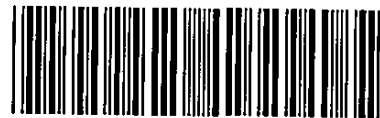


COMPANY NUMBER 01317772

CHARITY REGISTRATION NUMBER 0274040

**ARTS & BUSINESS LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30TH JUNE 2013**

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ARTS & BUSINESS LIMITED
REPORT AND FINANCIAL STATEMENTS
PERIOD ENDED 30TH JUNE 2013

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**ARTS & BUSINESS LIMITED
TRUSTEES AND ADVISORS
PERIOD ENDED 30 JUNE 2013**

TRUSTEES	Stephen Howard David Pemberton Francoise Seacroft
SECRETARY	Lesley Wolfenden
COMPANY NUMBER	01317772
CHARITY REGISTRATION	0274040
REGISTERED & PRINCIPLE OFFICE	137 Shepherdess Walk London N1 7RQ
AUDITOR	Crowe Clark Whitehill LLP St Bride's House 10 Salisbury Square London EC4Y 8EH
BANKER	HSBC Bank 333 Vauxhall Bridge Road London SW1V 2RB
SOLICITOR	Bates Wells & Braithwaite 2 – 6 Cannon Street London EC4M 6YH

**ARTS AND BUSINESS LIMITED
TRUSTEES REPORT
PERIOD ENDED 30 JUNE 2013**

The trustees present their annual report and the company's consolidated financial statements for the period ended 30 June 2013

OBJECTIVES AND AIMS

Arts & Business (A&B)'s object is to promote the advancement of education in the arts with a view to developing public taste and appreciation of the arts. Its vision statement is

"Arts & Business sparks new partnership between commerce and culture. We connect companies and individuals to cultural organisations and provide the expertise and insight for them to prosper together"

The goals of the charity during the period under review were as follows

- To build the knowledge and capacity of the arts and cultural sector to engage with the private sector and to stimulate philanthropy
- To build business performance through culture
- To build world class research and thought leadership around culture, commerce and philanthropy
- To deliver world class advocacy and communications that encourages the private sector to support the arts

STRUCTURE, GOVERNANCE AND MANAGEMENT

Arts & Business Limited is a charity registered in England and Wales with the charity number 274040 and a company limited by guarantee numbered 01317772

A&B was constituted, in June 1977, as a company limited by guarantee not having a share capital. Its governing documents are the company's memorandum and articles of association.

On the 2nd December 2011, the trustees transferred their shares to Business in the Community, a charity registered in England and Wales (company registration number 1619253). Business in the Community as the sole member has the power to appoint or remove trustees, who are responsible for the management and direction of A&B. Induction of trustees and subsequent training is delivered as appropriate to their experience and need.

All trustees gave their time freely and no trustee remuneration or expenses was paid in the year. Details of related party transactions are disclosed in note 18 of the accounts. Trustees are required to disclose all relevant interests and to register them with the Company Secretary and, in accordance with A&B's policy, withdraw from decisions where a conflict of interest arises.

A&B's registered office is 137 Shepherdess Walk, London, N1 7RQ. It continues to carry out its non-charitable trading activities through a wholly owned subsidiary Arts & Business Services Limited ("Services").

**ARTS AND BUSINESS LIMITED
TRUSTEES REPORT
PERIOD ENDED 30 JUNE 2013**

HOW THE ACTIVITIES OF THE FUND DELIVERED BENEFIT

Over the last period, including the first full year under the umbrella of Business in the Community, Arts & Business undertook a process of consolidation, of both staff and activity, to identify the key elements of its work that were most likely to lead to maximum impact and the development of a sustainable campaign over the long term

Key outputs during the period included the 34th Annual Arts & Business awards, highlighting and celebrating the very best business & arts partnerships. These were held at St Luke's Church, near Old Street, which has been transformed through a partnership between UBS and the London Symphony Orchestra into one of the leading arts education spaces in London. These awards were sponsored by Jaguar Land Rover and Ian Callum, Head of Design at Jaguar gave a key note address that underlined the importance of creativity to business. Corporate partners for the awards included BP, Classic FM, the Telegraph, Eversheds, Soul Tree, Clarke Associates and UBS. The purpose of the awards is twofold. The first purpose is to celebrate the best business/arts partnership in England over the last year. The second, equally important, purpose is to build a bank of key case studies that Arts & Business can use to inspire and encourage other businesses to recognise what they can do through arts partnerships that will help them deliver their corporate and community objectives.

In December 2012, five more leading cultural philanthropists received the Prince's Medal for Arts Philanthropy, in a programme managed over the last five years by Arts & Business. These medals highlight the astonishing impact that individuals can have through their support, both financial and otherwise, of the arts. The medal ceremony was made possible through an additional grant from Arts Council England.

Through the year we were delighted that our Principal Members – BP, Sky Arts, JTI, Google, Ernest & Young, PWC and Bank of American Merrill Lynch, amongst others - continue to show the way in what can be achieved by partnerships between business and the arts.

Alongside the work we carried out for businesses, we also continued to support the cultural sector in how they develop stronger partnerships with the private sector. Through a combination of master classes, one-to-one surgeries, online content and research, we were able to provide the tools and knowledge needed to start or strengthen these partnerships.

Augmenting this was the work of our volunteering programme that brings business skills and expertise into the cultural sector, as both board members and advisers. Through the year we took the ongoing success of this programme to a new level by exploring how a team of business volunteer advisors in Manchester could help support a selected group of cultural organisations develop a more sustainable future by refining their business processes and exploring their income generation potential. This work will be crucial in developing a strong, resilient and sustainable cultural sector as public funding continues to be under threat.

**ARTS AND BUSINESS LIMITED
TRUSTEES REPORT
PERIOD ENDED 30 JUNE 2013**

FINANCIAL RESULTS FOR THE YEAR

The results for the charity for the 15 month period to June 2013 was a deficit of £218k (Year to March 2012 deficit of £2,019k) The activity can be broken into two periods

April 2012 to June 2012 Deficit of £202k

Arts & Business continued its reorganisation as a response to the cuts in funding from Arts Council England and resulted in a deficit of £202k this reorganisation was complete by the end of June 2012

July 2012 to June 2013 Deficit of £16k

The first full year under management of Business in the Community and also the first year to benefit from the release of funds from the income trust resulted in a deficit of £16k caused by a negative movement in restricted funds For this period the unrestricted movement of the charitable activities backed by the income trust fund was £0

Income was predominantly generated through Business membership of the campaign and donations from leadership team members as well as Arts Consultancy with companies in improving and delivering their links to the arts

RISK MANAGEMENT

Arts & Business is now fully integrated into its parent, Business in the Community's risk framework and the trustees assess the risks to the charity on this basis

RESERVES POLICY

The trustees considered that in light of the change in activity the appropriate benchmark for reserves cover should reflect the costs of closure of the organisation This cost has been assessed as £190k This level of cover is available from our current unrestricted funds

INVESTMENT POLICY

The charity's investments are made in accordance with the trustee's investment powers which are set out in the charity's governing documents The policy is to obtain the best return on the funds surplus to the charity's immediate needs whilst minimising the risk of capital depreciation In line with the trustees decision to spread the risk funds are maintained with HSBC Bank plc and CAF Charities deposit funds

FUTURE PLANS

Over the coming year Arts & Business will continue to consolidate its programme activity to ensure it can achieve maximum impact in a sustainable manner

As part of this, it will look to how its knowledge of the potential of cultural partnership could play a role in other BITC campaigns and their ability to communicate this to their business contacts This will both better integrate Arts & Business into BITC (including discussions concerning the future integration and

ARTS AND BUSINESS LIMITED
TRUSTEES REPORT
PERIOD ENDED 30 JUNE 2013

transfer of operations) and further extend the reach of culture and creativity as a key tool for the corporate sector

Central to our success in this will be the ongoing work of the Arts & Business Leadership Team, which is bringing senior people from, amongst others, BP, JTI, SKY, JLR, Eversheds under the Chairmanship of Jonathan Moulds from Bank of America, to help shape this exciting new phase in the life of A & B

This year we will again be presenting the Prince's Medal for Arts Philanthropy in late December and holding our 35th Annual Awards, which will be used to celebrate the significant impact that business has had and is continuing to have with and for the cultural sector

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also directors of Arts & Business Limited for the purposes of company law) are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Practice (United Kingdom Accounting Standards)

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the incoming resources and application of resources, including the income and expenditure, of the company for that year. In preparing these financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether the applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as each of the directors is aware, there is no relevant audit information of which the charitable company's auditors are unaware. The directors have each taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**ARTS AND BUSINESS LIMITED
TRUSTEES REPORT
PERIOD ENDED 30 JUNE 2013**

AUDITOR

Crowe Clark Whitehill LLP have expressed their willingness to continue as statutory auditor of the company and a resolution proposing their re-appointment will be submitted to the forthcoming Annual General Meeting

Approved by the trustees on 5 November 2013 and signed on their behalf by



Stephen Howard
Trustee
5th November 2013

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARTS & BUSINESS LIMITED

We have audited the financial statements of Arts and Business Limited for the period ended 30 June 2013 which comprise the Statement of Financial Activities (incorporating the Group Income and expenditure account), the Group and company Balance Sheet, the Group cash flow statement and the related notes numbered 1 to 20

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees' Responsibilities, the trustees, who are also the directors of the charitable company for the purpose of the company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion, the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 30 June 2013 and of the group's incoming resources and the application of resources, including its income and expenditure for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- the parent charitable company has not kept adequate accounting records, or
- the parent charitable company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



Andrew Pianca

Senior Statutory Auditor

For and on behalf of

Crowe Clark Whitehill LLP

Statutory Auditor

London

13 November 2013

ARTS & BUSINESS GROUP, INCLUDING ARTS & BUSINESS LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE GROUP
(INCORPORATING AN INCOME & EXPENDITURE ACCOUNT)
FOR THE PERIOD ENDED 30 JUNE 2013

	Notes	Unrestr'd Funds £'000	Restricted Funds £'000	2013 Totals (15mths) £'000	2012 Totals £'000
Incoming Resources					
Release of Deferred Income Trust		769		769	-
<i>Grant and voluntary income</i>					
Grants	3	53	71	124	2,735
<i>Earned Income</i>					
Advocacy, Research & Events		116	-	116	163
Arts Capacity Building		37	-	37	81
Business Development		243	-	243	274*
Projects		2	-	2	28
Other Earned income	4	-	-	-	11
Investment income		12	-	12	14
Total Incoming Resources		1,232	71	1,303	3,306
Resources Expended					
<i>Costs of generating funds</i>					
Management Charge to A & B Services Ltd		-	-	-	(277)
Fundraising and publicity costs		(6)	-	(6)	(16)
Total costs of generating funds		(6)	-	(6)	(293)
<i>Charitable Expenditure</i>					
	5				
Advocacy, Research & Events		(554)	(91)	(645)	(704)
Arts Capacity Building		(219)	-	(219)	(828)
Investment Programmes		(2)	-	(2)	(318)
Business Development		(659)	-	(659)	(546)
Projects		(13)	-	(13)	(279)
Other activities		30	-	30	(552)
Governance		(7)	-	(7)	(28)
Total Charitable Expenditure		(1,424)	(91)	(1,515)	(3,255)
Grant to deferred income trust fund		-	-	-	(1,250)
Total Resources Expended		(1,430)	(91)	(1,521)	(4,798)
Net Incoming resources before transfers		(198)	(20)	(218)	(1,492)
Nations Settlement	6	-	-	-	(527)
Net Movement in funds for the year		(198)	(20)	(218)	(2,019)
Funds brought forward at 1 April 2012		488	23	511	2,530
Funds carried forward at 30 June 2013		290	3	293	511

The notes on pages 11 to 19 form part of the Financial Statements

All of the charitable company's operations are represented by continuing activities

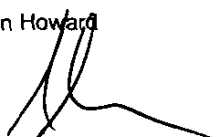
The charitable company has no recognised gains and losses other than those shown above

ARTS & BUSINESS GROUP, INCLUDING ARTS & BUSINESS LIMITED
CHARITY AND GROUP BALANCE SHEETS
AS AT 30 JUNE 2013

	Notes	Charity 2013 £'000	Group 2013 £'000	Charity 2012 £'000	Group 2012 £'000
Fixed Assets					
Tangible fixed assets	11	-	-	-	-
		-	-	-	-
Current Assets					
Debtors	12	66	96	260	221
Investment deposits		801	801	1,516	1,516
Cash at bank		235	283	424	541
Total Current Assets		1,102	1,180	2,200	2,278
Current Liabilities					
Creditors	13	326	401	442	517
Deferred Income Trust Fund	13	486	486	800	800
Total Current Liabilities		812	887	1,242	1,317
Net Current Assets		290	293	958	961
Total assets less current liabilities		290	293	958	961
Creditors Amounts Falling Due More than One Year	14	-	-	450	450
Net Assets		290	293	508	511
Reserves					
Restricted Funds	15	3	3	23	23
Unrestricted Funds	16	287	290	485	488
Total Reserves		290	293	508	511

Approved and authorised for issue by the trustees on 5 November 2013 and signed on their behalf by

Stephen Howard



The notes on pages 11 to 19 form part of the Financial Statements

Company Number 01317772

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ARTS & BUSINESS LIMITED
CONSOLIDATED CASHFLOW
FOR THE PERIOD ENDED 30 JUNE 2013

	Note	2013 £'000 (15 mths)	2012 £'000
Net cash (outflow)/inflow from operating activities		(985)	(698)
Returns on investments and servicing of finance		12	14
Settlement Transfer to Nations		-	(527)
(Decrease)/ Increase in cash in the year		(973)	(1,211)

Analysis of movement in Cash

	2013 £'000	2012 £'000	Change for 15 month period
Short Term Deposits	801	1,516	(715)
Cash at bank and in hand	283	541	(258)
Total	1,084	2,057	(973)

RECONCILIATION OF NET (OUTGOING) RESOURCES
TO NET CASH (OUTFLOWS) /INFLOWS FROM OPERATIONS

	2013 £'000 (15 mths)	2012 £'000
Net movement in funds	(218)	(2,019)
Less investment income	(12)	(14)
Depreciation	-	27
Transfer to/(from) Deferred Income Trust Fund	(764)	1,250
Transfer to Nations	-	527
(Decrease) / Increase in creditors	(116)	(697)
Decrease / (Increase) in debtors	125	228
Net cashflow outflow / inflow from operating activities	(985)	(698)

The notes on pages 11 to 19 form part of the Financial Statements

ARTS & BUSINESS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
PERIOD ENDED 30 JUNE 2013

Note 1 Principal Accounting Policies

These accounts are prepared in accordance with the Statement of Recommended Practice Accounting and Reporting by Charities (Revised 2005), applicable accounting standards and the Companies Act, 2006. They are drawn up on the historical cost accounting basis. The consolidated accounts include the trading activities, assets and liabilities of the charity's subsidiary company.

Having assessed the charity's financial position and plans to the foreseeable future, the trustees are satisfied that it remains appropriate to prepare financial statements on the ongoing concern basis.

Basis of Consolidation

These financial statements consolidate the results of Arts & Business Limited (the "Charity") and its wholly owned subsidiary, Arts & Business Services Limited ("Services"), on a line by line basis.

Incoming Resources

Grants, corporate sponsorship, investment income and other incoming resources are accounted for on an accruals basis, in the year to which they relate. Membership income is accounted for on a cash basis. To the extent that they relate to a future period, an appropriate part of it is carried forward as deferred income. Grants receivable for specific projects are credited to restricted funds.

Resources Expended

All expenditure is accounted for on an accruals basis as follows -

- External direct costs are allocated to the appropriate expenditure activity. Where appropriate staff costs, overheads, and depreciation are allocated directly to the expenditure categories. Support costs, including central functions, have been allocated to the expenditure categories based on management's estimate of the proportion of time and resources consumed by each of the key activities of the Charity.
- Governance costs include those incurred in the governance of the Charity and its assets.
- Costs of generating funds are those costs incurred in attracting voluntary income.

Non-charitable Trading Expenditure

Non-charitable trading expenditure consists of all costs incurred by the subsidiary, Services,

Investment programmes

Investment programme costs are recognised in full in the year in which they are approved by the Charity and communicated to the recipient, irrespective of the year for which the investment is payable. This is the point at which the Charity has an obligation, legal or constructive, to meet this expenditure. There are normally certain conditions that must be met before the investment is actually paid over, however it is reasonably certain that these will be met and the payment made.

Support to charities with parallel objects

Grants to these charities are recognised in the year for which they are payable.

ARTS & BUSINESS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
PERIOD ENDED 30 JUNE 2013

Tangible fixed assets and depreciation

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition. It is the policy of the Charity not to capitalise assets costing less than £1,000. Depreciation is charged to the Statement of Financial Activities ("SOFA") and is calculated to write off the cost of the assets in equal instalments over their expected useful lives, commencing in the quarter after acquisition of the asset, as follows -

- Improvements to short leasehold property - over period of the lease
- Furniture & office equipment - over five years
- Computer hardware and software - over three years

Operating leases

Operating lease rentals are charged as an expense in the SOFA as they are incurred

Investments

Investments are shown at market value at the year-end and any realised and unrealised gains or losses are reflected within the SOFA. At present the Charity's investment portfolio is held in cash deposits with licensed UK financial institutions

Funds

Funds are classed as restricted where specific conditions have been imposed by the donor or grant maker, such that the funds must be used wholly and exclusively for the identified purpose. All other funds are classed as either unrestricted or designated according to decisions made by the trustees of the Charity

Overhead Costs

Overhead costs include rent, rates light & heat, staff travel, legal costs, irrecoverable VAT and other office costs

Income and Expenditure for the Charity

As permitted by section 408 of the Companies Act 2006 a separate income and expenditure account of the charity is not presented as part of these accounts. The statement of financial activities includes a deficit of £(218k) (2012- deficit of £(2,019k) which is dealt with in the accounts of the charity. The profit and loss account for the subsidiary is presented in note 2

Note 2 Subsidiary Companies

During the period under review, Arts & Business Limited had one wholly-owned subsidiary company - Arts & Business Services Limited ("Services"). Audited accounts for Services will be filed with Companies House. The Company's results have been consolidated with those of Arts & Business Limited in the Group accounts

Arts & Business Services Limited

Services provides membership and consultancy services to the business community and organises, brokers and delivers creative training and development (formerly known as arts-based training) to business. The Company donates its taxable profits to Arts & Business Limited (the charity) under Gift Aid. The net results from the non-charitable trading activities of this subsidiary are summarised below -

ARTS & BUSINESS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
PERIOD ENDED 30 JUNE 2013

Profit & Loss Account

	2013 £'000 (15 mths)	2012 £'000
Turnover	313	462
Less Cost of Sales	(207)	(185)
Gross Profit	106	277
Less Management charge from Parent company	(-)	(277)
Net Profit	-	-
Amount donated to Arts & Business Limited	107	-
Retained in subsidiary	(1)	-
Net Assets	3	4

Note 3 Grants Receivable

	2013 £'000 (15 mths)
Amex monies	71
Arts Council England	53
	124

Note 4 Other Earned Income

	2013 £'000 (15 mths)	2012 £'000
Other Donations	-	5
Sundry Income	-	6
	-	11

ARTS & BUSINESS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
PERIOD ENDED 30 JUNE 2013

Note 5 Analysis of Total Resources expended

	External Direct Costs £'000	Staff Costs £'000	Overheads £'000	Total 15mths 2013 £'000	Total 12mths 2012 £'000
Advocacy, Research & Events	321	229	95	645	704
Arts Capacity Building	3	158	58	219	828
Investment Programmes	1	-	1	2	318
Business Development	111	385	163	659	546
Projects	3	8	2	13	279
Other A & B Business Activities	11	(7)	(34)	(30)	525
	450	773	285	1,508	3,200
Other Expenditure					
Costs of operating A & B services Ltd	-	-	-	-	277
Fundraising and publicity costs	-	6	-	6	16
Depreciation	-	-	-	-	27
Governance	7	-	-	7	28
Support to charities with parallel objects	-	-	-	-	-
	7	6	-	13	348
Total for year to 30 June 2013	457	779	285	1,521	
Total for year to 31 March 2012	835	2,062	651	3,548	

Note 6 Deferred Income Trust

Prior to the merger with Business in the Community, a deferred income trust was established into which £1 25m was transferred, which will help finance, as noted in the Trustees report, Arts and Business's integration into the new parent charity's operations and the development of new approaches. The funds were to be released over the next two years. Since July 2012 £764k has been utilised leaving £486k remaining.

ARTS & BUSINESS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
PERIOD ENDED 30 JUNE 2013

Note 7 Staff Costs

	Group 15mths 2013 £'000	Group 12mths 2012 £'000
Wages & salaries	678	1,302
Employer's National Insurance	77	128
Pensions	46	128
	<u>801</u>	<u>1,558</u>
Restructure Costs	(6)	435
Other staff costs	(19)	69
	<u>776</u>	<u>2,062</u>

All staff are employed by the charitable company, Arts & Business Limited. The trading subsidiary, Arts & Business Services Limited, does not have any employees. The average full-time equivalent number of persons employed in the year was 15 (2012: 35). As at 30 June 2013 the number of full time equivalent persons was 12 (2012: 20).

The number of higher paid employees whose remuneration exceeded £60,000 during the period was as follows:

	2013 (15mths) <u>No</u>	2012 (12mths) <u>No</u>
£60,000 - £70,000	2	1
£70,000 - £80,000	1	-
£110,000-£120,000	-	1
£130,000 - £140,000	-	1

A&B operates a "defined contribution" pension scheme for all other permanent staff, employer's contributions payable under the scheme, included in the above analysis of staff costs, were paid over during the 15 month period to the trustees of the pension fund, which is independently administered. Contributions made during the year in respect of higher-paid employees amounted to £18k (2012: £49k).

The Trustees of the charity (who are also the directors of the company) did not receive any emoluments in the year (2012: £nil). Expenses reimbursed to trustees during the year amounted to £nil (2012: £nil).

ARTS & BUSINESS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
PERIOD ENDED 30 JUNE 2013

Note 8 Overhead costs incurred by the Group may be analysed as follows

	2013 (15mth) £'000	2012 (12mth) £'000
Rent & Services	61	177
Overhead charges from Parent	172	-
Travel	32	74
Equipment & Maintenance	2	113
Legal & Professional	(18)	132
Irrecoverable VAT	-	26
Other Office costs	16	68
Telephone	13	30
Depreciation	-	27
	<u>278</u>	<u>647</u>

Note 9 Group Statement of Financial Activities

	2013 (15mth) £'000	2012 (12mth) £'000
The net movement in funds is shown after charging		
Auditor's remuneration – audit services	7	28
-other services	5	3
Amounts payable under operating leases	-	210

Note 10 Taxation

The company is a registered charity under the Charities Act 2006 and as such is potentially exempt from direct tax on its income and gains to the extent that such income and gains are applied charitable purposes

Note 11 Tangible Fixed Assets

The charity holds some works of art. In June 2009 these were valued independently by Purdy Hicks at £129,000

ARTS & BUSINESS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
PERIOD ENDED 30 JUNE 2013

Note 12 Debtors falling due within one year

	Charity 2013 <u>£'000</u>	Group 2013 <u>£'000</u>	Charity 2012 <u>£'000</u>	Group 2012 <u>£'000</u>
Trade Debtors	17	40	2	47
Prepayments and Accrued Income	19	53	133	134
Recoverable VAT	-	3	2	2
Owed by A&B Wales	-	-	38	38
Amounts owed by subsidiary undertaking	30	-	85	-
Total	66	96	260	221

Note 13 Creditors falling due within one year

	Charity 2013 <u>£'000</u>	Group 2013 <u>£'000</u>	Charity 2012 <u>£'000</u>	Group 2012 <u>£'000</u>
Trade Creditors	-	-	-	-
PAYE and social security	13	13	37	37
VAT Payable	-	-	-	14
Business in the Community	232	260	143	143
Investment programme payable	-	-	-	-
Other creditors and accruals	81	101	262	289
Deferred Income Trust	486	486	800	800
Deferred Income	-	27	-	34
Total	812	887	1,242	1,317

Note 14 Creditors Amounts Falling Due More than One Year

	Charity 2013 <u>£'000</u>	Group 2013 <u>£'000</u>	Charity 2012 <u>£'000</u>	Group 2012 <u>£'000</u>
Deferred Income Trust Fund	-	-	450	450

The Deferred Income Trust was set up in December 2011 to support the development of new approaches to the delivery of the charity's charitable objective

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Note 15 Restricted Funds

The incoming funds of the Charity include restricted funds which comprise donations and grants to be held on trust and applied for specific purposes as follows

	Movement in Funds			
	Balance at 01/04/12 £'000	Incoming Resource £'000	Expenditure £'000	Transfers in /out £'000
American Express Foundation Crafted	23	71	(91)	-
Total	23	71	(91)	-

Note 16 Unrestricted Funds

The Unrestricted Funds shown in the Balance Sheet are available to the trustees to pursue the charitable objects of the charity. Within this total, the trustees have decided to set aside funds for specific purposes and the Unrestricted Funds may be analysed as follows

	Balance at 01/04/2012 £'000	Incoming Resource £'000	Expenditure £'000	Balance at 30/06/2013 £'000
General Reserve Fund	488	1,232	(1,430)	290
Totals	488	1 232	(1,430)	290

Note 17 Analysis of assets between funds

	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000
Fixed Assets	-	-	-
Net current assets	290	3	293
Liabilities > 1 year	-	-	-
Total net assets	290	3	293

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Note 18 Indemnity Insurance

As part of Business in the Community the charity benefits from the group insurance of the entire group to provide insurance for the trustees and the senior officers indemnifying them against personal liabilities arising from neglect or default on their part other than those arising as a result of "reckless acts" in 2012 the charity paid £1,708

Note 19 Ultimate Parent Company

As at 30th June 2013 the immediate and ultimate parent company is Business in the Community, a charitable company registered with both the Charity Commission in England and Wales and Companies House

Note 20 Related Parties Transactions

The Company has taken advantage of the exemption from FRS8 to disclose transactions with fellow group undertakings on the grounds that it and its fellow subsidiaries are 100% owned by the ultimate parent company which is preparing group accounts

The following trustees are also employees of Business in the Community, the ultimate parent company

David Pemberton

Françoise Seacroft

Stephen Howard

Copies of the consolidated financial statements for the group can be obtained by writing to the Company Secretary at 137 Shepherdess Walk, London, N1 7RQ