

"LITTLE WORLD" LIMITED
(a company limited by guarantee)

OPERATING AS HORSE + BAMBOO THEATRE

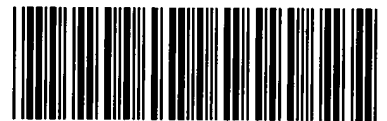
**ANNUAL REPORT
AND UNAUDITED FINANCIAL STATEMENTS**

FOR

THE YEAR ENDED MARCH 31 2016



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COMPANIES HOUSE

Company number 1731859
Charity number 292326

**"LITTLE WORLD" LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31 2016**

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**"LITTLE WORLD" LIMITED
ADMINISTRATIVE INFORMATION
FOR THE YEAR ENDED MARCH 31 2016**

DIRECTORS

David Agnew	
Tricia Brindle	
Joanne Dearden	Appointed 14/07/15
Caroline Eccles	Appointed 15/12/15
Lynne Famell	Appointed 20/09/16
Ayesha Gavin	Appointed 14/07/15
Laurence Kaye	
David Kreps	
Anthony McClean	Appointed 15/12/15
Mich Noquet	
Muzammil Quraishi	Resigned 15/12/15
Rosemary Scott	Appointed 20/09/16
Jerry Smith	Resigned 14/07/15
Robert Westwell	

COMPANY SECRETARY

Romy Beagan	Until 20/09/16
Heather Walker	From 20/09/16

KEY STAFF

Bob Frith	Joint Artistic Director
Alison Duddle	Joint Artistic Director
Esther Ferry-Kennington	Producer
Romy Beagan	Boo Manager and Company Secretary

**REGISTERED OFFICE AND
PRINCIPAL PLACE OF BUSINESS**

The Boo
679 Bacup Rd, Waterfoot, Rossendale
BB4 7HB

**ACCOUNTANTS
& INDEPENDENT EXAMINERS**

Chittenden Horley Ltd
Chartered Accountants
456 Chester Road
Old Trafford
Manchester m16 9HD

BANKERS

CAF Bank Ltd
Kings Hill, West Malling, Kent

**"LITTLE WORLD" LIMITED
TRUSTEES' AND DIRECTORS' ANNUAL REPORT
FOR THE YEAR ENDED MARCH 31 2016**

The trustees present their annual report together with the financial statements of the charity for the year ended March 31 2016 which are also prepared to meet the requirements for a directors' report and accounts for Companies act purposes.

REPORTING FRAMEWORK

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, 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 (FRS102) (effective 1 January 2015), referred to as the Charities SORP (FRS 102).

OBJECTIVES AND ACTIVITIES

Charitable objects

Its charitable objectives are the promotion of public education and the encouragement of the arts through the visual and performance arts. It achieves its charitable objectives through its principal activities. The Horse + Bamboo exists to pursue excellence in visual theatre and related activities. In particular, the Company seeks to take innovative theatre to sections of the community normally denied access to live performance by reason of location, level of physical, sensory or learning ability, ethnic background or social status.

Aims

Organisational Vision

We will create work that reminds us all of the wonder of being alive in this endlessly fascinating and complex world. We want to reach all sections of society and communicate with people in exciting and unexpected ways, to sometimes surprise, amuse, intrigue and question but always entertain. We will be a vital part of our neighbourhood, creating a place where art and creativity are an ordinary and essential part of people's lives.

Mission Statement

We draw inspiration from our location in Pennine Lancashire and reflect our sense of place in the work that we produce. We are part of the cultural fabric of our neighbourhood. The Boo provides a sense of belonging, a place for inspiration and a welcoming environment where families can share experiences through art and theatre. Through educating and inspiring audiences we can have a lasting impact on the quality of their cultural lives and give them a sense of commitment to Horse and Bamboo Theatre and The Boo and thereby become advocates for our work and contribution to the community.

National and international tours enable us to reach new audiences and consolidate our reputation as national and international specialists in puppetry and mask. We will continue to draw inspiration from touring and reflect this back to our local audiences through the development of our work. We produce thought provoking and emotionally engaging theatre with an integrity that resonates with audiences.

We support wide ranging art forms guided by the strengths and enthusiasms of the artists and audiences with whom we work. We share our skills and resources with emerging artists and support our wider community in engaging young people and families in the arts.

Activities

Horse and Bamboo was formed in 1978 by a small group of artists, musicians and performers led by the current Joint Artistic Director Bob Frith. Its purpose; to take visual, musical and predominantly non-verbal theatre to places largely neglected by conventional forms of theatre, playing to audiences from a wide range of backgrounds. Since then the company has been on the road as a touring puppet theatre company across Lancashire, the UK and Europe with performances aimed at young and adult audiences. In June 1983 the company became a registered charity, Little World Ltd t/a Horse and Bamboo with a Board of Trustees and Members.

The company moved into a permanent home in Waterfoot in the Rossendale Valley calling the venue "The Boo". The Boo provides a small performance space delivering a regular programme for the community, performed by visiting artists as well as the Horse and Bamboo team. The Boo is also a creative hub where artists collaborate with the Joint Artistic Directors and the Technician and Facilities Manager to share and develop skills and create new shows. Increasingly, the company is reaching out into the local community to engage families and young people in the Rossendale Valley to access the creative skills the company can offer.

The company has well developed partnerships with local organisations working in the community, and is active in networks regionally and nationally in the Theatre Arts sector. The company works in close collaboration with funders to deliver shared objectives. Funders, community partners and networks are listed at Appendix H. Horse and Bamboo is governed by a Board of Trustees (Appendix G) responsible for supporting the strategic aims of the company, its financial health, the governance and the effective use of resources. The staff are responsible for the continued artistic development of the company and the delivery of the Strategic plan and Operational plan.

Public benefit

The charity has had regard to the Charity Commission guidance on public benefit and the trustees believe that all the activities of the charity deliver public benefit as set out in this report.

**"LITTLE WORLD" LIMITED
TRUSTEES' AND DIRECTORS' ANNUAL REPORT
FOR THE YEAR ENDED MARCH 31 2016**

Contribution of volunteers –

Volunteers support the delivery of events at The Boo and contribute to marketing content and advocacy for the company in our locality.

ACHIEVEMENTS AND PERFORMANCE

Introduction

2015 started with detailed discussions with the Arts Council coming to a conclusion and the approval of the Strategic and Business Plan by the Board and the Arts Council and the confirmation of funding for the first year in the three-year cycle 2015-18 of funding for Horse and Bamboo. Funding for the arts through the Arts Council had taken a further significant cut and many arts organisations across the country either had very significant cuts or had funding cut altogether. Against this backdrop Horse and Bamboo had been fortunate to secure further funding for 2015-18 with a 5% cut. Given the prospect of further cuts in support from Rossendale Borough Council and Lancashire County Council the Board and executive recognised the financial challenges ahead for the company in 2015 and beyond.

The departure of the company administrator provided the opportunity to the executive and Board to consider what the future staffing needs of the company would be. As a result two new posts were created; a Boo Manager and a Finance/Administrator and recruitment to both posts was completed by early spring.

Extensive building work started at the Boo at the end of January to create a discrete studio space, disabled access and facilities, upgrade theatre seating replace windows and improve the entrance to the building. The work was scheduled to be completed in May and so no productions took place from the end of January 2015 until the beginning of July when the building was opened on the week-end of the Puppet Festival. The Architect and the building company were able to make savings in several areas enabling additional work to be done on a small kitchen next to the studio, sound proofing for the studio and upgrading the office space. An additional £5k from The Theatre's Trust will enable new doors to be installed at the entrance to the Theatre which will improve disabled access.

Baby Boo

Before the closure of the Boo at the end of January a Baby Boo installation, Babies in Space took place with an extra show put on due to high demand for the toddler sessions. One of the sessions was for Asian mothers and toddlers facilitated by the Different Moons project. In spring the Esme Fairburn funding took over from the Social Prescribing funded project and by the end of the year funding from Children in Need was secured for Baby Explorers. Ruthie Boycott-Garnett has delivered much of our Baby Boo work and this year won the Big Imaginations Early Years Commission to produce a piece for young children.

We have supported Ruthie in the creation of Pom, her version of the Persephone story for babies and toddlers, by providing rehearsal space and support. As part of the Big Imaginations network we have programmed the piece with associated workshops into the Apna in Haslingden and into Bacup Library. Ruthie will also be offering this piece to other outreach venues in the area. In collaboration with Whalley Range Allstars we also developed Babies in Bloom as our autumn installation. We have also programmed various baby-oriented shows at the Boo, including recently 16 singers, an ambitious piece from the Egg in Bath.

Puppet Festival

The Puppet Festival was hot on the heels of the re-opening of The Boo and with the improved facilities were physically bigger than in previous years. Although the dates clashed with Hebden Bridge Arts Festival this did not appear to impact too much on overall attendance. The new seating in the Theatre was tested out and as the seating was steeper it made it easier for all audience members to get a good view of the shows. The capacity of the seating was also tested with 115 audience members for the Ugly Duckling. One other show sold out and other shows sold on average more than 70% of tickets with three exceptions: The Ice Book, The Seas of Organillo and Sherlock JR. which sold 40/100. These shows were put on to test out demand from an older and new audience and identified a need for work to be done to access this new audience. In summary, the weather was good, the atmosphere was terrific, there was plenty of family fun and a great parade led by Loz and his orchestra was had. An excellent team of volunteers, both seasoned and new, supported the festival.

Different Moons

Different Moons has moved into its second year and as hoped participants from the Haslingden South Asian community have continued to be involved and have begun to take control of aspects of the project. This has included as one of the DM programme of events, identifying empty shop premises in Haslingden centre and negotiating a 3 month period to get a pop up Shop (APNA) run by Ary Nessa initially as a volunteer. Latterly the APNA has opened up its own funding stream meaning Ary could be employed on a more permanent basis.

The Tiger and the Moustache was the first production mounted at the Boo aimed specifically at encouraging the Asian community to use the Theatre and this autumn a Bollywood Season of films has been scheduled in the hope that the community can start to see the Boo as resource for them. This year workshops have been held in 6 community venues throughout the valley and work on a Different Moons Book will be launched after Christmas. Documentary material, interviews and sound recordings from the project are to be archived in local libraries, the Ahmed Iqbal Race Resource Archive in the Central Library in Manchester and the North West sound Archive. The next phase of Different Moons involves creating a show and this will be a particularly demanding one because of cultural sensitivities. Further funding is now being sought to support the next, more independent phase, of the project where Horse and Bamboo will take a supporting role.

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TRUSTEES' AND DIRECTORS' ANNUAL REPORT
FOR THE YEAR ENDED MARCH 31 2016**

The Boo

The Boo venue is obviously very important to the future financial resilience of Horse and Bamboo and the autumn programme was the first opportunity to start testing out what will increase audience participation and increase community access to the Theatre and studio. The programme was packed full of new material as well as the more familiar young children productions and family activities. The season started with the Horse + Bamboo & Whalley Range All Stars production of Babies in Bloom which was well received, seeing many families return for another baby show, 16 singers, in October. This season the Boo has seen international shows from Iceland, Germany and South Africa. Though the European Puppetry Weekend was ill attended the South African show saw an increase in audience with many first time attendees.

The Forbidden Door and Kwaidan which were aimed at an older audience were well attended and we will see further adult shows programmed in the next season. A matinee was organised for The Forbidden Door which was attended by teachers and students of BRGS, Burnley College and UCLan. The annual Skeletons' Ball was a huge success selling over 100 tickets with excellent verbal feedback on the night. The Christmas show, Puss in Boots, is already selling well with a Birthday Party in attendance. One of the shows will be interpreted by a British Sign Language interpreter offering us the opportunity for further audience development. In new ventures such as film and music attendance figures have been low, however, with suitable audience development and marketing we are hoping to see an increase. We have had two Bollywood films so far this season, the first had no attendees, however, with timings changed from feedback, support from marketing, word of mouth and volunteers from the Different Moons project the second film was a success seeing over 30 people attend the film.

Moomins

Although three applications for Strategic Touring were unsuccessful the lessons learnt have resulted in work on a third application. After reworking the set and parts of the script a Christmas run of Moomins is on at The Waterside Arts Centre in Sale from 8th December until the new year. This is a considerable run for the company and the show is of a far bigger scale than we are known for. As a result Esther continues to work on a commercial run of the production in a new range of potential venues and is exploring European and international touring of the show.

Touring

Red Riding Hood had three short tours in May, August and December. We continue to explore European and international touring with a second exploratory trip to Nova Scotia which has consolidated interest in Angus and discussions continue with Creative Scotland and the British Council to progress this.

Summary

In Summary, 2015 has been a year of great change for Horse and Bamboo. Reviewing and restructuring the resource needs of the company and recruiting two new members of staff has supported the review of how we report our management accounts and performance in the 2015/16 year and securing ongoing funding from the Arts Council has enabled us to increase our reserves. Refurbishment of The Boo and developing a diverse and inclusive programme of activity in the Theatre and the Studio has had its successes and not so good successes which has enabled the team to refine the spring programme and hopefully increase the utility of the building. The continued development of Different Moons and Baby Boo and the ongoing collaboration with The Egg on the re-worked production of Moomins has ensured the creative heart of Horse and Bamboo is still beating hard.

**"LITTLE WORLD" LIMITED
TRUSTEES' AND DIRECTORS' ANNUAL REPORT
FOR THE YEAR ENDED MARCH 31 2016**

FINANCIAL REVIEW

Overview

We report a deficit on unrestricted funds for this year, before transfers, of c£33k after charging depreciation (not attributable to restricted funds) of £6,642, which although not desirable has ensured that we have continued to develop the work of the charity and to invest in the future.

Risk management

Over reliance on one source of income is undesirable and unsustainable. It is business critical to spread financial risk in order to adapt to economic, political and environmental changes that will challenge Horse and Bamboo now and in the future and to minimise the risk and disruption to the achievement of our vision and mission. This Strategic Aim provides us with a framework for fund raising and income generation and while this Aim focuses on mitigating the financial risks, other factors that will contribute to our resilience and sustainability. For example embedding Horse and Bamboo in the community and building strong partnerships; continuing to strive for artistic ambition including sharing our expertise and working in innovative ways and sharing and developing our audience through local, national and international touring. These areas are dealt with elsewhere in the Strategic Plan.

Principal funding sources

Arts Council England
Heritage Lottery
Esmée Fairbairn
Foyle Foundation

Reserves

As the Board, we have set a free reserves target (unrestricted funds not invested in fixed assets or otherwise designated) of six months core operating costs, which equates to c£78k. At the year end the free reserves stood at £67,246, just below the current target level.

FUTURE PLANS

Our strategic objectives over the coming year –

- Strategic Aim 1: Diversify income streams to secure long-term financial viability
- Strategic Aim 2: Optimise the Boo as a community venue
- Strategic Aim 3: Develop audiences and participants throughout Pennine Lancashire and low participation areas of Lancashire
- Strategic Aim 4: Create innovative new work
- Strategic Aim 5: Develop the skills and knowledge of our people and associated artists

STRUCTURE GOVERNANCE AND MANAGEMENT

Governing document

The charity is a company limited by guarantee governed by its memorandum and articles of association dated May 21 1983, as amended by special resolution(s) dated 17/07/13 and 23/10/13. It is a registered charity with the Charity Commission.

Appointment of trustees

The Directors who served during the year together with any changes are listed on page one of the annual report.

The Board of Directors is known as the Committee of Management. The Directors are appointed by the members in General Meeting. The Committee of Management may appoint directors to fill casual vacancies, but those so appointed hold office until the next Annual General Meeting.

In line with new Racial Equality and Disability policies, the Company is actively seeking to recruit further Trustees.

Trustee induction and training

A proper induction and training programme is vital, as part of the process of ensuring that Trustees can become valuable and effective members of the H + B board as quickly as possible. H + B follows the Charity Commission Guidance, by providing an induction programme that is suitable for the new Trustee and the size and nature of the H + B organisation as follows:

- introductions to senior management and staff.
- providing them with relevant information on H + B, for example business plans, annual accounts, the core governing document.
- visits to see performances and meet with performers.
- meetings with existing Trustees and other board members.
- an assessment of any training required by the new trustee.
- introductions to our professional advisers

**"LITTLE WORLD" LIMITED
TRUSTEES' AND DIRECTORS' ANNUAL REPORT
FOR THE YEAR ENDED MARCH 31 2016**

All new Trustees joining H + B are required to attend relevant training courses. The induction process marks the beginning of an on-going process of Trustee training and development, to ensure that Trustees can continue to make an effective contribution to H + B. Trustees also sign up to the Roles and Responsibilities document which sets out the relationship between the Board and the Company and how this relationship is fulfilled.

Organisation

The Board is responsible for the overall strategy, management and direction of the charity and meets as required, usually four times per year. It delegates day to day management of the charity to the senior staff team, who comprise a mixture of employed staff and freelance artistic personnel.

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The trustees (who are also directors of "Little World" Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing 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 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that 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 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

SMALL COMPANY PROVISIONS AND APPROVAL

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Approved by the Board of Trustees and signed on its behalf by:



– Director

MICHA NOQUET

Date: October 18 2016

**INDEPENDENT EXAMINERS REPORT
TO THE MEMBERS OF THE "LITTLE WORLD" LIMITED
FOR THE YEAR ENDED MARCH 31 2016**

I report on the accounts of the company for the year ended March 31 2016 which are set out on pages 8 to 19.

Respective responsibilities of trustees and examiner

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of ICAEW.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- state whether particular matters have come to my attention.

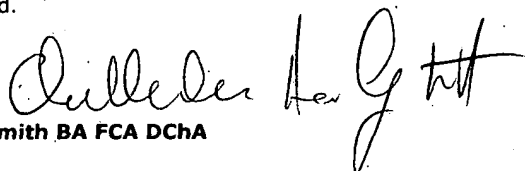
Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a "true and fair view" and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- 1 which gives me reasonable cause to believe that, in any material respect, the requirements:
 - to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charitieshave not been met; or
- 2 to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Peter Smith BA FCA DChA

For and on behalf of:
Chittenden Horley Limited
Chartered Accountants
456 Chester Road
Old Trafford
Manchester M16 9HD

Date: 25/11/16



"LITTLE WORLD" LIMITED
STATEMENT OF FINANCIAL ACTIVITIES (including the income and expenditure account)
FOR THE YEAR ENDED MARCH 31 2016

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
INCOMING RESOURCES					
Donations	2	154,638	123,806	278,444	233,048
Charitable activities	3	101,889	59,226	161,115	154,560
Other trading activities	4	1,112	-	1,112	1,102
Investment income (bank interest)		59	-	59	243
TOTAL INCOME		257,698	183,032	440,730	388,953
RESOURCES EXPENDED					
Raising funds	5	30,514	-	30,514	23,280
Charitable activities	6	259,745	68,182	327,927	264,771
TOTAL EXPENDITURE		290,259	68,182	358,441	288,051
NET INCOMING/(EXPENDITURE)		(32,561)	114,850	82,289	100,902
TRANSFERS	13	209,515	(209,515)	-	-
NET MOVEMENT IN FUNDS	13	176,954	(94,665)	82,289	100,902
FUND BALANCES BROUGHT FORWARD	13	166,058	228,065	394,123	293,221
FUND BALANCES CARRIED FORWARD	13	343,012	133,400	476,412	394,123

The notes on pages 11 to 19 form part of these financial statements.

**"LITTLE WORLD" LIMITED
BALANCE SHEET
AS AT MARCH 31 2016**

	Notes	2016 £	2016 £	2015 £	2015 £
FIXED ASSETS					
Tangible Assets	9		409,166		234,432
CURRENT ASSETS					
Stock	10	502		502	
Debtors	11	4,859		19,805	
Cash at Bank and in Hand		<u>80,278</u>		<u>152,321</u>	
		85,639		172,628	
CREDITORS					
Amounts falling due in one year	12	<u>18,393</u>		<u>12,937</u>	
NET CURRENT ASSETS			<u>67,246</u>		<u>159,691</u>
NET ASSETS			<u>476,412</u>		<u>394,123</u>
FUNDS					
Unrestricted	13		343,012		166,058
Restricted	13		<u>133,400</u>		<u>228,065</u>
TOTAL FUNDS			<u>476,412</u>		<u>394,123</u>

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

For the year ending March 31 2016, the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies and no notice has been deposited under section 476 requiring the company to obtain an audit of its accounts for the year in question.

Directors' responsibilities

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The notes on pages 11 to 19 form part of these financial statements.

Approved by the Board and authorised for issue on: October 18 2016

And signed on their behalf by:



- Director
MICH NOANET

Company registration number 1731859

**"LITTLE WORLD" LIMITED
STATEMENT OF CASH FLOWS
AS AT MARCH 31 2016**

	notes	2016 £	2015 £
Cash used in operating activities	20	<u>118,230</u>	<u>100,369</u>
Cashflows from investing activities			
Interest and dividends		59	243
Purchase of tangible fixed assets		(190,332)	(22,487)
Proceeds of sale of fixed assets		-	-
Payments to acquire investments		-	-
Cash provided by/(used in) investing activities		<u>(190,273)</u>	<u>(22,244)</u>
Cashflows from financing activities			
Proceeds from new borrowings		-	-
Repayment of borrowing		-	-
Cash used in financing activities		<u>-</u>	<u>-</u>
Increase/(decrease) in cash & cash equivalents in the year		(72,043)	78,125
Cash and cash equivalents brought forward		152,321	74,196
Cash and cash equivalents carried forward		<u>80,278</u>	<u>152,321</u>
Cash and cash equivalents consist of:			
Cash at bank and in hand		80,278	152,321
		<u>80,278</u>	<u>152,321</u>

The notes on pages 11 to 19 form part of these financial statements.

"LITTLE WORLD" LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31 2016

1 ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared: under the historic cost convention, in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued on July 16 2014; FRS102; and the Companies Act 2006. The charity constitutes a public benefit entity as defined by FRS102.

Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts the trustees considered whether in applying the accounting policies required by FRS102 and Charities SORP FRS102 a restatement of comparative items was required. No restatements were required.

Income recognition

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably. The following applies to particular types of income:

Grants, whether of a capital or revenue nature, are recognised when the charity has entitlement to the funds, any performance conditions have been met and it is probable that the income will be received.

Donations from individuals and other bodies (not being of the nature of a grant) are recognised when receivable.

Earned income is measured at the fair value of the consideration received or receivable for services and goods supplied, net of discounts and VAT.

Deferred income

Income is only deferred and included in creditors when:

- The income relates to a future accounting period
- A sales invoice has been raised ahead of the work being carried out and there is no contractual entitlement to the income until the work has been done
- Not all the terms and conditions of the grant have been met, including the incurring of expenditure and the grant conditions are such that unspent grant must be refunded

Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

Costs of raising funds including those associated with fundraising activities, managing investments and commercial trading by the subsidiary company.

Charitable activities costs of undertaking the work of the charity.

The charity is registered for VAT and is able to recover some of the input tax charged as it relates to VATable supplies. Costs are stated net of VAT where charged and irrecoverable VAT is included as a separate charge either within direct costs or support costs as appropriate.

Allocation of support costs

Support costs are those functions which assist the work of the charity either by supporting the delivery of charitable activities or by supporting the generation of funds.

"LITTLE WORLD" LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31 2016

1 ACCOUNTING POLICIES

Tangible fixed assets and depreciation

Individual fixed assets costing more than £500 are capitalised at cost and are depreciated over their estimated useful lives on a straight line basis as set out below.

Depreciation rates are as follows:

Freehold building – structure	2% straight line
Freehold building - lift & services	5% straight line
Motor vehicles	25% straight line
Fixtures, fittings & equipment	10%, 20% and 33 1/3% straight line

Debtors

Trade and other debtors are recognised at the settlement amount due and prepayments are valued at the amount prepaid.

Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount.

Financial instruments

The charity has only basic financial instruments which are initially recorded at cost, and with the exception of investments (as set out above) subsequently measured at their settlement value.

"LITTLE WORLD" LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31 2016

	2016			2015		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
2 DONATIONS						
Core grants:						
ACE North West	123,632	-	123,632	123,632	-	123,632
Lancashire County Council	28,500	-	28,500	23,055	-	23,055
Rossendale Borough Council	985	-	985	-	-	-
Building Development						
ACE	-	118,806	118,806	-	39,620	39,620
Foyle Foundation	-	-	-	-	45,000	45,000
Theatres Trust	-	5,000	5,000	-	-	-
Donations	1,521	-	1,521	1,741	-	1,741
	<u>154,638</u>	<u>123,806</u>	<u>278,444</u>	<u>148,428</u>	<u>84,620</u>	<u>233,048</u>

3 INCOME FROM CHARITABLE ACTIVITIES

Project grants:

Esmee Fairbairn - Boo Family Programme	-	15,000	15,000	-	-	-
Rossendale Borough Council	-	3,000	3,000	-	-	-
Catalyst	-	-	-	6,013	-	6,013
Tempest Trust - Puppet Festival	-	-	-	3,000	-	3,000
Creative Scotland	-	1,538	1,538	-	-	-
Heritage Lottery	-	27,840	27,840	-	34,800	34,800
Trinity Business Training	-	2,500	2,500	-	5,000	5,000
Canal & River Trust	-	5,400	5,400	-	-	-
CCG	-	-	-	-	19,659	19,659
Big Imaginations	-	3,948	3,948	-	1,805	1,805
Granada Foundation	-	-	-	-	2,000	2,000
Other	-	-	-	5,155	-	5,155
	-	59,226	59,226	14,168	63,264	77,432
Fees: performance & workshops	98,949	-	98,949	75,054	-	75,054
Related trading	2,940	-	2,940	2,074	-	2,074
	<u>101,889</u>	<u>59,226</u>	<u>161,115</u>	<u>91,296</u>	<u>63,264</u>	<u>154,560</u>

4 INCOME FROM OTHER TRADING ACTIVITIES

Room hire	1,112	-	1,112	1,102	-	1,102
	<u>1,112</u>	<u>-</u>	<u>1,112</u>	<u>1,102</u>	<u>-</u>	<u>1,102</u>

5 COST OF RAISING FUNDS

Staff costs	21,714	-	21,714	15,000	-	15,000
Core fees	-	-	-	1,500	-	1,500
Consultancy	8,500	-	8,500	6,480	-	6,480
Office costs	300	-	300	300	-	300
	<u>30,514</u>	<u>-</u>	<u>30,514</u>	<u>23,280</u>	<u>-</u>	<u>23,280</u>

"LITTLE WORLD" LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31 2016

6 ANALYSIS OF CHARITABLE EXPENDITURE

	2016			2015		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
As analysed below	259,745	68,182	327,927	192,915	71,856	264,771

	2016			2015		
	Theatre & Workshops	Related Trading	Total	Theatre & Workshops	Related Trading	Total
	£	£	£	£	£	£
Direct costs:						
Staff costs	59,570	-	59,570	35,794	-	35,794
Core fees	15,699	-	15,699	39,959	-	39,959
Artists & freelance staff fees	123,210	-	123,210	97,494	-	97,494
Production/workshop costs	20,157	-	20,157	9,634	-	9,634
Travel & accommodation	11,634	-	11,634	14,434	-	14,434
Theatre & premises costs	13,293	-	13,293	14,411	-	14,411
Marketing & publicity costs	20,647	-	20,647	11,453	-	11,453
Merchandise purchases	-	1,899	1,899	-	768	768
Depreciation	15,598	-	15,598	13,919	-	13,919
Support costs:						
Staff costs	20,320	-	20,320	8,906	-	8,906
Core fees	1,318	-	1,318	8,403	-	8,403
Staff training	1,837	-	1,837	438	-	438
Office costs	10,042	-	10,042	4,931	-	4,931
Governance costs:						
Staff costs	10,917	-	10,917	-	-	-
Core fees	440	-	440	3,301	-	3,301
Audit, accountancy & legal	1,346	-	1,346	926	-	926
	326,028	1,899	327,927	264,003	768	264,771

7 STAFF COSTS

	2016	2015
	£	£
a Employees		
Salaries	105,990	62,352
Social security costs	6,532	4,772
	112,522	67,124

No employee earned more than £60,000 in either year.

"LITTLE WORLD" LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31 2016

7 STAFF COSTS (continued)

b Key management personnel

The key management of the charity comprise the trustees and senior staff (as set out on page 1) comprising employed and self employed people. The trustees do not receive any remuneration for their services

The total employee benefits of other key management were as follows:

	£	£
Total employment benefits	<u>42,993</u>	<u>21,107</u>

Payments to freelance members of the team amounted to £12,944 (2015/15 - £24,168)

c Average staff numbers

The average number of employees was as follows:-

	2016 Number	2015 Number
Direct charitable	4.9	3.4
Fundraising and publicity	0.5	0.5
Governance	0.1	0.1
	<u>5.5</u>	<u>4</u>

No employee earned more than £60,000 per annum

8 NET INCOMING RESOURCES BEFORE TRANSFERS

This is stated after charging/(crediting):

	£	£
Independent examination and accountancy	1,346	926
Depreciation of other fixed assets	15,598	12,919
Operating lease payments	780	780
Directors' remuneration & trustees expenses	<u>-</u>	<u>-</u>

9 TANGIBLE FIXED ASSETS

	Freehold Land & Buildings	Fixtures Fittings & Equipment	Vehicles	Total
Cost	£	£	£	£
As at April 1 2015	399,427	114,814	4,316	541,044
Additions	187,334	2,998	-	190,332
As at March 31 2016	<u>586,761</u>	<u>117,812</u>	<u>4,316</u>	<u>708,889</u>
Depreciation				
As at April 1 2015	170,762	109,047	4,316	284,125
Charge for the year	11,618	3,980	-	15,598
As at March 31 2016	<u>182,380</u>	<u>113,027</u>	<u>4,316</u>	<u>299,723</u>
Net Book Value				
As at March 31 2016	<u>404,381</u>	<u>4,785</u>	<u>-</u>	<u>409,166</u>
As at March 31 2015	<u>228,665</u>	<u>5,767</u>	<u>-</u>	<u>234,432</u>

"LITTLE WORLD" LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31 2016

	2016	2015
	£	£
10 STOCKS		
Stock of goods for resale	<u>502</u>	<u>502</u>
11 DEBTORS		
Trade debtors	4,140	19,107
Prepayments	<u>719</u>	<u>698</u>
	<u>4,859</u>	<u>19,805</u>
12 CREDITORS falling due within one year		
Trade creditors	2,606	5,091
Other taxation and social security	14,189	5,138
Accruals	<u>1,598</u>	<u>2,708</u>
	<u>18,393</u>	<u>12,937</u>

	2014/15				31/03/2015 01/04/2015	2015/16			
	01/04/2014	Income	Expenditure	Transfers		Income	Expenditure	Transfers	31/03/2016
Unrestricted funds:									
General fund	141,184	241,069	(216,195)	-	166,058	257,698	(287,247)	1,089	137,598
Designated fund - building development	-	-	-	-	-	-	(3,012)	208,426	205,414
	141,184	241,069	(216,195)	-	166,058	257,698	(290,259)	209,515	343,012
Restricted Funds:									
Revenue fund:									
Heritage Lottery	-	34,800	(34,800)	-	-	27,840	(27,840)	-	-
Trinity Business Training	-	5,000	(5,000)	-	-	2,500	(2,500)	-	-
Esmee Fairbairn	-	-	-	-	-	15,000	(15,000)	-	-
Rossendale Borough Council	-	-	-	-	-	3,000	(3,000)	-	-
Big Imaginations	-	1,805	(1,805)	-	-	3,948	(3,948)	-	-
Creative Scotland	-	-	-	-	-	1,538	(1,538)	-	-
Canal & River Trust	-	-	-	-	-	5,400	(5,400)	-	-
CCG	-	19,659	(19,659)	-	-	-	-	-	-
Granada Foundation	-	2,000	(2,000)	-	-	-	-	-	-
Capital grants:									
Building Development	-	84,620	-	(22,087)	62,533	123,806	-	(186,339)	-
Capital Grants Expended	152,037	-	(8,592)	22,087	165,532	-	(8,956)	(23,176)	133,400
	152,037	147,884	(71,856)	-	228,065	183,032	(68,182)	(209,515)	133,400
	293,221	388,953	(288,051)	-	394,123	440,730	(358,441)	-	476,412

	2014/15					2015/16			
	General	Designated	Building development	capital expended		General	Designated	Building development	capital expended
Transfers									
Building grants spent in year	-	-	(22,087)	22,087		-	186,339	(186,339)	-
Capital grant re building development	-	-	-	-		-	22,087	-	(22,087)
no continuing restrictions	-	-	-	-		-	-	-	(1,089)
Under allocation depreciation	-	-	-	-		1,089	-	-	-
	-	-	(22,087)	22,087		1,089	208,426	(186,339)	(23,176)

Capital grants expended

Restricted grants used to purchase fixed assets where there are continuing restrictions, but against which related depreciation is charged.

"LITTLE WORLD" LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31 2016

14 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Total £
Fund balances at March 31 2016 are represented by:-			
Tangible fixed assets	275,766	133,400	409,166
Net assets	67,246	-	67,246
	<u>343,012</u>	<u>133,400</u>	<u>476,412</u>
Fund balances at March 31 2015 are represented by:-			
Tangible fixed assets	68,900	165,532	234,432
Net assets	97,158	62,533	159,691
	<u>166,058</u>	<u>228,065</u>	<u>394,123</u>

15 CONSTITUTION

The Company is limited by guarantee and does not have a share capital. In the event of the Company the being wound up members are committed to contributing £1 each.

There were 25 members at the year end (2015 - 22).

16 TAXATION

The Company is a registered charity and is entitled to claim annual exemption from UK corporation tax under sections 466 to 493 of the CTA 2010.

17 COMMITMENTS

The company had no capital commitments at the year end.

The company had the following minimum commitments under non cancellable operating lease.:

	2016 £	2015 £
Amounts due;		
Within one year	780	780
Between two to five years	<u>1,950</u>	<u>2,730</u>

19 RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASHFLOW FROM OPERATING ACTIVITIES

	2016 £	2015 £
Net income/(expenditure)	82,289	100,902
Add back depreciation	15,598	14,879
Deduct interest income shown in investing activities	(59)	(243)
Deduct profit/add back losses on disposals of FA	-	-
Decrease/(increase) in stocks	-	32
Decrease/(increase) in debtors	14,946	(15,667)
Increase/(decrease) in creditors	<u>5,456</u>	<u>466</u>
Net cash generated from/(used in) operating activities	<u>118,230</u>	<u>100,369</u>

"LITTLE WORLD" LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31 2016

20 FINANCIAL INSTRUMENTS

The carrying amounts for each category of financial instrument is as follows:

	2016 £	2015 £
Financial assets		
that are debt instruments measured at amortised cost	<u>85,137</u>	<u>172,126</u>
Financial liabilities		
measured at amortised cost	<u>18,393</u>	<u>12,937</u>

Financial assets measured at amortised cost comprise: cash at bank and in hand; trade debtors; and prepayments.

Financial liabilities measured at amortised cost comprise: trade creditors; other taxes and social security; and accruals.

21 RELATED PARTY TRANSACTIONS

Jo Dearden was appointed to the board in January 2012, and in the previous year received £385 for a marketing project but there were no payments in this year.

22 CONTINGENT LIABILITIES - CAPITAL GRANTS

The Arts Council of England lottery award of £149,000, received in previous years, is repayable in the event of the company being wound up. The building asset created by this grant cannot be disposed of without the prior written agreement of the grantor.

These liabilities are not expected to crystallise and therefore the grants have been taken to a restricted reserve and are released to the general fund in line with the depreciation policy.

The capital grants expended includes £123,570 of ERDF funding for the Horse and Bamboo Theatre project awarded in 1996. If the building is used for purposes outside of those in the grant application within 20 years of the grant award then the grant may become repayable.

Further capital grants have been received in the last two year in respect of the building development project and an initial transfer was made last year to capital grants expended in respect of the expenditure in that year. The terms of these grants has now been reviewed and on completion of the project as there were no continuing restrictions they have all been transferred to unrestricted funds.

23 CONTROLLING PARTY

The charity has no controlling party. The members, who appoint the trustees, are independent of each other and no individual has a significant proportion of the voting rights.