

COMPANY NUMBER: 01317772

CHARITY REGISTRATION NUMBER: 0274040

**ARTS & BUSINESS LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2014**

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ARTS & BUSINESS LIMITED
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 30TH JUNE 2014

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**ARTS & BUSINESS LIMITED
TRUSTEES AND ADVISORS
YEAR ENDED 30 JUNE 2014**

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
YEAR ENDED 30 JUNE 2014

The trustees present their annual report and the company's consolidated financial statements for the year ended 30 June 2014.

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 year 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.

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
YEAR ENDED 30 JUNE 2014

HOW THE ACTIVITIES OF THE FUND DELIVERED BENEFIT

Key activities during the period included the 35th Annual Arts & Business awards, highlighting and celebrating the very best business & arts partnerships. These were held at the British Film Institute on the Southbank in London. These awards were sponsored by Jaguar Land Rover with support from BP, Goodman Derrik, Classic FM and Clarke Associates. The purpose of the awards is to celebrate the best business/arts partnership 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 November 2013, 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 anonymous donation.

During the year we continued to work with Principal Members – BP, Sky Arts, JTI, Google, Ernest & Young, PWC and Bank of American Merrill Lynch, amongst others – which continues to show the way in what can be achieved by partnerships between business and the arts. We

Arts & Business is working as delivery partners for the national rollout of the Deutsche Bank Awards for Creative Enterprise for the academic year of 2014/15. The programme is now available to all final arts students, and those who have graduated within one year, to access training, support and a chance to win start-up capital to realise their business idea. A&B is developing the extended programme and managing the training & support provision, application process and all practical planning elements involved in the programme.

Underpinning all this was the continuing work of our volunteering programme that brings business skills and expertise into the cultural sector.

We continued our pilot programme in the North West exploring how a team of business volunteer advisors in Manchester could support a selected group of cultural organisations to develop a more financially sustainable future.

In March 2014 following the departure of the Arts & Business Director and under the guidance of the leadership team we undertook a review and realignment of the activities of Arts & Business. The objective of this process was to ensure that Arts & Business remains relevant to the needs of the sector and that we achieve greater alignment with the broader work of Business in the Community. At the time of this report the strategy has been agreed and implementation has commenced.

FINANCIAL RESULTS FOR THE YEAR

Incoming resources for the year were £801k including £426k from the deferred income trust and £159k for Arts & Business services. The income from this trading company comes from delivery of consultancy and provision of membership to the business community. The net incoming results for the year was an unrestricted deficit of £45k.

The charity holds unrestricted funds of £245k and a further £60k remains in the deferred income trust.

ARTS AND BUSINESS LIMITED
TRUSTEES REPORT
YEAR ENDED 30 JUNE 2014

RISK MANAGEMENT

The trustees have considered the major risks to which the charity is exposed at this time and have reviewed them and the systems and procedures in place to manage them. It is continually considering ways in which this could be improved. Arts & Business is integrated into Business in the Community's risk framework.

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 £0k as there are no staff still employed by the charity and no outstanding liabilities other than those accrued for in the financial accounts. Currently available unrestricted funds are £248k.

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 next year the *Arts & Business* leadership team along with the A&B operational team will oversee the delivery of a new action plan for growth that will broker business support into small and medium sized arts organizations to increase participation in the arts to support local economic regeneration, community resilience and wellbeing. A new brokerage programme for the arts will draw on *Arts & Business*' thirty years of business engagement knowledge and experience to offer large corporates the opportunity to share business skills and expertise with selected arts organizations around the UK to support growth and financial resilience in the sector. As part of Business in the Community's Enterprise & Culture programme, Arts & Business will offer businesses, tailored employee engagement opportunities with growing arts organizations around the UK.

The Arts & Business campaign will once again hold the Arts & Business Awards, now in its 36th year, which will be used to celebrate the significant impact that business has had and is continuing to have with and for the cultural sector.

A new funding model has been developed which will be introduced and delivered by the operational team within Business in the Community with oversight by the Arts & Business Leadership team and the Business in the Community Executive which aims to ensure the future success of the campaign.

**ARTS AND BUSINESS LIMITED
TRUSTEES REPORT
YEAR ENDED 30 JUNE 2014**

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.

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 2014 and signed on their behalf by:



Stephen Howard

Trustee

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

We have audited the financial statements of Arts and Business Limited for the year ended 30 June 2014 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 14.

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 Strategic Report and Trustees' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2014 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.

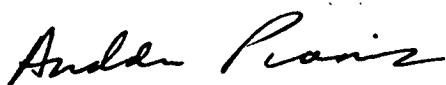
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and 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:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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

11 November 2014

ARTS & BUSINESS GROUP, INCLUDING ARTS & BUSINESS LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE GROUP
(INCORPORATING AN INCOME & EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 30 JUNE 2014

	Unrestr'd Funds £'000	Restricted Funds £'000	2014 Totals (12mths) £'000	2013 Totals (15mths) £'000
Incoming Resources				
Release of Deferred Income Trust	426	-	426	769
<i>Grant and voluntary income</i>				
Grants	-	71	71	124
<i>Earned Income</i>				
Advocacy, Research & Events	103	-	103	116
Arts Capacity Building	4	-	4	37
Business Development	194	-	194	243
Projects	-	-	-	2
Investment income	3	-	3	12
Total Incoming Resources	730	71	801	1,303
Resources Expended				
Costs of generating funds				
Fundraising and publicity costs	-	-	-	(6)
Total costs of generating funds	-	-	(6)	(6)
<i>Charitable Expenditure</i>				
Advocacy, Research & Events	(402)	-	(402)	(645)
Arts Capacity Building	(27)	-	(27)	(219)
Business Development	(341)	(71)	(412)	(659)
Projects	-	-	-	(13)
Other activities	-	-	-	28
Governance	(5)	-	(5)	(7)
Total Charitable Expenditure	(775)	(71)	(846)	(1,515)
Total Resources Expended	(775)	(71)	(846)	(1,521)
Net Movement in funds for the year	(45)	-	(45)	(218)
Funds brought forward at 1 July 2013	290	3	293	511
Funds carried forward at 30 June 2014	245	3	248	293

The notes on pages 11 to 16 form part of the Financial Statements

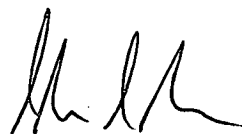
All of the charitable company's operations are represented by continuing activities.

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 2014**

	Notes	Charity 2014 £'000	Group 2014 £'000	Charity 2013 £'000	Group 2013 £'000
Current Assets					
Debtors	10	223	22	66	96
Investment deposits		102	102	801	801
Cash at bank		142	371	235	283
Total Current Assets		467	495	1,102	1,180
Current Liabilities					
Creditors	11	162	187	326	401
Deferred Income Trust Fund	11	60	60	486	486
Total Current Liabilities		222	247	812	887
Net Current Assets		245	248	290	293
Total assets less current liabilities		245	248	290	293
Net Assets					
		245	248	290	293
Reserves					
Restricted Funds		3	3	3	3
Unrestricted Funds		242	245	287	290
Total Reserves		245	248	290	293

Approved and authorised for issue by the trustees on 5 November 2014 and signed on their behalf by
Stephen Howard



The notes on pages 11 to 16 form part of the Financial Statements

ARTS & BUSINESS LIMITED
CONSOLIDATED CASHFLOW
FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 £'000 (12 mths)	2013 £'000 (15 mths)
Net cash (outflow)/inflow from operating activities		(614)	(985)
Returns on investments and servicing of finance		3	12
(Decrease)/ Increase in cash in the year		(611)	(973)

Analysis of movement in Cash

	2014 £'000	2013 £'000	Change for 12 month period
Short Term Deposits	102	801	(699)
Cash at bank and in hand	371	283	88
Total	473	1,084	(611)

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

	2014 £'000 (12 mths)	2013 £'000 (15 mths)
Net movement in funds	(45)	(218)
Less investment income	(3)	(12)
Transfer to/(from) Deferred Income Trust Fund	(426)	(764)
(Decrease) / Increase in creditors	(214)	(116)
Decrease / (Increase) in debtors	74	125
Net cashflow outflow / inflow from operating activities	(614)	(985)

The notes on pages 11 to 16 form part of the Financial Statements

ARTS & BUSINESS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2014

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
YEAR ENDED 30 JUNE 2014

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 office costs, 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 £(45k) (2013-deficit of £(218k) 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
YEAR ENDED 30 JUNE 2014

Profit & Loss Account of A&B Services Ltd

	2014 £'000 (12 mths)	2013 £'000 (15 mths)
Turnover	159	313
Less: Cost of Sales	(39)	(207)
Gross Profit	120	106
Less: Administrative expenses	(2)	(-)
Less: Management charge from Parent company	(-)	(-)
Net Profit	-	-
Amount donated to Arts & Business Limited	118	107
Retained in subsidiary	(3)	(1)
Net Assets	3	3

Note 3: Analysis of Total Resources expended

	External Direct Costs £'000	Staff Costs £'000	Overheads £'000	Total 12mths 2014 £'000	Total 15mths 2013 £'000
Advocacy, Research & Events	75	229	98	402	645
Arts Capacity Building	-	19	8	27	219
Business Development	99	219	94	412	659
Projects	-	-	-	-	13
Other A & B Business Activities	-	-	-	-	(28)
	174	467	200	841	1,508
Other Expenditure	-	-	-	-	-
Fundraising and publicity costs	-	-	-	-	6
Governance	5	-	-	5	7
	5	-	-	5	13
Total for year to 30 June 2014	178	467	200	846	
Total for period to 30 June 2013	457	779	285	1,521	

ARTS & BUSINESS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2014

Note 4: 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 £1,190k has been utilised leaving £60k remaining.

Note 5: Staff Costs

As of 1st January 2014 all staff were TUPED to the parent, Business in the Community. Staff costs have been recharged back to Arts & Business Limited at cost. The trading subsidiary, Arts & Business Services Limited, does not have any employees. During the period that staff were employed by the charity, the average full-time equivalent number of was 10 (2013: 15). As at 30 June 2014 the number of full time equivalent persons was nil (2013: 12)

Staff Costs for those employed by Arts & Business were

	Group 12mths 2014 £'000	Group 15mths 2013 £'000
Wages & salaries	217	678
Employer's National Insurance	22	77
Pensions	18	46
	<u>257</u>	<u>801</u>
Restructure Costs	-	(6)
Other staff costs	-	(19)
	<u>257</u>	<u>776</u>

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

	2014 <u>No</u>	2013 <u>No</u>
£60,000 - £70,000	-	2
£70,000 - £80,000	-	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 year to the trustees of the pension fund, which is independently administered. Contributions made during the previous year in respect of higher-paid employees amounted to £49k there were no higher paid employees in the charity this year.

The Trustees of the charity (who are also the directors of the company) did not receive any emoluments in the year (2013: £nil). Expenses reimbursed to trustees during the year amounted to £nil (2013:£nil).

ARTS & BUSINESS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2014

Note 6: Overhead costs incurred by the Group may be analysed as follows

	2014 (12mth)	2013 (15mth)
	£'000	£'000
Rent & Services	47	61
Overhead charges from Parent	112	172
Travel	17	32
Equipment & Maintenance	-	2
Legal & Professional	5	(18)
Other Office costs	14	16
Telephone	5	13
	<u>200</u>	<u>278</u>

Note 7: Group Statement of Financial Activities

The net movement in funds is shown after charging	2014 (12mth)	2013 (15mth)
	£'000	£'000
Auditor's remuneration – audit services	5	7
-other services	2	5

Note 8: 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 9: Tangible Fixed Assets

There are no tangible fixed assets owned by the charity.

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

Note 10: Debtors falling due within one year

	Charity 2014	Group 2014	Charity 2013	Group 2013
	£'000	£'000	£'000	£'000
Trade Debtors	17	23	16	40
Prepayments and Accrued Income	-	-	19	53
Recoverable VAT	-	-	-	3
Amounts owed by subsidiary undertaking	206	-	30	-
Total	<u>223</u>	<u>23</u>	<u>65</u>	<u>96</u>

ARTS & BUSINESS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2014

Note 11: Creditors falling due within one year

	Charity 2014 <u>£'000</u>	Group 2014 <u>£'000</u>	Charity 2013 <u>£'000</u>	Group 2013 <u>£'000</u>
PAYE and social security	-	-	13	13
Business in the Community	101	106	232	260
Other creditors and accruals	61	64	81	101
Deferred Income Trust	60	60	486	486
Deferred Income	-	18	-	27
Total	222	248	812	887

Note 12: 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".

Note 13: Ultimate Parent Company

As at 30th June 2014 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 14: 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.