are also directors for the purposes of company law, present their report and the unaudited financial statements of the charity for the year ended 31 March 2021.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered charity name	Horsebridge Arts and Community Centre
Charity number	1099570
Company registration number	4727071
Registered office	11 Horsebridge Road Whitstable Kent CT5 1AF

Trustees

The trustees who served the charity during the period were as follows:

Mrs Z A Cloke
Mr J C Nurden
Mr S A Lawton
Mr L H McMahon
Cllr B P Baker (resigned 26.11.20)
Mr T Jackaman (Dec'd 29.10.21)
Mrs A J Memmott (appointed 26.11.20)
Cllr V A Kenny (appointed 28.7.21)

Key management personnel	The trustees Ms Elizabeth Daone - Executive Director Mr Peter Dyer - Finance Manager Mrs H Wenn - Deputy Director
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Independent examiner	S J Wren FCCA Accountancy Matters (Kent) Limited Chartered Certified Accountants 31 Queen Street Ramsgate Kent CT11 9DZ
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Bankers	Lloyds Bank Plc 43 Sandgate Road Folkestone Kent CT5 1AF
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PURPOSE AND ACTIVITIES

The Horsebridge Arts and Community Centre was established in 2004 as a not-for-profit company limited by guarantee with a charitable status. It occupies a distinctive, purpose built, contemporary building in the centre of the town adjacent to the seafront. Identified locally as 'The Horsebridge Arts Centre' it is at the cultural heart of Whitstable and aspires to be a vibrant regional arts destination.

The purpose of the charity is to provide a social, cultural and learning resource of high-quality that meets the needs of our community, is excellent value and is welcoming and accessible to all.

Aims of The Horsebridge Arts Centre

Building on the centre's established relationships with the local community, as well as its diverse artistic and educational programme, the centre aims to

- encourage more people to access, enjoy and be challenged by arts activities both as participants and consumers;
- develop the social benefits of the arts to strengthen community cohesion and value the pleasure involvement in the arts brings;
- facilitate personal and professional development and forge beneficial partnerships within the town's creative industries;
- form networks and partnerships with other cultural and educational organisations to generate added value and facilitate best practice; and
- contribute to and support the town's distinctive identity as an inspiring, participatory art destination.

Public Benefit

The Trustees confirm they have had due regard to the Charity Commission's public benefit guidance and are confident the objectives and activities undertaken provide significant benefit to the public and are in accordance with its charitable objects.

The Horsebridge Arts Centre enjoys more than 90,000 visitors through its doors each year. These visitors are made up of local and regional visitors as well as growing numbers of tourists from the UK and abroad as Whitstable continues to attract cultural and heritage tourists. We are committed to deliver a year-round programme of arts events and learning opportunities to Whitstable and beyond, responding to and enhancing the passions of the community. We work cohesively in our programming to ensure we offer events the community can be involved in with the aim of having no barrier to access, particularly with youth projects and events, connecting with other organisations and groups across the district to enhance the collective offering to the region. The Centre continues to develop new approaches to reach sections of our community who feel there is nothing at the centre for them.

The Centre relies on income generated from hire charges and events to cover its operating costs alongside grant funding. To remain accessible and to continue to provide public benefit, the trustees and management team of the Centre have to take great care to ensure the fees set across the Centre remain accessible for those on low income. The variety of spaces within the Centre assist us in enabling both physical and economic accessibility to the resources, but we are continually looking at more ways to develop the interaction with the building.

When providing an arts offering we are aware that not everyone has the same tastes and some of our arts programming may cause offence. We seek to respect the diverse ethnic, faith, sexual orientation and lifestyles within our community and take great care to consider their views without compromising the integrity of our offering. We clearly sign any event that may cause offence and use our complaints policy to ensure the community voice is heard.

**TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2021**

Key Strategies

To deliver the operational activities of the centre we are guided by key strategies, built upon our charitable purpose, objects and aims. These are periodically reviewed and refined by the board and senior staff team to incorporate changing operational environments and strategic policy changes.

The strategies are to:

- deliver cohesive and immersive cultural experiences throughout the space
- engage children and young people in the arts both as part of their educational experience and in their life outside education
- ensure that the centre works to respond to and actively involve all sections of the community encourage every member of the community to explore and develop their own creativity and skills
- work in partnership with cultural, artistic and educational providers to create opportunities for learning and personal and professional development and enjoyment
- utilise robust data reporting systems to evaluate activity and plan effectively
- develop and capitalise on additional revenue streams to achieve financial robustness, stability and independence from single sources
- manage and maintain the building to accommodate an exciting programme of exhibitions, performances, workshops and classes

ACHIEVEMENTS AND PERFORMANCE

Like many other cultural venues this year has been a difficult year with the centre being physically closed to the public for a considerable portion of the year. Despite that there have been encouraging successes and an opportunity to reflect and continue the evolution of the centre spaces.

Creative Development

The Covid-19 pandemic created a need for a different approach to creative development. With the centre physically closed to the general public for all but two months much of our engagement moved online. This Connection In Isolation initiative was led by volunteers during the first lockdown and brought a range of participatory activities that were all part of our re-opening celebration in October. This exhibition along with Post Hope and Build a Rainbow projects showed the strength of community cohesiveness throughout the pandemic. Despite the pandemic the young leaders who proactively led the Young History Makers project funded by Young Roots Heritage Lottery Fund were all able to achieve their Silver Arts Award. These young people aged 12-23 helped to deliver not just workshops and an exhibition, but took part in work placements and training to achieve their Arts Award qualifications. The closures presented an opportunity to reach new audiences in different ways and diversify the way we engage with our community.

Visual arts

The programme of visual arts exhibitions was postponed to 2021 on the whole, with just two in-house curated shows being the only opportunities possible. The 2021 programme led by our Deputy Director certainly looks to reflect the breadth of artistic quality available to us in the district and beyond, giving something to look forward to.

Connection In Isolation started as a series of creative remote activities delivered by volunteers to use our digital media channels to help combat feelings of isolation within the community during the first lockdown. Activities included: 1 Minute Outside, where the community captured a minute of their hour of exercise to share with those confined to their homes; Virtual Young Makers, popular children's after school club released as a series of videos; Creative Challenges, debate and discussion as well as visual arts based challenges; Connecting Creatives, sharing information on creatives we work with and how to access their classes and products online; and Virtual Exhibitions, taking some planned exhibitions online and expanding their remit including our Instagram Community sourced project. The initiative culminated in a showcase multimedia exhibition for the re-opening of the centre showcasing the work and featuring other local organisations from this period, along with the work of individual artists, who developed new work in response to the unprecedented and sudden changes in their lives.

**TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2021**

The Post Hope project was launched in September to be part of the re-opening, and ended up taking us through two lockdowns. The postcards with messages and manifestations of hope filled the gallery windows to engage with the community walking past and were shared on our social media for those confined indoors. During the next closure in November the Build a Rainbow creative community project launched, delivering kits to those isolating to make enough rainbows to take over the gallery space in February 2021. The project worked with local Age UK, SNAAP, care homes, children's groups and more, inspiring the community to create their own rainbows to hang. Ultimately the exhibition had to wait until May 2021, but the demand to participate and share memories and give thanks was incredible.

Before the extended closure from the end of December the Christmas Makers Market took over the centre. The exhibition spaces showcased locally made gifts, accessories, art and cards alongside decorations and cards made by volunteers. As one of the few buildings in the town with space to hold the event safely it was well received by community and creatives alike.

Professional Development Opportunities

We had hoped to continue to build on the work from previous years to commission, employ and provide development opportunities for artists and creatives in the region. Our focus instead was on delivering as much exposure to the artists and creatives we regularly work with and through the Christmas Makers Market we enabled an opportunity for creatives to sell work and introduced new creatives to our audience.

Learning and Participation

As we were unable to host classes in the centre much of the participation this year took place online and through kits delivered to homes. The circumstances created by the pandemic and the anticipated change in need in the community in the next year has accelerated plans to deliver financially accessible arts learning opportunities within the centre. The intention is to utilise the incredible wealth of skill in our local artist and creative community to deliver free or 'pay what you can' learning opportunities alongside an extended paid-for education programme. Artists will have the opportunity to develop further professionally and share their skills and passion for their craft, providing alternative income possibilities in a difficult time.

Community Spaces

The pandemic created an opportunity to review the use of spaces alongside the aim to deliver an even more accessible learning programme. A room for hire, formerly an office space, that wasn't achieving income levels needed was identified as a perfect place for a digital creating space. A successful grant application secured necessary funding and at the end of the year we launched our Creative Digital Hub, a space that will grow to be dedicated to the creation and delivery of digital content. Featuring professional level printing, computing and recording equipment, the suite will allow for a wider range of education opportunities in skills that have a high financial barrier to entry.

Early next year a new learning and creative space, The Studio, will open alongside the existing education space. The Studio will deliver an open plan space with built-in sinks and wet space to significantly increase the diversity of learning opportunities that can take place in the centre. This space will be the cornerstone of our accessible education programme and a creating space with running water has been missing from the centre for years. These two new spaces will complement the existing education, meeting and performance spaces for hire. The studio is being created in the space previously used as a cafe following the termination of our Service Level Agreement with Cafe Revival.

Communications and Digital Engagement

This year saw reliance on all digital channels to reach our audience. Our website remains our primary channel for consistent communications with the wider community, a place to find out what is on and book and is developing as an archive for the work we have carried out. Facebook continues to have higher engagement levels and drives most traffic to the website. Instagram has grown significantly and our content naturally lends itself to this visual medium.

Use of social media needs to become more sophisticated: restricted staffing levels make this difficult at present, but is something that forms part of the strategy for the centre going forward. All printed materials were removed from production this year and we are reflecting on their use going forward, but we are mindful of the breadth of our audience and placing too much reliance on digital only communication.

Audience Development

The centre was only open to the public in October and December for exhibitions and the shop, with a small number of classes running during September. Measuring of visitors was limited to ensuring maximum visitors in the building were not breached rather than volume or demographic measurements. No booked events were run during the period, so no postcode extraction has been possible. As visitors were required to use NHS Track and Trace, asking for more information while trying to encourage visitors was not a priority. The focus was on social re-engagement and ensuring the centre stayed Covid secure.

Audience development for 2021 onwards will be influenced by the impacts of Covid-19 on the community. We will seek opportunities to provide an even more accessible arts space for all, with barriers such as isolation and affordability taking priority, as we have directly seen the impact on the older population and young people. We will enable the arts centre to be a place to socially engage and immerse in arts experiences without financial barriers to participation, alongside providing a platform for creatives who have been hit hard by the pandemic. Events that focus on bringing these two groups together have been successful in the brief opportunities presented in 2020 and growing this connection across the community will be critical going forward.

This year presented many opportunities where we were able to work with other community organisations to reach those most in need. We continue to build upon this and strengthen our outreach by working with groups including Red Zebra, Umbrella Centre and Café and Whitstable Community Museum Group. We look forward to returning to pre-pandemic partnership working with local schools to ensure that the opportunities we offer reach their most disadvantaged pupils, and providing space for the schools creative work to be shown within a professional setting.

Commercial Trading Activities

The Horsebridge Shop continues to be an area of strength for the Centre, both in revenue and in community engagement. Difficulties in stock availability and only being physically open for two months has made growth in this area difficult and postponed plans to take some of the shop content online. The closure of the centre did allow for the planning and redesign of the shop space, which was installed completely by volunteers in May 2021 and was combined with a new stock control and till system to enable significant growth of range to be possible. Continuing to grow the Horsebridge commissioned products, expanding the variety of local artist created merchandise and improving the shopping experience are all underway in 2021.

Volunteers

The Centre is very involved in the community and volunteer support over this 12 month period has been incredible. Throughout the pandemic our dedicated staff team worked closely with all our volunteers enabling a greater depth of support than has been possible before. As we re-open fully again we will be reliant on the team of volunteers to help the staff team keep the centre growing from strength to strength. We wish to thank them for all their support this year and we always welcome more volunteers.

**TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2021**

Workforce

As for most workforces this year, it has been a difficult balance with some team members working tirelessly throughout the pandemic whilst others found themselves frustratingly, but necessarily, furloughed and unable to work. There were adjustments needed by the whole team as new systems were put in place and the centre being allowed to open was uncertain, but the small, dedicated team have risen to the challenge and have supported our visitors in a friendly and efficient manner. As we look to the next year and beyond there will be more changes and demands placed on the team as the offer evolves, but we have every confidence in the team's ability to adapt and remain united in the desire to deliver a flagship arts space for our community.

Strategy and Development

Much of the last year has been spent fighting for the financial survival of the arts centre and ensuring we applied for critical grants to take us, not just through this year, but also acknowledging that significant reserves would be needed for the year to follow at a minimum. The experiences of this year have underlined a desire to engage with meaningful digital delivery alongside existing delivery channels by our audience, whilst being mindful that we do not increase isolation by a reliance on technology only solutions. The period has driven change that would not have been possible while the centre was open to the public and continuing the momentum for improvement alongside the community we serve is a challenge the centre team is relishing. The next 18 months for visual arts is already well planned and our focus will be on developing the learning programme and making the most of the dedicated spaces we have worked hard to establish. We will build on the growth in breadth of audiences we have reached this year and ensure we are offering quality arts opportunities that can make a difference to the lives of our audience.

The pandemic has shown how well we can work outside of our physical space and this is something we will build on over the coming years. Working with care homes has shown how we can take our world into their homes and create meaningful experiences. If we are to truly create arts for all, then it is vital that we breakdown the barriers to access and our immediate development goals will focus on the physical, financial and social barriers.

We will continue to drive for high quality and thought-provoking exhibitions in our public gallery spaces and push to tie these further into a cohesive learning programme. We will build on existing cultural and creative partnerships to bring new experiences to the community throughout the centre, pushing beyond the boundaries of the physical space and making more use of the environment we reside in. To achieve this, we need to ensure we have a board and staff team that feel equipped to meet the challenge and have sufficient capacity and training to deliver effectively.

FINANCIAL REVIEW

The Horsebridge Arts Centre key financial aim is to deliver a financial stable, diversified and secure organisation each year. The overview for the 2020/21 financial year is as follows:

Total Income	309,219
Total Expenditure	184,233
Net Income	124,986
Total funds brought forward	(38,077)
Reserves stand at	86,909

**TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2021**

Review of financial performance against forecasts is complicated for the year due to 80% of income directly attributable to unrestricted grant funding to support the centre being closed for 10 of the 12 months. Grant support, particularly from Arts Council England and Government funding, has made it possible to build up reserves to withstand the anticipated ongoing impact of Covid-19 on our ability to earn income next year. In addition, we were able to secure over £36,000 in restricted funding to continue to deliver and develop our community creative programmes throughout the year and look to continue this next year.

Whilst analysis of trading activities is not clear cut, both room hire and the shop achieved proportional budget targets for the two months the centre was able to open. Review of rental usage enabled the longer-term rental of one small meeting room as office space for a local company towards the end of the year. This helps to stabilise room hire income for next year, particularly with anticipated disruption continuing from Covid-19. The shop, despite facing issues with stock availability, still managed to achieve targets and it is anticipated to continue to be a growth area for the charity.

Principal funding sources

The Horsebridge usually generates income from the hire/rental of galleries and workshop spaces, a small number of events and in-house activities, commercial trading activities mainly through the retail space and other sundry income including membership and commission. This year funding was principally through Covid support grants.

Canterbury City Council funding

The Improvement Grant and associated agreements was in its last year this year; going forward we will need to seek project based support which cannot be guaranteed. We will continue to operate under the lease for the building for the next 30+ years, but will be exposed to building maintenance costs that have been part of the Improvement Grant agreements. The board remain acutely aware of the pressures on local council budgets and significantly reduced funds available for the arts, particularly as the fallout from funding COVID-19 responses impact local authority budgets for 2021 onwards.

**Fundraising
Grants**

The team were successful in securing grant funding to support vital community engagement projects between lockdowns and also to support crucial changes to the systems and spaces to enable improvements in income streams in the next year. The ability of the team to secure sufficient grant funding to ensure our survival through this difficult year highlights the continued growth in their ability to deliver projects that fit with the needs of our community, particularly the young and older more isolated, and the need for the arts centre in the district. We will continue to look for funding to allow us to continue the community work that has been so successful this year.

Friends membership

We are incredibly grateful to the Friends that, despite our closure, renewed their membership this year. Understandably this area of fundraising, like donations, relies on the centre being open for the vast majority and we shall look forward to growing the membership again in 2021-22.

Investment Policy

The Trustees operate a policy of holding any reserves held in an interest-bearing savings account.

**TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2021**

Reserves Policy and Going Concern

The reserves policy is reviewed annually as a minimum, in production of the annual report, with financial monitoring of the cashflow and balance sheet occurring on a monthly basis at senior management level and bi-monthly at board level.

The reserves policy makes clear the funds of the charity are divided into restricted funds and unrestricted funds in accordance with charity legislation. The charity's reserves are that part of the charity's unrestricted funds that are freely available to spend on any of the charity's purposes.

Our goal is to create free reserves of sufficient funds to cover up to three months operating costs. This will provide for working capital and to ensure services can remain fully funded for short periods of time and any cancelled advance hires can be refunded.

The charity operates with generally predictable levels of unrestricted funds income and steady cash receipts and payments, but with high levels of fixed costs. Unrestricted funds are not reliant on any single source, with the large majority self-generated through hire, sales and donations. The organisation is not reliant on a single funder for more than 20% of its income, with aims to reduce this in future years.

The Trustees will also designate funds for specific purposes:

- a designated fund equal to the value of fixed assets
- a designated development and sustainability fund, to cover the investment required over the next three years to diversify the charity's income and strengthen its grant portfolio for project delivery

The trustees are confident the charity will remain a going concern in the coming twelve months, for the following reasons: the trustees have projected forward the charity's budget and cashflow position to 31 March 2022 which shows a positive balance sheet position; the charity has sufficient reserves to support anticipated net losses for the 2021-22 year; projected income is not reliant on any single source, and is secured from a mix of self-generated income from hire, sales and donations, in addition to grant income; cashflow is monitored in detail on a weekly basis to ensure liabilities are settled: this monitoring will continue in the coming year.

Plans for the Future

The Horsebridge Centre's board and team remain committed to delivering a sustainable arts centre for the district. With the end of the Improvement Grant, financially the focus is on generating sufficient income to cover the high levels of fixed costs, made more complex by the pandemic. The support from grant funding through this year has enabled key changes to be made to reduce our reliance on inconsistent or neutral generated income streams and diversify further. These changes have also enabled us to plan to increase the breadth of our offer to our community based on the engaging projects we were able to run this year.

Increasing the income from grant funding, both core-cost funding and project based restricted funds, will be critical next year if the Centre is to avoid substantially depleting reserves. Continuing to be innovative in our outreach programmes and the benefits they deliver will be key alongside significantly enhancing the learning opportunities within the Centre across our digital and studio spaces. Building on these and increasing the diversity of the audience we serve will be closely monitored over the next year constraints from the pandemic allowing.

Investment this year in a new system and furniture for the shop will support us in continuing to grow this area of our commercial trading. The Horsebridge Centre will continue building on the development strategies for the gallery spaces increasing quality for visitors and broadening the accessibility for exhibitors in these spaces. The exhibitions and programmes planned for 2021 and beyond are developing the mediums explored in the spaces and allowing for enhanced programming to be delivered around them.

Fundamentally we will continue to develop the Centre as a resource to enrich the lives of the local community whilst attracting seasonal visitors and expanding our customer and friends base.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Horsebridge Arts and Community Centre is a charitable company limited by guarantee, incorporated on 8 April 2003 and registered as a charity on 22 September 2003. 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, members are required to contribute an amount not exceeding £1. The directors of the company are also charity Trustees for the purposes of charity law and under the company's Articles are known as Trustees.

Recruitment and appointment of the Board of Trustees

Under the requirements of the Memorandum and Articles of Association there shall be not less than six and not more than twelve Trustees. One third of the Trustees must retire at each AGM, those longest in office retiring first.

Membership of the charity is open to any individual or organisation interested in promoting its objects. A new protocol is in place for recruiting and selecting Trustees and there is the intent next year to grow the board following this process. Potential trustees are invited to meet with the Chair and/or Vice Chair as part of this process.

The Trustees may at any time co-opt any person duly qualified to be appointed as a Trustee to fill a vacancy in their number or as an additional Trustee, but a co-opted Trustee only holds office until the next AGM. At an AGM the members elect persons to be Trustees to fill the vacancies.

Trustee Induction and Training

New Trustees will meet with the Chair and/or Vice Chair and are provided with an induction pack on 'Being a Trustee of the Horsebridge Arts and Community Centre' which explains the aims of the Horsebridge, and the nature and responsibilities of the Trustee role. Further information, including a copy of the Memorandum and Articles of Association and current financial information, is provided. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role. We will continue to develop the induction and performance review processes for Trustees in the coming year.

Risk Management

Policies and process continue to be reviewed to achieve best practice within the organisation. Changes in personnel and supporting technology have significantly improved our financial processes. An analysis of our financial position is available to the board on a monthly basis, with weekly financial reviews within the management team. The board and senior management team monitor the organisational and operational risks and operational efficiencies to make the best use of our resources. The board continues to consider impacts of Covid-19 pandemic measures on grant availability. Work continues on a more formal risk management strategy.

**TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2021**

Organisation

The Board of Trustees meets bi-monthly (plus additional meetings as required) and has control of the Charity and its property and funds.

The Executive Director has day-to-day responsibility for the provision of services in line with the policies and plans agreed by the Board. The Executive Director, Finance Manager and Deputy Director form the senior management team. The Executive Director and Deputy Director supervise the staff team, which consists of one full-time and nine part-time staff as well as some casual staff who provide cover in busy times. The Centre also has a number of regular and dedicated volunteers who provide staffing for our reception desk, events and in maintaining the Centre.

Related Parties

None of our Trustees receive remuneration or other benefit from their work with the charity. Any conflict of interest faced by a Trustee must be declared. There have been no such declarations in the current year.

Trustees' responsibilities in relation to the financial statements

The Trustees confirm that the annual report and the financial statements of the company comply with the current statutory requirements of the company's governing document and the provisions of the Charities SORP (FRS 102) and the Companies Act 2006.

Signed by order of the trustees on 13 December 2021 by:

Mrs Z A Cloke

HORSEBRIDGE ARTS AND COMMUNITY CENTRE

I report to the charity trustees on my examination of the accounts of the company for the year ended 31 March 2021 which are set out on pages 12 to 23.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

Since the Company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Association of Chartered Certified Accountants, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

- 1 accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
- 2 the accounts do not accord with those records; or
- 3 the accounts do not comply with the accounting requirements of section 386 of the 2006 Act other than any requirements that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
- 4 the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

S J Wren FCCA
Accountancy Matters (Kent) Limited
Chartered Certified Accountants
31 Queen Street
Ramsgate
Kent CT11 9DZ

Date : 14 December 2021

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating an Income and Expenditure Account)
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted funds	Restricted funds	Total funds 2021	Total funds 2020
		£	£	£	£
INCOME					
Income from charitable activities	2	152,723	36,115	188,838	188,302
Income from other trading activities	3	17,505	-	17,505	48,710
Donations	4	101,786	1,081	102,867	27,876
Investment income		9	-	9	4
TOTAL INCOME		272,023	37,196	309,219	264,892
EXPENDITURE					
Costs of raising funds	5	26,883	350	27,233	34,745
Charitable activities	5	141,063	15,937	157,000	226,234
TOTAL EXPENDITURE		167,946	16,287	184,233	260,979
NET (EXPENDITURE)/INCOME FOR THE YEAR BEFORE TRANSFERS	6	104,077	20,909	124,986	3,913
Transfers between funds	13	2,869	(2,869)	-	-
NET MOVEMENT IN FUNDS FOR THE YEAR		106,946	18,040	124,986	3,913
Balance as at 1 April 2020		(48,468)	10,391	(38,077)	(41,990)
BALANCE AT 31 MARCH 2021		58,478	28,431	86,909	(38,077)

BALANCE SHEET
AS AT 31 MARCH 2021

	Notes	2021 £	2020 £
FIXED ASSETS			
Tangible assets	8	8,744	5,142
Investments	9	-	1
		<u>8,744</u>	<u>5,143</u>
CURRENT ASSETS			
Stock		5,097	4,114
Debtors and prepayments	10	23,754	12,509
Cash at bank and in hand		<u>102,217</u>	<u>1,461</u>
		131,068	18,084
CREDITORS: amounts falling due within one year	11	<u>(52,903)</u>	<u>(61,304)</u>
NET CURRENT LIABILITIES		<u>78,165</u>	<u>(43,220)</u>
		86,909	(38,077)
CREDITORS: Amounts falling due after more than one year		-	-
NET ASSETS/(LIABILITIES)	12	<u>86,909</u>	<u>(38,077)</u>
Represented by:			
FUNDS OF THE CHARITY			
Unrestricted general fund	13	34,734	(48,468)
Designated funds	13	23,744	-
Restricted funds	13	<u>28,431</u>	<u>10,391</u>
TOTAL FUNDS		<u>86,909</u>	<u>(38,077)</u>

For the financial year ended 31 March 2021 the company was entitled to exemption from audit under s.477 Companies Act 2006 and no members have deposited a notice under s.476 requiring an audit.

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with s.386 of the Act for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

The accounts are prepared in accordance with the provisions applicable to companies subject to the small companies' regime in part 15 of the Companies Act 2006 relating to small companies and in accordance with the Charities SORP (FRS 102).

Approved and signed for issue by the trustees on 13 December 2021.

Mrs Z A Cloke

Mr S A Lawton

Company number - 04727071

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1 ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Accounting and Reporting by Charities : Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland FRS 102 (effective 1 January 2019) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland FRS 102 and the Companies Act 2006.

Horsebridge Arts and Community Centre meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

The principal accounting policies adopted are as follows:

a) Preparation of the accounts on a going concern basis

The trustees are confident the charity will remain a going concern in the coming twelve months, for the following reasons: the trustees have projected forward the charity's budget and cashflow position to 31 March 2022 which shows a positive balance sheet position; a programme of fundraising additional income from grants has been successful in securing significant sources of grant income for projects and contributions to existing running costs to mitigate the loss of income from temporary Covid-19 related closures in 2020; projected income is not reliant on any single source, and is secured from a mix of self-generated income from hire, sales and donations, in addition to grant income; cashflow is monitored in detail on a weekly basis to ensure liabilities are settled: this monitoring will continue in the coming year.

b) Income

Fees receivable - are included when the Charity is legally entitled to the income, any performance conditions attached to the item of income have been met, it is probable that the income will be received and the amount can be measured reliably. As from 1 April 2017, income receivable where part, or all of such income is legally due to a third party, has been reduced by the amount payable to the third party.

Grants receivable - grants made to finance the activities of the Charity are credited to the Statement of Financial Activities (SOFA) in the period to which they relate.

Other income - other income, including donations and gifts are included as they were received.

Deferred income - income received in advance of the period to which it relates is reflected in deferred income within the balance sheet.

c) Expenditure

All expenditure is accounted for on an accruals basis and includes VAT where applicable. All expenditure directly related to the provision of service delivery is included within the charitable expenditure. Other costs incurred have been allocated between activities for generating funds and governance as appropriate. Where such costs relate to more than one functional cost category they have been split on an estimate of time spent.

d) Depreciation of fixed assets

Tangible fixed assets costing more than £200 are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life as follows :

Fixtures, fittings and equipment	20% straight line
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

1 ACCOUNTING POLICIES**e) Stock**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

f) Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Income received for restricted purposes is included in a separate restricted fund against which appropriate expenditure is allocated.

g) Pensions

The pension cost charge in the Statement of Financial Activities represent the contributions payable by the Charity in the relevant year.

h) Significant judgements and estimates

No significant judgements or estimates have had to be made by the Trustees in preparing these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

2 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
Grants :				
Canterbury City Council	35,000	-	35,000	46,000
Big Lottery Fund	-	-	-	11,605
National Lottery Awards for All	-	-	-	9,836
National Lottery Heritage Fund	-	4,990	4,990	44,910
National Lottery Community Fund	-	9,304	9,304	-
The Henry Smith Charity	-	8,000	8,000	-
Colyer-Fergusson Charitable Trust	-	5,000	5,000	-
Kent Community Foundation	-	8,821	8,821	3,500
Arts Council England	110,000	-	110,000	-
Fees receivable :				
Venue hire	7,723	-	7,723	67,522
Box office income	-	-	-	3,346
Inhouse activities	-	-	-	1,583
	<u>152,723</u>	<u>36,115</u>	<u>188,838</u>	<u>188,302</u>

3 INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
Rental income	3,755	-	3,755	7,190
Advertising income	2,040	-	2,040	6,130
Shop income	5,067	-	5,067	25,074
Café income	4,317	-	4,317	979
Commission from third party sales	-	-	-	148
Membership income	2,210	-	2,210	3,601
Auction	-	-	-	4,036
Sundry income	116	-	116	1,552
	<u>17,505</u>	<u>-</u>	<u>17,505</u>	<u>48,710</u>

4 DONATIONS AND GRANTS

	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
Donations	1,955	-	1,955	6,126
Grants:				
Canterbury City Council	41,572	-	41,572	-
Coronavirus Job Retention Scheme	53,259	-	53,259	-
Garfield Weston Foundation	5,000	-	5,000	-
Thurrock Council (SECCADS)	-	1,081	1,081	-
Canterbury Arts Council	-	-	-	(150)
David Family Foundation	-	-	-	10,000
The Foyle Foundation	-	-	-	10,000
Cleary Foundation	-	-	-	1,500
WH Smith	-	-	-	200
Whit & Herne Bay Lions	-	-	-	200
	<u>101,786</u>	<u>1,081</u>	<u>102,867</u>	<u>27,876</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

5 TOTAL RESOURCES EXPENDED

	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
Costs of activities for generating funds :				
Shop purchases	5,661	-	5,661	11,463
Wage costs	6,705	-	6,705	7,102
Legal and professional fees	12,287	-	12,287	-
Café closure costs	-	-	-	6,053
Publicity	2,230	350	2,580	10,127
	<u>26,883</u>	<u>350</u>	<u>27,233</u>	<u>34,745</u>
Service delivery costs				
Wage costs	65,707	12,358	78,065	105,608
Event and activity costs	256	1,197	1,453	28,511
Rates and water	4,445	-	4,445	6,418
Light and heat	10,021	-	10,021	14,034
Repairs and maintenance	620	426	1,046	805
Cleaning and waste	2,496	-	2,496	4,746
Travelling costs	35	166	201	789
Licences and memberships	1,003	-	1,003	883
Insurances	1,822	-	1,822	1,623
Support costs				
Wage costs	37,702	-	37,702	40,722
Bad debts	812	-	812	90
Welfare and training	-	348	348	638
Telephone	2,087	-	2,087	2,141
Postage and stationery	74	213	287	923
IT and equipment costs	1,372	1,229	2,601	1,899
Bank and credit card charges	984	-	984	2,385
Loan charges and interest	67	-	67	400
Payroll fees	1,920	-	1,920	792
Bookkeeping software	259	-	259	259
Legal and professional fees	13	-	13	(387)
General expenses	57	-	57	436
Depreciation	3,442	-	3,442	6,375
Loss on disposal of fixed assets	-	-	-	-
Governance costs				
Wage costs	4,189	-	4,189	4,524
Independent Examiner's fee	1,680	-	1,680	1,620
	<u>141,063</u>	<u>15,937</u>	<u>157,000</u>	<u>226,234</u>
	<u>167,946</u>	<u>16,287</u>	<u>184,233</u>	<u>260,979</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

6 NET INCOME	2021	2020
	£	£
This is stated after charging:		
Depreciation	3,442	6,375
Independent Examiner's remuneration	1,680	1,620

7 INFORMATION REGARDING EMPLOYEES	2021	2020
	£	£
Wages and salaries	121,280	142,366
Sub contract labour	589	6,194
Social security costs	5,428	7,444
Pension contributions	3,364	4,952
Employment Allowance	(4,000)	(3,000)
	126,661	157,956

The average monthly head count was 11 staff (2020 - 12 staff).

The average number of employees based on full time equivalents analysed by function was:

	2021	2020
	Number	Number
Service delivery	5	6
Management and administration	2	2
	7	8

No employee received remuneration of more than £60,000.

No trustees received remuneration or expenses from the charity during the year (2020- £Nil).

The total employee benefits (including employers national insurance) of the key management personnel of the charity were £57,893 (2020 - £62,290)

8 TANGIBLE FIXED ASSETS	Fixtures fittings & equipment £	Total £
Cost		
As at 1 April 2020	40,821	40,821
Additions	7,044	7,044
Disposals	-	-
As at 31 March 2021	47,865	47,865
Depreciation		
As at 1 April 2020	35,679	35,679
Charge for the year	3,442	3,442
Eliminated in disposals	-	-
As at 31 March 2021	39,121	39,121
Net book value		
As at 31 March 2021	8,744	8,744
As at 31 March 2020	5,142	5,142

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

9 INVESTMENTS	2021	2020
	£	£
Cost	-	1

The investment was in respect of the charity's 100% owned subsidiary- Horsebridge Café Limited, a company registered in England. The company's principal activity was the operation of a café at The Horsebridge Centre.

Horsebridge Café Limited ceased trading on 31 May 2019 and the final statutory accounts have been prepared for the period from 1 April 2018 to 31 May 2019. During the year, the Trustees requested that the company be struck off and the company was dissolved on 29 September 2020.

10 DEBTORS	2021	2020
	£	£
Trade debtors	8,617	4,980
Other debtors	-	-
Prepayments	2,348	6,359
Accrued income	12,789	1,170
	<u>23,754</u>	<u>12,509</u>

11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2021	2020
	£	£
Bank overdraft	-	6,726
Trade creditors	12,402	20,349
Taxation and social security	1,423	1,070
Other creditors	542	1,489
Loan - Kent Community Foundation	-	1,467
Accruals	11,190	7,813
Deferred income	27,346	22,390
	<u>52,903</u>	<u>61,304</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

12 ANALYSIS OF NET ASSETS BETWEEN FUND

	General funds £	Designated funds £	Restricted funds £	Total £
Fixed assets	-	8,744	-	8,744
Current assets	87,637	15,000	28,431	131,068
Current liabilities	(52,903)	-	-	(52,903)
Long term liabilities	-	-	-	-
Net assets as at 31 March 2021	34,734	23,744	28,431	86,909

ANALYSIS OF NET ASSETS BETWEEN FUND - PREVIOUS YEAR

	General funds £	Restricted funds £	Total £
Fixed assets	5,142	-	5,142
Investments	1	-	1
Current assets	7,693	10,391	18,084
Current liabilities	(61,304)	-	(61,304)
Long term liabilities	-	-	-
Net assets as at 31 March 2020	(48,468)	10,391	(38,077)

13 MOVEMENT IN FUNDS

	As at 1 04 2020 £	Income £	Expenditure £	Transfers £	As at 31 03 2021 £
Restricted funds					
The Henry Smith Charity	-	8,000	(108)	-	7,892
National Lottery Awards for All	3,636	-	(35)	(221)	3,380
National Lottery Heritage Fund	(2,179)	4,990	(2,831)	20	-
National Lottery Community Fund	-	9,304	(7,578)	(1,726)	-
Colyer-Fergusson Charitable Trust	-	5,000	(5,000)	-	-
The David Family Foundation	8,338	-	-	-	8,338
SECCADS (Thurrock Council)	-	1,081	(139)	(942)	-
Kent Community Foundation	-	5,250	-	-	5,250
Kent Community Foundation	-	3,571	-	-	3,571
Kent Community Foundation	596	-	(596)	-	-
Total restricted funds	10,391	37,196	(16,287)	(2,869)	28,431
Designated funds					
Fixed assets fund	-	-	-	8,744	8,744
Development & Sustainability fund	-	-	-	15,000	15,000
Total designated funds	-	-	-	23,744	23,744
Unrestricted general funds	(48,468)	272,023	(167,946)	(20,875)	34,734
Total funds	(38,077)	309,219	(184,233)	-	86,909

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

RESTRICTED FUNDS**The Henry Smith Charity**

The funds were awarded for a Young Digital Makers project, helping young people with digital and creative skills. The project was delayed due to the Covid-19 pandemic but is planned to be completed in 2021/22.

National Lottery Awards for All

The grant was used to deliver Silver Screenings Matinees, affordable film screenings for older and other potentially isolated people. The funds were used for staff costs, new equipment, film licence costs and refreshments. The transfer to general funds is in respect of equipment purchased and is included within fixed assets. The project was delayed due to the Covid-19 pandemic but it is planned to be completed in 2021/22.

National Lottery Heritage Lottery Fund

The funds were used to deliver a project entitled Pudding Pan Rock, a rediscovery of local heritage by young people. The project connected local young people with Roman and later history, centred around the 'pudding pans', Roman Samian ware pots found by local fishermen. Funds were used for staff costs, professional fees, materials and running costs. The project was completed in April 2020. A transfer from general funds has been made to cover a small overspend.

National Lottery Community Fund - Coronavirus Community Support Fund

The funds were awarded for the Community Rainbow Project, a creative art activity taking place within the local community to provide support during the Covid-19 pandemic. The funds were spent on staff costs, equipment, materials and running costs. The transfer to unrestricted funds is in respect of fixed assets purchased during the year.

Colyer-Fergusson Charitable Trust

The funds were awarded for a Connect in Isolation project during the Covid-19 pandemic, providing a series of community arts projects. The funds were spent on staff costs.

The David Family Foundation

The funds contribute towards a programme of in-house curated exhibitions at the Horsebridge Centre. Funds cover staff costs, materials and the use of exhibition space. The project was delayed due to the Covid-19 pandemic but is planned to be completed in 2021/22.

SECCADS (Thurrock Council)

The South East Creative, Cultural and Digital Sector (SECCADS) Programme is part funded by the European Regional Development Fund and is a partnership between a group of local authorities led by Thurrock Council. The grant was used to purchase e-commerce and audio-visual equipment to launch an online shop and recording studio. The transfer to unrestricted funds represents a contribution towards fixed assets purchased during the year.

Kent Community Foundation - Strategic Recovery Fund

The funds were awarded to assist the Horsebridge to adapt its fundraising strategy as a result of the Covid-19 pandemic, in order to run more creative art programmes and become more financially sustainable. The work was planned to be completed in 2021/22.

Kent Community Foundation - Children, Young People & Families Theme (Young Makers Club)

The funds were awarded to run a Young Makers Club, providing creative after school sessions for children and families. The project was delayed due to the Covid-19 pandemic but is planned to be completed in 2021/22.

Kent Community Foundation

The funds, from The Kent Community Foundation Crown Charitable Fund were used for a programme of workshops and an exhibition for a group of people with learning disabilities. The project was delivered in partnership with IO Arts, History and Disability.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

DESIGNATED FUNDS

Fixed assets fund

A fund created by Trustees representing the net book value of the charity's fixed assets at the balance sheet date. Although they are within general funds, the value of the assets cannot be utilised for future expenditure.

Development & Sustainability fund

A fund created by the Trustees to cover future losses arising from Covid-19 and to support financial sustainability.

MOVEMENT IN FUNDS - PREVIOUS YEAR

	As at 1 04 2019 £	Income Expenditure £ £		Transfers £	As at 31 03 2020 £
Restricted funds					
The Henry Smith Charity	410	-	(406)	(4)	-
The Foyle Foundation	-	10,000	(6,738)	(3,262)	-
National Lottery Awards for All	-	9,836	(3,252)	(2,948)	3,636
National Lottery Heritage Fund	-	44,910	(41,098)	(5,991)	(2,179)
Big Lottery Fund	8,293	11,605	(18,905)	(993)	-
Canterbury Arts Council	-	(150)	-	150	-
The David Family Foundation	-	10,000	(1,047)	(615)	8,338
Handmade Christmas project	-	300	(295)	(5)	-
Whitstable Seaside Guide	-	2,100	(2,101)	1	-
Kent Community Foundation	-	3,500	(2,568)	(336)	596
Total restricted funds	8,703	92,101	(76,410)	(14,003)	10,391
Unrestricted general funds	(50,693)	172,791	(184,569)	14,003	(48,468)
Total funds	(41,990)	264,892	(260,979)	-	(38,077)

RESTRICTED FUNDS - PREVIOUS YEAR

The Henry Smith Charity

The grant was used towards the Young Digital Makers project, a programme of digital creative activities created by and for disadvantaged young people in and around Whitstable and Herne Bay. The funds were used for staff costs, running costs and equipment.

The Foyle Foundation

The grant was used for They Came from the Deep, a summer creative project for young people. The funds were used for staff costs, workshops, materials and a gallery exhibition. The transfer to general funds is a contribution towards the premises costs.

National Lottery Awards for All

The grant was used to deliver Silver Screenings Matinees, affordable film screenings for older and other potentially isolated people. The funds were used for staff costs, new equipment, film licence costs and refreshments. The transfer to general funds is in respect of equipment purchased and is included within fixed assets.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

RESTRICTED FUNDS - PREVIOUS YEAR**National Lottery Heritage Lottery Fund**

The funds were used to deliver a project entitled Pudding Pan Rock, a rediscovery of local heritage by young people. The project connected local young people with Roman and later history, centred around the 'pudding pans', Roman Samian ware pots found by local fishermen. Funds were used for staff costs, professional fees, materials and running costs. The project was completed in April 2020 and the deficit on the fund was met from an agreed final grant payment from the funder in 2020/21, after the project ended. A transfer to general funds has been made to cover premises and other administration costs of the project.

Big Lottery Fund - Young Digital Makers

The grant from the Big Lottery Fund is used to deliver a programme of digital making activities (creative uses of technology) created by and for disadvantaged local young people. The funds are used to employ a project manager and to cover running expenses and equipment. The transfer to general funds is in respect of a contribution towards the premises costs.

Canterbury Arts Council - Think of Me project

The funds were used to run children's workshops for the Think of Me project.

The David Family Foundation

The funds contributed towards a programme of in-house curated exhibitions at the Horsebridge Centre. Funds covered staff costs, materials and the use of exhibition space. The transfer to general funds represents a contribution towards the charity's premises costs. The project continued in 2020/21.

Handmade Christmas project

The funds, from Whitstable and Herne Bay Lions (£200) and WHSmith (£100), contributed towards the production of handmade Christmas decorations, made by local volunteers, which were sold to the public. Funds covered materials costs.

Whitstable Seaside Guide

The funds, from The Cleary Foundation (£1,500), WHSmith (£100) and Robert Brett and Sons (£500) contributed towards the production of an illustrated guidebook for children, families and anyone interested in learning about the flora and fauna that live on local beaches. Funds were used towards design, printing, production and distribution costs.

Kent Community Foundation

The funds, from The Kent Community Foundation Crown Charitable Fund were used for a programme of workshops and an exhibition for a group of people with learning disabilities. The project was delivered in partnership with IO Arts, History and Disability.

14 MEMBERS LIABILITY

The company is a company limited by guarantee. The members' liability is limited to £1 each.

15 CORPORATION TAXATION

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

16 RELATED PARTY TRANSACTIONS

Horsebridge Café Limited, a 100% subsidiary undertaking of the charity, ceased trading on 31 May 2019 and the final statutory accounts were prepared for the period from 1 April 2018 to 31 May 2019. The Trustees have requested that the company be struck off and the company was dissolved on 29 September 2020.