

Charity Registration No. 1140525

Company Registration No. 07371445 (England and Wales)

ARTS AT THE OLD FIRE STATION
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018

ARTS AT THE OLD FIRE STATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Dr A Fairweather-Tall K D Felton J Foster G B J Gadney (Chair) (Appointed 12 June 2018) V J R Graham (Appointed 14 November 2017) W L W W Mangua (Appointed 14 November 2017) M Ounsley S E W Raikes K Valkeinen Dr C J Wright (Treasurer)
Secretary	R A Vallins
Charity number	1140525
Company number	07371445
Registered office	40 George Street Oxford OX1 2AQ
Independent examiner	Richardsons 30 Upper High Street Thame Oxfordshire OX9 3EZ

ARTS AT THE OLD FIRE STATION

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ARTS AT THE OLD FIRE STATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 30 SEPTEMBER 2018

The trustees present their report and financial statements for the year ended 30 September 2018.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charitable company's Memorandum and Articles of Association, the Companies Act 2006 and "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 Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016)

Objectives and activities

The Objects of the Charity are, for the public benefit, to advance education in the arts in Oxford by the provision and management of an arts facility called The Old Fire Station. Over the past year, we have reviewed the aims of the company, within the context of these purposes, to better explain our mission.

What do we do?

The Old Fire Station is a public arts centre

- presenting new work across art forms
- supporting artists
- including people facing tough times.

How do we do it?

We do this by focussing on:

- good quality relationships
- encouraging creativity and risk-taking
- offering a public space which is welcoming to all.

Why is this needed?

Oxford is globally renowned for stunning heritage and outstanding research.

Oxford is also a place of disadvantage and inequality and is sometimes regarded as closed.

Oxford needs The Old Fire Station because it is about openness, inclusion, looking forward and different thinking. The Old Fire Station acts as a bridge between sectors, organisations and people.

Our Mission

Presenting new work across art forms

We want our reputation to be good quality art aimed at adults which takes a risk, asks questions and entertains. We want our audiences to have fun and be open to new ideas and different people.

Supporting artists

We support early to mid-career artists from all disciplines with advice, networks and promotion to help them become more successful.

Including people facing tough times

We share our building with the homelessness charity, Crisis. Through this partnership, we offer people who are homeless space to define themselves and choose their own labels by including them in the running of the centre. We look for ways of including others who are socially isolated and disadvantaged. This improves the quality of what we do, helps develop networks, builds resilience and leads to more stable lives. We do this, with Crisis, by offering a **public space** which is shared by very different people and helps to break down barriers and promote solidarity in Oxford. We prioritise building good quality relationships within our team, with our public and with partner organisations.

Our Values

Openness: We want everyone to feel welcome and able to contribute.

Good Quality Relationships: We try to be honest and transparent.

Innovation: We look for creative ways of operating.

Learning: We reflect deeply on what we do, seek to learn from others and listen to dissent.

Professionalism: We aim to provide the best possible service to customers, artists and collaborators.

Fun: We think it is important to play and take risks.

ARTS AT THE OLD FIRE STATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2018

Outcomes

We want people to identify for themselves what positive change looks like. We review and adapt the outcomes we seek based on what we learn from those with whom we work. We are currently focussed on four key outcomes:

- Everyone engaged with AOFS is more open to new ideas and different people.
- People facing tough times contribute, are heard and become more resilient.
- Oxford is a better place to live and work.
- Artists are more successful.

Our Core Activities

A **performing arts programme** of theatre, music, dance, spoken word and comedy presented mainly in the theatre but also in other spaces. Events are programmed on a hire basis or on varying agreements around fees, guarantees and box office splits. Work ranges from some of the best UK professional small-scale touring, to local semi-professional and amateur work. We also produce work and present regular Scratch nights and networking opportunities for artists. Most events have an associated **bar**.

A **visual arts programme** presented mainly in the gallery but also in other spaces (such as the Cafe from Crisis and Theatre Entrance Space). Exhibitions usually run for 6 weeks and have an associated series of workshops for the public. The work ranges from established to early career artists and includes work by professionals, students and people facing tough times. Some attract hire income or grants. Some exhibitions include work for sale.

A range of offers to **support artists** with creative, technical, marketing, fundraising, networking and business development.

A **shop** selling work by UK designer/makers and providing an entrance from Gloucester Green. Stock is either on a sale or return basis or is bought wholesale. Our commission ranges from 45% to 55%. Our in-house **box office** is also based in the shop.

Spaces for hire ranging from regular weekly dance classes to performances, workshops, training, events, meetings, conferences and parties.

Six **studios** are leased to visual/sound artists for a monthly licence fee. Some are leased by individuals and others by organisations who then gift the studio to artists they wish to support. Artists have separate 24/7 access to their studios.

Facilitation and technical services are offered on a consultancy basis.

Self-produced work, usually supported by project funding, includes creative projects with people who are facing tough times (e.g. Hidden Spire, *Our Place*) and new work (e.g. Christmas shows).

Major events such as Marmalade (social innovation festival as a fringe to the Skoll World Forum) and Offbeat (performing arts festival in partnership with Oxford Playhouse)

Ongoing work with Crisis to enable **people who are homeless to participate** including:

- A training scheme to gain transferable skills in areas such as cash handling, customer service, technical support, administration, social media and security.
- Volunteering opportunities (mainly as Front of House ushers).
- Creative opportunities to make work to a high standard to present in our theatre, gallery or elsewhere in the building
- Involvement in organisational decisions including programming, recruitment, advocacy and governance.

Facilitation of wider debate about **systems change and placemaking** through close working with our funders and partners.

ARTS AT THE OLD FIRE STATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2018

Achievements and performance

Over the seven years since we opened in November 2011, we have grown in many ways. For example,

	2011/12	2017/18
Turnover	£192k	£772k
Reserves	-£49k	£117k
Sales	£47.5k	£115.5k
Permanent Staff (FTE)	3.4	14.3
Projects produced by AOFS	0	6
Theatre shows selected by AOFS (as opposed to received as hires)	0%	65%
Exhibitions	12	16
Trainees	1	9

We do not expect to grow at this pace over the coming years and are now more concerned with being better rather than bigger. Some engagement numbers have decreased over the past year. This is partly because numbers are affected by the timing of projects involving high levels of participation by Crisis clients. It is also because we are working intensively with former Crisis members who do not count in our numbers but this ongoing relationship is important. It is through this work, we can evidence that the organisation is genuinely able to include people over time. People with direct lived experience of homelessness are now represented in our paid staff team, on our Board of Trustees, on our programming group and board sub groups and as artists and evaluators.

The numbers cannot be high but the impact on those individuals is great as is the impact on our delivery and the perceptions of the wider public. In line with our ambition to be better rather than bigger, we are working more deeply and intensively so contact time is increasing. This leads to more sustainable outcomes as evidenced by our storytelling evaluation.

ARTS AT THE OLD FIRE STATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2018

	2016/17	2017/18
Total shows	231	228
Artist sharing events	41	32
Average theatre capacity	71%	68%
Exhibitions	19	16
New public volunteers	62	46
New Crisis client volunteers	14	6
Shop/gallery sales	40,110	44,648
Bar sales	28,896	31,127
Artists working with vulnerable adults	29	28
Free tickets taken up by Crisis clients	177	116
Different individuals claiming free tickets	53	54
Crisis clients completing the training scheme	12	9
Crisis clients exhibiting art	8	11
Total Crisis clients engaging	113	94

ARTS AT THE OLD FIRE STATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2018

As well as our usual eclectic programme of shows, exhibitions, workshops and classes we have developed in many ways. For example:

- Hidden Spire is a co-production by professional artists and Crisis clients which, in October 2017, culminated in a high-quality performance of a new play, *Sawdust*, and a documentary by Jo Elliott called *Life is a Circus*.
- We produced our third Offbeat festival (in partnership with Oxford Playhouse). For 2019 onwards, we plan to provide more support for artists at Offbeat.
- We presented our second Christmas show for grown-ups – *Working Christmas*.
- We started work on a visual art collaboration called *Our Place* between mentors and Crisis clients to open an exhibition as part of the Christmas Light Festival.
- We collaborated with TORCH (The Oxford Research Centre for Humanities, University of Oxford), Sphinx Theatre and Crisis to present an evening of cabaret and poetry inspired by Bertolt Brecht. The poetry was then published by Hurst Street Press.
- We have found more ways for Crisis clients and others facing tough times to be part of the running of the arts centre. This has included joining our paid staff team, our Board of Trustees and our programming and Board sub groups.
- We introduced a new evaluation methodology which we call Storytelling, based on Most Significant Change, which invites interviewees to tell a story about the change they have experienced and how it happened. We presented findings at the Marmalade conference in April 2018 and online, and we are now embedding this approach in our work.

Through our Storytelling evaluation, we learned that change happens when we and those we work with are able to:

- work together in a team and look after each other
- do real stuff that makes a real contribution
- build meaningful social contacts and help each other
- be treated equally
- be acknowledged for what we contribute and acknowledge others
- have an opportunity to shine and enjoy ourselves.

And we have learned that, when we are at our best, we help this happen by:

- being principles-led
- taking risks
- sharing responsibility, collaborating and saying yes
- being open
- being proactive and flexible
- having a place that is welcoming
- focussing on good quality relationships.

LOOKING FORWARD

In our new business plan we have emphasised the need to continue to improve our core offer:

- Presenting new work across art forms and developing our audiences
- Supporting artists
- Including people facing tough times

There are some areas where we wish to develop. Over the coming year, we will focus especially on **three key areas** where we have relatively little expertise and experience:

- Donor development
- Communications
- Digital presence

ARTS AT THE OLD FIRE STATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2018

In addition, over time, we will develop the following areas:

- Producing our own work
- Supporting artists more consistently
- Learning and Influencing through Storytelling
- Access and Inclusion
- Co-creation
- Commercial activity
- Environmental impact

Financial review

In accordance with the charity's Memorandum and Articles of Association, all surpluses are applied solely towards the promotion of activities of the charity.

Turnover in the year was £771,911 – a significant increase on the previous year (£687,352). There was a surplus on unrestricted funds of £444 which results in a balance on unrestricted funds at the end of the year of £116,929. Several major national Foundations continue to support the charity including Esmée Fairbairn Foundation, Lankelly Chase Foundation, Tudor Trust, Paul Hamlyn Foundation and Big Lottery Fund. Oxford City Council has also continued to support the charity with funding and in-kind contributions. Arts Council England has also supported the Offbeat Festival, the Hidden Spire project, and both *Working Christmas* and *Snowflake* for 2018. Support from the Arts Council England Catalyst (Evolve) Scheme has enabled us to focus more on developing individual and corporate donors. As it is now seven years since the building was refurbished, significant asset replacement and building maintenance is becoming necessary. In particular, there have been significant problems with the roof leading to water ingress. To this end, Trustees have provided £70,000 to contribute to expected necessary refurbishment costs.

Reserves policy

The charity's reserves policy is designed to reflect the underlying risks facing the charity and to ensure that it has an appropriate level of reserves to safeguard its operations and services. Where appropriate, Arts at the Old Fire Station holds restricted funds in accordance with funders' requirements. The Trustees have considered the minimum level of free reserves required to support the charity's operations. Relevant factors include projected financial performance including cash flow requirements, the extent to which multi-year grant payments received relate to subsequent years' expenditure and an assessment of the risks to the charity's income streams.

Following this review, the Trustees have determined that the required level of free reserves at the end of the financial year is a minimum of £150,000. The charity's free reserves (excluding fixed assets) are currently lower than the desired level, at £93,724. The Trustees aim to achieve the reserves target in the medium term and plan to continue to focus on seeking external funding for core costs, in particular multi-year awards from significant funders. In addition, income from individual donors, artistic productions and commercial activity will be further developed whilst maintaining tight control over expenditure. The reserves requirement and underlying factors are considered annually and the minimum reserves requirement is, therefore, expected to change over time.

Risk

No system of internal control can give absolute assurance against material misstatement or loss. However, Arts at the Old Fire Station believes that it has appropriate procedures and controls to adequately mitigate against risks to which it is exposed.

Systems include:

- plans and budgets which are approved by the Trustees
- regular consideration by the Trustees of financial results, variance from budgets, non-financial performance indicators and benchmarking reviews
- in depth review of financial performance and risk by the Treasurer
- identification and management of risks.

ARTS AT THE OLD FIRE STATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2018

The charity's approach to risk management includes the rating of identified risks according to the likelihood and impact of the risk occurring. Mitigating controls have been identified and, where further action is required, deadlines and responsibilities assigned. Those activities with higher risk ratings are prioritised. The risk register is reviewed annually by the Board of Trustees.

The main risks facing Arts at the Old Fire Station have been identified as failure to meet fundraising or business income targets, loss of key staff at this early stage of development and serious building malfunction. A new risk is the potential future cost of building maintenance as the building ages. Trustees note that there is a small but growing risk regarding the long-term use of the building as the current lease with the City Council expires in 19 years. Business interruption due to data insecurity is also a small but growing risk given the rapidly changing external environment.

Structure, governance and management

Status

Arts at the Old Fire Station is a registered charity (no. 1140525) and a company limited by guarantee (no.7371445) with its own constitution - the 'Memorandum and Articles of Association'. The Trustees of Arts at the Old Fire Station are responsible for overseeing the management and administration of the charity and have ultimate responsibility for the charity's activities. The Trustees are also the Directors of the company.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Dr A Fairweather-Tall

K D Felton

J Foster

G B J Gadney (Chair)

(Appointed 12 June 2018)

V J R Graham

(Appointed 14 November 2017)

W L W W Mangua

(Appointed 14 November 2017)

M Ounsley

T Preda

(Resigned 11 September 2018)

S E W Raikes

K Valkeinen

J P R Walmsley

(Resigned 11 September 2018)

Dr C J Wright (Treasurer)

Directors

Arts at the Old Fire Station (AOFS) has a Board of Trustees on which there can be a minimum of three and a maximum of twelve Trustees. They are appointed on the basis of the expertise and experience that they can bring to the running and development of the company. New Trustees are identified through both professional and other contacts and by advertisement. Each year one third of Trustees retire by rotation (those longest serving) but each is able to put themselves forward for re-election if they wish. Two Trustees, as listed below, resigned during the accounting period and three new Trustees were appointed to the Board. In addition, Paula Redway, Cultural Development Manager at Oxford City Council, attends most meetings as an observer. The founding Chair, Jennie Walmsley, left the Board in September 2018 after eight years. Guy Gadney has been appointed as her successor. Keith Felton, a Trustee and Director of the company, is also a member of the Crisis UK senior management team. AOFS is a sub-tenant of Crisis UK in Oxford. No rental costs were charged as the costs are covered by a grant from Oxford City Council. Crisis and AOFS provide services to each other on a full cost recovery basis. AOFS paid Crisis a total of £55,945 for various services in the year (£63,683 in 2016/17).

Structure

The Board of Trustees met four times during the year. Day-to-day responsibility is delegated to paid staff with support from sub groups of the Board which include co-opted members. Strategic/policy decisions are taken by the Board. At 30th September 2018, the charity employed 13.9 full-time equivalent permanent staff, a freelance Finance Manager and a further 11 part-time casual staff. The Executive Director is Jeremy Spafford and the Deputy Director is Rebecca Vallins.

ARTS AT THE OLD FIRE STATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2018

The trustees' report was approved by the Board of Trustees.

.....
Dr C J Wright (Treasurer)
Trustee
Dated:

ARTS AT THE OLD FIRE STATION

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF ARTS AT THE OLD FIRE STATION

I report to the trustees on my examination of the financial statements of Arts at the Old Fire Station (the charitable company) for the year ended 30 September 2018.

Responsibilities and basis of report

As the trustees of the charitable company (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charitable 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 the charitable company's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the charitable 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 Institute of Chartered Accountants in England and Wales, 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 that in any material respect:

- 1 accounting records were not kept in respect of the charitable company as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements 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 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 financial statements to be reached.

Jemima King ACA
Richardsons
30 Upper High Street
Thame
Oxfordshire
OX9 3EZ

Dated:

ARTS AT THE OLD FIRE STATION

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2018

	Notes	Unrestricted funds 2018 £	Restricted funds 2018 £	Total 2018 £	Total 2017 £
<u>Income from:</u>					
Donations and legacies	3	329,088	215,349	544,437	496,099
Charitable activities	4	12,997	2,629	15,626	-
Other trading activities	5	211,764	-	211,764	191,116
Investments	6	84	-	84	137
Total income		<u>553,933</u>	<u>217,978</u>	<u>771,911</u>	<u>687,352</u>
<u>Expenditure on:</u>					
Generating income	7	115,410	8,622	124,032	108,986
Charitable activities	8	438,079	209,356	647,435	528,546
Total resources expended		<u>553,489</u>	<u>217,978</u>	<u>771,467</u>	<u>637,532</u>
Net income for the year/ Net movement in funds		444	-	444	49,820
Fund balances at 1 October 2017		<u>116,485</u>	<u>-</u>	<u>116,485</u>	<u>66,665</u>
Fund balances at 30 September 2018		<u><u>116,929</u></u>	<u><u>-</u></u>	<u><u>116,929</u></u>	<u><u>116,485</u></u>

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

ARTS AT THE OLD FIRE STATION

BALANCE SHEET

AS AT 30 SEPTEMBER 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	11		23,205		14,239
Current assets					
Stocks	12	8,969		6,566	
Debtors	13	43,529		39,705	
Cash at bank and in hand		253,969		225,635	
			306,467		271,906
Creditors: amounts falling due within one year	14	(212,743)		(169,660)	
Net current assets			93,724		102,246
Total assets less current liabilities			116,929		116,485
Income funds					
Unrestricted funds			116,929		116,485
			116,929		116,485

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 30 September 2018. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these financial statements.

The trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements 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 incoming resources and application of resources, including its income and expenditure, 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 financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on

.....
Dr C J Wright (Treasurer)
Trustee

Company Registration No. 07371445

ARTS AT THE OLD FIRE STATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

1 Accounting policies

Charity information

Arts at the Old Fire Station is a private company limited by guarantee incorporated in England and Wales. The registered office is 40 George Street, Oxford, OX1 2AQ.

1.1 Accounting convention

The accounts have been prepared in accordance with the charitable company's Memorandum of Articles, the Companies Act 2006 and "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 Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charitable company is a Public Benefit Entity as defined by FRS 102.

The charitable company has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Incoming resources

Income is recognised when the charitable company is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charitable company has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charitable company has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

ARTS AT THE OLD FIRE STATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2018

1 Accounting policies

(Continued)

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

1.5 Resources expended

Liabilities are recognised as expenditure as soon as there is legal or constructive obligation committing the charity to the expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the charity. Where costs can not be directly attributed to particular heading they have been allocated to activities on a basis consistent with the use of resources.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Theatre and shop equipment	33% straight line basis
Fixtures and fittings	25% straight line basis
Computers	33% straight line basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Impairment of fixed assets

At each reporting end date, the charitable company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

ARTS AT THE OLD FIRE STATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2018

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charitable company's contractual obligations expire or are discharged or cancelled.

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charitable company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Critical accounting estimates and judgements

In the application of the charitable company's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

ARTS AT THE OLD FIRE STATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2018

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Total
	2018 £	2018 £	2018 £	2017 £
Donations and gifts	329,088	215,349	544,437	496,099
For the year ended 30 September 2017	<u>277,607</u>	<u>218,492</u>		<u>496,099</u>
Donations and gifts				
Arts Council England	67,510	53,600	121,110	66,803
Big Lottery Fund	-	89,586	89,586	96,092
CIVA	-	26,254	26,254	23,479
Esmee Fairbairn Foundation	50,000	-	50,000	50,000
Lankelly Chase Foundation	50,000	6,000	56,000	60,185
Monument Trust	-	-	-	30,000
Oxford City Council	32,134	6,211	38,345	38,844
The Tudor Trust	25,000	-	25,000	25,000
Paul Hamlyn Foundation	70,000	-	70,000	70,000
Donations	28,593	4,894	33,487	17,673
Other	5,851	28,804	34,655	18,023
	<u>329,088</u>	<u>215,349</u>	<u>544,437</u>	<u>496,099</u>

4 Charitable activities

	2018 £	2017 £
Theatre tax credit	15,626	-
Analysis by fund		
Unrestricted funds	12,997	
Restricted funds	2,629	
	<u>15,626</u>	
For the year ended 30 September 2017		<u>-</u>

ARTS AT THE OLD FIRE STATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2018

5 Other trading activities

	Unrestricted funds	Total
	2018 £	2017 £
Product Sales	75,455	66,184
Venue and equipment hire	85,268	74,222
Consultancy income	9,305	4,257
Advertising	(200)	-
Technical services	960	1,120
Ticket sales	40,976	45,583
Service recharge	-	(250)
	<hr/>	<hr/>
Other trading activities	211,764	191,116
	<hr/> <hr/>	<hr/> <hr/>

6 Investments

	Unrestricted funds	Total
	2018 £	2017 £
Interest receivable	84	137
	<hr/> <hr/>	<hr/> <hr/>

7 Generating income

	Unrestricted funds	Restricted funds	Total	Total
	2018 £	2018 £	2018 £	2017 £
<u>Fundraising and publicity</u>				
Hospitality	997	3,451	4,448	2,834
Advertising	10,466	5,171	15,637	13,339
Other fundraising costs	-	-	-	543
	<hr/>	<hr/>	<hr/>	<hr/>
Fundraising and publicity	11,463	8,622	20,085	16,716
	<hr/>	<hr/>	<hr/>	<hr/>
<u>Trading costs</u>				
Cost of Sales	103,947	-	103,947	92,270
	<hr/>	<hr/>	<hr/>	<hr/>
	115,410	8,622	124,032	108,986
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

ARTS AT THE OLD FIRE STATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2018

7 Generating income (Continued)

For the year ended 30 September 2017

Fundraising and publicity	11,925	4,791	16,716
Trading costs	88,329	3,941	92,270
	<u>100,254</u>	<u>8,732</u>	<u>108,986</u>

8 Charitable activities

	2018 £	2017 £
Staff costs	406,244	362,166
Equipment hire	3,386	9,334
Bad debts	3,705	4,582
Bank charges and loan interest	4,238	3,324
Consultancy, artist and professional fees	31,364	23,635
Depreciation	7,273	5,943
Licences and insurance	3,758	6,018
Premises	50,872	59,989
Printing, postage and stationery	10,776	13,729
Repairs and maintenance	78,070	9,945
Bookkeeping	16,188	-
Telephone and IT expenses	13,118	20,236
Travel and subsistence	11,635	5,921
Subscriptions	6,572	3,724
Sundry expenses	236	-
	<u>647,435</u>	<u>528,546</u>
	<u>647,435</u>	<u>528,546</u>
Analysis by fund		
Unrestricted funds	438,079	
Restricted funds	209,356	
	<u>647,435</u>	
For the year ended 30 September 2017		
Unrestricted funds		318,786
Restricted funds		209,760
		<u>528,546</u>

ARTS AT THE OLD FIRE STATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2018

9 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charitable company during the year, for performing their duties as trustees and directors. They are entitled to claim legitimate expenses incurred on behalf of the charitable company.

Trustees' expenses of £299 were paid for the year ended 30 September 2018 (2017: £168).

10 Employees

Number of employees

The average monthly number of employees during the year was:

	2018	2017
	Number	Number
Permanent staff	15	13
Casual staff	10	12
	<u>25</u>	<u>25</u>

Employment costs

	2018	2017
	£	£
Wages and salaries	376,775	336,359
Social security costs	26,734	24,385
Other pension costs	2,735	1,422
	<u>406,244</u>	<u>362,166</u>

There were no employees whose annual remuneration was £60,000 or more.

ARTS AT THE OLD FIRE STATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2018

11 Tangible fixed assets

	Theatre and shop equipment	Fixtures and fittings	Computers	Total
	£	£	£	£
Cost				
At 1 October 2017	1,264	10,972	15,789	28,025
Additions	12,039	3,233	967	16,239
At 30 September 2018	13,303	14,205	16,756	44,264
Depreciation and impairment				
At 1 October 2017	667	7,588	5,531	13,786
Depreciation charged in the year	579	2,135	4,559	7,273
At 30 September 2018	1,246	9,723	10,090	21,059
Carrying amount				
At 30 September 2018	12,057	4,482	6,666	23,205
At 30 September 2017	597	3,384	10,258	14,239

12 Stocks

	2018	2017
	£	£
Finished goods and goods for resale	8,969	6,566

13 Debtors

	2018	2017
	£	£
Amounts falling due within one year:		
Trade debtors	17,828	21,857
Other debtors	19,464	3,122
Prepayments and accrued income	6,237	14,726
	43,529	39,705

ARTS AT THE OLD FIRE STATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2018

14 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	20,143	37,122
Provision for building maintenance	70,000	-
Other creditors	9,548	578
Accruals and deferred income	113,052	131,960
	<u>212,743</u>	<u>169,660</u>

Included in deferred income were the following grants:

	2018 £	2017 £
Big Lottery Fund	24,591	14,691
Oxford City Council - Hidden Spire	-	6,211
Crisis - Hidden Spire	-	10,000
Arts Council England	12,410	18,840
Arts Council England - Catalyst	16,191	26,913
Oxford Brookes University	-	1,360
Other grants	10,720	2,000
	<u>63,912</u>	<u>80,015</u>

15 Retirement benefit schemes

Defined contribution schemes

The charitable company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charitable company in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £4,448 (2017: £2,834).

16 Related party transactions

There were no disclosable related party transactions during the year (2017: none).

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2018 £	2017 £
Aggregate compensation	<u>50,000</u>	<u>43,000</u>