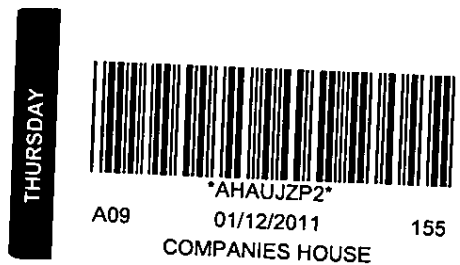


AUDIENCES CENTRAL
Limited by Guarantee

CONSOLIDATED FINANCIAL STATEMENTS
31 March 2011

Registered number 02598772

Charity number 1050167




Clement Keys
CHARTERED ACCOUNTANTS

AUDIENCES CENTRAL

Limited by Guarantee

DIRECTORS' REPORT

31 March 2011

The directors, who are also the trustees of the charity, are pleased to present their report together with the financial statements of the charitable company for the year ended 31 March 2011

Reference and administration information

Registered charity name	Audiences Central
Company number	02598772
Charity number	1050167
Registered office	601 The Big Peg Vyse Street Birmingham B18 6NF
Bankers	National Westminster Bank Plc PO Box 4817 21 Digbeth Birmingham B5 6NW
Auditors	Clement Keys Chartered Accountants & Statutory Auditors 39/40 Calthorpe Road Edgbaston Birmingham B15 1TS

Directors

The directors of the charitable company during the year were as follows,

A B Crichton	
J C Cochrane	
D Figueredo	
A Jowett	
F D Moroni	
P J Rees-Steer	(Chair)
L Richards	
M I Daniels	
K Foster	
P Sankson	
G McCurdy	(appointed 29 June 2010)

The charitable company, being limited by guarantee, has no share capital

The following people held senior management positions within the charitable company during the year,

N Singh	Chief Executive Officer	(resigned 1 April 2011)
I Jarratt	Operations and Finance Director	
J Forrest	Programme Director	(appointed 9 November 2010)

AUDIENCES CENTRAL

Limited by Guarantee

DIRECTORS' REPORT – continued

31 March 2011

Structure, Governance and Management

Governing document

Audiences Central is a charitable company limited by guarantee governed by its Memorandum and Articles of Association dated 30 January 1991 and amended subsequently on 25 September 1995, 26 July 2000 and 9 July 2004. It is registered as a charity with the Charity Commission. There are currently 11 members of the charitable company, each of whom agrees to contribute £1 in the event of the charitable company winding up.

Appointment of directors

As set out in the Articles of Association the directors are nominated either by organisations which subscribe to Audiences Central or by an existing member of the charitable company. Birmingham City Council nominates up to two directors. Up to nine directors can be nominated by the subscribing organisations, a third of whom retire each year. In addition, the directors can co-opt additional directors from beyond the subscriber base.

All directors may serve for a maximum of two terms of three years from the date of their first AGM. Each year the subscribing organisations are circulated with information about which directors are retiring and asking for further nominations for the AGM. When considering co-opting directors, the board has regard to the requirement for any specialist skills needed.

Director induction and training

New directors undergo an introductory briefing session to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision-making processes, the role of the trading subsidiary, the current business plan and recent financial performance of the charitable company. They also meet with key staff and other directors.

Organisation

The board of directors, which can have up to 20 members, administers the charitable company. The board meets at least quarterly and there is a sub-committee for Operations and Finance which meets at least three times a year. A Chief Executive Officer is appointed by the directors to manage the day-to-day operations of the charitable company. To facilitate effective operations, the Chief Executive Officer has delegated authority, within terms of delegation approved by the directors, for operational matters including finance, employment and programme-related activity.

The charitable company has continued to undergo significant organisational change and has received funding towards this purpose via the Thrive programme from Arts Council England. Further funding has been applied for. Two Senior Manager posts have been created to transfer strategic plans into delivery.

Related parties

During the year the charitable company had a wholly owned subsidiary - Audiences Central Enterprises Limited which runs marketing services and campaigns on behalf of commercial arts companies and arts and cultural organisations outside the West Midlands. Audiences Central Enterprises Limited is a company limited by shares, there are two issued shares which are owned by Audiences Central.

AUDIENCES CENTRAL

Limited by Guarantee

DIRECTORS' REPORT – continued

31 March 2011

Structure, Governance and Management – continued

Risk management

The directors have a risk management strategy which comprises

- An annual review of the risks the charitable company may face,
- The establishment of systems and procedures to mitigate those risks identified in the plan, and
- The implementation of procedures designed to minimise any potential impact on the charitable company should those risks materialise

Objectives and activities

The objects for which the charitable company is established are to promote any charitable purpose for the benefit of the community in Birmingham and including Staffordshire, Shropshire, Herefordshire, Worcestershire, Warwickshire and the West Midlands county by providing charitable organisations operating within the area of benefit with

- Advice, training and information, and
- Other assistance appropriate to their needs so as to enable such organisations to carry out their charitable work more effectively and efficiently for the benefit of the community

The charitable company has the general aim of improving the effectiveness of arts and cultural marketing and audience development for organisations based in the West Midlands region. The strategies employed to achieve the charitable company's objectives are to

- deliver a programme of professional development and training for arts and cultural organisations and their staff,
- offer specialist marketing research and intelligence services for arts and cultural organisations,
- run a range of marketing services to enable arts and cultural organisations to target their audiences more effectively, including the region's arts events website,
- create partnerships between arts and cultural organisations for joint projects and programmes of audience development activity,
- offer specialist consultancy services on a one to one basis for arts and cultural organisations, especially for those organisations who subscribe to Audiences Central, and
- be specialists in diversity audience development – in terms of cultural diversity, disability, social class and age

At the time of writing the charitable company has 87 subscribing cultural organisations, drawn from across the whole West Midlands region and covering every art form. They include large performing arts companies, small rural-based community touring organisations, galleries, agencies focusing on engaging young people in the arts and niche festivals presenting contemporary arts practice.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities. In particular, the trustees have considered how planned activities will contribute to the aims and objectives set.

AUDIENCES CENTRAL

Limited by Guarantee

DIRECTORS' REPORT continued

31 March 2011

Achievements and performance

The year has proved to be an extremely challenging one, as the organisation engaged in a series of business planning exercises to secure funding and a sustainable future through to March 2011 and beyond

Following the disappointing year ended 31 March 2010, the organisation entered 2010/11 with unrestricted reserves in a negative position and intense financial planning was needed to return to a positive position by March 2011. This was successful and the financial year ended with unrestricted reserves at £2,712

The year began with a revised bid to obtain funding from Arts Council England's Thrive! to allow progression through to the implementation phase of this organisational development programme. After an initial verbal acceptance of our bid, funds were subsequently not awarded due to a lack of confidence in our ability to deliver the planned outcomes. We were however strongly encouraged to continue to further develop our bid, albeit outside of the official Thrive! programme with the support of management consultants. RGA Associates were recommended and funded by Arts Council England to assist us in our continued revision of business plans. Following our third submission of plans through to March 2011, a final rejection letter was received in November, drawing this organisational development programme to a close. Arts Council indicated that there were material concerns that our plans would not result in a sustainable model from 2013/14 onwards and that we would not be able to achieve the targets set out within the plan.

In anticipation of the possibility of Thrive! funding not being awarded, coupled with the announcement that core funding would be cut by 0.5% in 2010/11, the organisation engaged in a restructuring and cost cutting exercise to enable sustainability through to March 2011. This was a planning exercise we termed the 'Foundation Case', designed to enable us to deliver planned objectives in 2010/11 within a stronger financial position and to provide a more stable platform to move forward into 2011/12 with a planned programme of deliverables for that year. The Foundation Case resulted in staff reductions through non-replacement of departed staff, redundancy and short time working for the entire senior management team, with the intention of increasing the ratio of delivery time to administration time.

The senior management team also faced severe difficulties during the year. A new Senior Manager, Audience Engagement joined in April 2010 and major programme activity relating to public engagement (Arts Nation) and the roll-out of regional audience development networks commenced. Both of these areas had been in the planning stage for considerable time and were now developing and meeting objectives as originally planned. However at the beginning of November 2010, the Chief Executive began an absence due to a serious family illness and resigned his post with effect from 31 January 2011. During his absence and beyond into 2011/12, the chief executive responsibilities have been covered jointly by the Operations and Finance Director and by the Senior Manager, Audience Engagement - firstly as interim Programme Director - and following the resignation of the Chief Executive, as permanent Programme Director.

Funding has become a major issue within the arts and cultural sector and especially for Audiences Central and audience development nationally. A reduction of 6.9% in our core funding for 2011/12 will have a significant impact on our ability to deliver plans. As a result of government cuts, in November 2010 Arts Council England presented plans for funding awards from April 2012 to March 2015. A national portfolio of organisations would be decided upon by March 2011, following an open application process with a January 2011 deadline. Our application was produced with extensive Programme Director and senior management time, as well as staff and board involvement. We were regrettably unsuccessful in our application, with Arts Council's assessment showing a strength in programme but weaknesses in financial stability and leadership and governance. In addition, Arts Council also announced that none of the audience development agencies in England were to be included in the National Portfolio but recognised that audience development was still highly valued and some investment for key priorities may be available via their strategic funds.

AUDIENCES CENTRAL

Limited by Guarantee

DIRECTORS' REPORT continued

31 March 2011

Achievements and performance – continued

Key activities

Audience Engagement and Development.

Delivery of the Arts Nation Programme

Arts Nation West Midlands was an Arts Council funded audience engagement initiative that took place between April 2009 and March 2011. As part of the project, Audiences Central tested a range of audience engagement approaches with the aim of encouraging new and existing audiences to engage with arts and cultural activity across the Black Country. We also provided an extensive programme of events and organisational support to cultural organisations including workshops on using data effectively and how to retain customers.

Launch of Sub Regional Audience Development Networks

Audiences Shropshire

Funded by Shropshire Council, MLA and Arts Council core funds, this sub-regional audience development network for Shropshire launched in November. There are over 50 individuals and arts and heritage organisations engaged in the network which has now met three times, as well as project-focused sub groups emerging around the themes of attracting youth audiences and developing digital skills.

Warwickshire and Coventry Cultural Network

Funded by Warwickshire County Council, Warwick District Council, Coventry City Council, MLA and Arts Council core funds, this sub-regional audience development network for Coventry and Warwickshire launched in May with over 50 delegates from a diverse range of arts, heritage and local authority based organisations. This network is now identifying key areas of focus and the most appropriate model for future collaborative working.

Research and Intelligence

Shine Evaluation

We were appointed to provide an evaluation of the Shine project run by Sound it Out. The ethos of this ambitious programme was to provide young people with the opportunity to engage in positive activities through music, building self esteem, confidence, team working, leadership and trust as well as providing clear routes for learning, training and progression and thereby increasing the number of young people on the path to success. Shine was delivered as a citywide music programme across Birmingham with ages 13 – 19 years on Friday and Saturday afternoons and evenings in five communities across Birmingham.

Milton Keynes International Festival

July 2010 saw the launch of Milton Keynes International Festival (MKIF) which is a new festival developed by The Stables and Milton Keynes Gallery with a vision to assist with the development of the artistic offering in Milton Keynes.

The artistic vision of the festival is to "Pilot a festival of international arts in 2010 that raises the artistic adventure of Milton Keynes, surprising its residents and visitors and providing a creative springboard for future artistic engagement."

Audiences Central working with Audiences South were commissioned to design and implement a programme of evaluation through the various strands of the festival in order to build a coherent picture of its overall impact and value to benchmark it against other festivals and be used for strategic planning and advocacy.

AUDIENCES CENTRAL

Limited by Guarantee

DIRECTORS' REPORT continued

31 March 2011

Achievements and performance – continued

The Courtyard Centre for Arts

The Courtyard Theatre aimed to gather information from attendees and non-attendees to focus on the overall offer and facilities. A questionnaire was designed by the team and sent out to the entire mailing list of the venue with the Autumn brochure in August 2010. 830 completed questionnaires were received and the data from these questionnaires was forwarded to Audiences Central for analysis.

Projects and Consultancy

Extending the Margins - Gruntvig Partnership

Participation in European partnership learning programme which develops the practical/ theoretical skills of cultural managers with specific reference to their work with socially and economically disadvantaged and excluded adult learners. The programme will enable sharing of knowledge and experience of cultural managers and exchange of best practice. Partners include Audience Development Agencies in Norway, Spain, Belgium, Italy and Netherlands.

Dancing for the Games – Digital Engagement Strategy

Develop and deliver a digital engagement strategy including the creation of digital platform to promote the Cultural Olympiad and London 2012 Olympic and Para Olympic Games. Complex project working with a range of partners, Audiences Central's involvement will cease on delivery of an online game produced in collaboration with Mudlark.

Marketing Services including Scene Central

Marketing Services including those offered via Scene Central have been popular throughout the year, taken up by a broad range of member and non-member clients from across and outside of the region, generating an income of £74,000.

Staffordshire Gatehouse

We were commissioned to run a press and marketing campaign for the outdoor production of Merry Wives of Windsor. This included marketing training for Gatehouse staff. The success of the campaign led to a further commission to run the campaign for the Mother Goose pantomime and also to Stafford Gatehouse taking up membership with Audiences Central.

Development of Scene Central

To fulfil our objective to secure more users and listings for our West Midlands cultural what's on website, Audiences Central made a successful application to the Digital Content Development Fund to develop an online widget and facebook application, both of which will help cultural organisations populate their own events online and on facebook whilst simultaneously updating Scene Central.

Financial review

It is pleasing that as a result of a surplus of £23,563 being achieved in 2010/11 unrestricted funds which were negative at 31 March 2010 are positive and shown as £2,712 at 31 March 2011. The Foundation Case adopted during the year allowed for cost cuts and revised targets to enable the company to achieve a positive result.

This result will mean Balance Sheet reserves standing at £114,058 of which restricted reserves stand at £111,346.

AUDIENCES CENTRAL

Limited by Guarantee

DIRECTORS' REPORT continued

31 March 2011

Financial review – continued

The principal sources of revenue for the charitable company, excluding the income from the trading subsidiary, were membership income and income from programme activities including marketing services, research, consultancy, professional development and other grants and donations. Our main funder has been Arts Council England, investing core funds of £227,576 in 2010/11 although this includes a reduction of 0.5% announced during the year. In addition, Arts Council England provided an uplift in funds of £187,192 in 2010/11 and are providing £174,275 in 2011/12. This will enable the company to continue play a major role in the legacy of the Arts Nation public engagement campaign.

Given that along with other audience development agencies in England, Audiences Central was unsuccessful in its application to be included in Arts Council National Portfolio of funded organisations from April 2012 the Board investigated three options for the future of the organisation beyond 31 March 2012.

These were

- Orderly closure
- A smaller 'phoenix' organisation which would apply for strategic funds from Arts Council and operate as a Consultancy
- Audiences Plus – an initial change to a smaller agency before joining Audiences UK as a satellite or to go direct to being a satellite

After much discussion and consideration the Board decided on 12 July 2011 that the company would close as at 31 March 2012 and an orderly close would be planned and effected. The Board are keen however to preserve a legacy for key areas of company activity particularly Scene Central, Regional Networking and Public Engagement and this will be a focus for the senior team for the remainder of 11/12.

As the directors intend to effect an orderly closure of the company they have not prepared the financial statements on a going concern basis. The effect of this is explained in note 1 to the financial statements.

Going concern

As described above, on 12 July 2011, the directors took the decision that the company would cease activity as at 31 March 2012.

The financial statements have therefore not been prepared on a going concern basis. The effect of this is explained in note 1.

Investment powers and policy

Under the Memorandum and Articles of Association, the charitable company has the power to invest in any manner the directors consider appropriate.

The directors, having regard to the liquidity requirements of operating the charitable company, have followed a policy of keeping available funds in an interest-bearing bank account.

Reserves policy

The directors have established the level of reserves (that is those funds which are freely available) that the charitable company ought to have. Reserves are needed to enable the charitable company to cover all of its administrative expenses in the event of it winding up. At the end of 2010/11 the charitable company had total unrestricted reserves of £2,712 and total "free reserves", that is those not represented by fixed assets of a negative of £798.

AUDIENCES CENTRAL

Limited by Guarantee

DIRECTORS' REPORT continued

31 March 2011

Plans for future periods

The charitable company has decided not to recruit a permanent replacement Chief Executive. Instead Audiences Central has re-structured its senior leadership team and engaged an interim Chief Executive and is covering the maternity leave of the Programme Director with an interim appointment. This refreshed senior management team together with the board will lead the company to continue to deliver through 2011/12 its key purpose – working with the sector to increase and broaden the number of people engaging and being inspired by arts and culture across and beyond the West Midlands – and to deliver the plan for orderly closure at March 2012.

The smaller staff team will focus on delivery in areas of organisational strength: engagement, marketing and communications, research and partnership working.

Deliverables will include:

- Audience Engagement and Development
 - engagement and development campaigns and strategies
 - partnership projects
 - engagement and development knowledge sharing
 - fundraising
 - advocacy
 - on and offline design services
 - Marketing and Communications
 - marketing and media campaigns
 - Scene Central
 - distribution
 - data cleaning
 - third party data purchasing
 - Research and Intelligence
 - Mapping and profiling services, and their interpretation
 - In venue, street and festival audience research
 - Evaluation of projects and festivals
 - Personal giving /membership research
 - Research into existing databases owned by organisations
 - Development research with specific audiences – young people and communities
 - Filling gaps in organisations research work i.e. data entry, reporting on surveys etc
 - Impact studies
- Intelligence services focused on
- Methodology, reporting and supplier advice
 - Area Profile reports and TGI dissemination
 - Arts Audience Insight dissemination
 - Training and usability sessions/dissemination
 - Dissemination of other research given to us by Arts Council, Audiences UK
 - Represent the sector and region at networking sessions and consortia e.g. Cultural Research and Intelligence Group, Audiences UK Research Group
 - Research updates for the sector
 - Presentations on current issues/products/topics

AUDIENCES CENTRAL

Limited by Guarantee

DIRECTORS' REPORT continued

31 March 2011

Plans for future periods – continued

- Networks and Events
 - membership – re-launched simplified, affordable three tiered scheme
 - annual event – significant event featuring dissemination and sharing best practice, networking, key specialists
 - regional audience development networks
 - regional press and marketing networks

Priorities for Public Engagement work.

- Public engagement – lead agency nationally
 - Promoting opportunities for engagement and participation
 - Promoting engagement techniques and measures
 - Building relationships with commercial/non sector organisations
 - Continue to promote work via overseas agencies
- Arts Nation Legacy
 - Advocacy
 - Organisations sharing and implementing learning
 - Organisations more focused on engagement and audience journey
 - Direct interaction with audiences

AUDIENCES CENTRAL

Limited by Guarantee

DIRECTORS' REPORT continued

31 March 2011

Statement of Directors' responsibilities

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

Company law requires the directors 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 income and expenditure, of the charitable company for that period. In preparing those financial statements, the directors are required to

- Select a suitable accounting policies and then apply them consistently,
- Observe the methods and principles in the Charities SORP,
- Make judgements and estimates that are reasonable and prudent,
- State whether applicable UK accounting standards have been followed, subject to any material departure disclosed and explained in the financial statements, and
- As explained in the Directors' Report and in note 1 to the financial statements, the directors do not believe the going concern basis to be appropriate and these financial statements have not been prepared on that basis

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Provision of information to auditors

So far as each of the directors is aware at the time the report is approved

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- the directors have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information

Auditors

The auditors Clement Keys will be proposed for re-appointment in accordance with section 485 of the Companies Act 2006.

In preparing this report, the trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

Approved by the board on 27 September 2011 and signed on its behalf by



P J Rees-Steer
Chairman

Audiences Central
601 The Big Peg
Vyse Street
Birmingham
B18 6NF

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
AUDIENCES CENTRAL
Limited by Guarantee**

We have audited the financial statements of Audiences Central for the year ended 31 March 2011 which comprise the Consolidated Statement of Financial Activities, Consolidated and Company Balance Sheets and the related notes. 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). As described in note 1, they have not been prepared on a going concern basis.

This report is made solely to the 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 company's members those matters we are required to state to them in an auditors' 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 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 directors and auditors

As explained more fully in the Responsibilities of the Council set out on page 10 the directors (who are also the trustees of the charitable company for the purpose of charity 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 of 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 charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatement or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2011, and of the group's incoming resources and 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
AUDIENCES CENTRAL
Limited By Guarantee**

Emphasis of matter – going concern

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosures made in the Directors' Report and note 1 to the financial statements concerning the directors' plans to close the company

As reported, the directors intend to close the company on 31 March 2012 and as required by Financial Reporting Standard number 18 "Accounting Policies" paragraph 21 and as permitted by SI2008/409 Schedule 1(10)(2), the directors have prepared the financial statements on the basis that the company is no longer a going concern

Opinion on other matters prescribed by Companies Act 2006

In our opinion the information given in the Directors 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 and sufficient accounting records, 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,
- we have not received all the information and explanations we require for our audit, or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Directors Report



**Simon Atkins FCA
Senior Statutory Auditor**

**For and on behalf of Clement Keys
Chartered Accountants
Statutory Auditors**

**39/40 Calthorpe Road
Edgbaston
Birmingham
B15 1TS**

27 September 2011

AUDIENCES CENTRAL
Limited by Guarantee

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating an Income and Expenditure Account)
for the year ended 31 March 2011

	Note	Unrestricted funds £	Restricted funds £	2011 Total funds £	2010 Total funds £
Incoming resources					
Incoming resources from generated funds					
Voluntary income					
Grants and donations	3	227,576	-	227,576	222,707
Activities for generating funds					
Income from trading subsidiaries	5	18,628	-	18,628	3,130
Subscriber and organisational support		44,687	-	44,687	49,793
Investment income	4	25	-	25	69
Incoming resources from charitable activities					
Grants and donations – restricted activity 18		-	287,106	287,106	172,908
Research		41,359	-	41,359	57,171
Consultancy		27,628	-	27,628	26,432
Professional development		-	-	-	95
Services		<u>68,698</u>	<u>-</u>	<u>68,698</u>	<u>86,878</u>
Total incoming resources		<u>428,601</u>	<u>287,106</u>	<u>715,707</u>	<u>619,183</u>
Resources expended					
Costs of generating funds					
Commercial trading operations	5	18,017	-	18,017	2,869
Subscriber and organisational support	6	52,853	-	52,853	75,980
Charitable activities					
Costs of restricted activity	18	-	206,512	206,512	205,190
Core programme activity	7	170,678	-	170,678	182,140
Research	7	42,599	-	42,599	59,004
Consultancy	7	32,027	-	32,027	57,657
Professional development	7	-	-	-	3,570
Services	7	81,647	-	81,647	115,009
Governance costs	9	<u>7,217</u>	<u>-</u>	<u>7,217</u>	<u>10,185</u>
Total resources expended		<u>405,038</u>	<u>206,512</u>	<u>611,550</u>	<u>711,604</u>
Net incoming/(outgoing) resources being net income/(expenditure) for the year		<u>23,563</u>	<u>80,594</u>	<u>104,157</u>	<u>(92,421)</u>
Reconciliation of funds					
Total funds brought forward		<u>(20,851)</u>	<u>30,752</u>	<u>9,901</u>	<u>102,322</u>
Total funds carried forward		<u>2,712</u>	<u>111,346</u>	<u>114,058</u>	<u>9,901</u>

All activities of the group are continuing. As explained at note 1 to the financial statements, activities will cease at 31 March 2012.

There are no other gains and losses other than those included above and accordingly no separate statement of total recognised gains and losses has been prepared.

The notes on pages 15 to 25 form part of these financial statements.

AUDIENCES CENTRAL
Limited by Guarantee

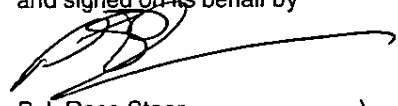
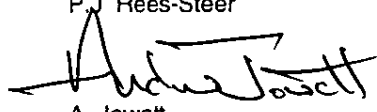
Registered number 02598772

BALANCE SHEETS
as at 31 March 2011

	Note	2011 £	Group 2010 £	2011 £	Company 2010 £
Fixed assets					
Tangible assets	14	3,510	9,320	3,510	9,320
Investments	15	-	-	-	2
		3,510	9,320	3,510	9,322
Current assets					
Debtors	16	16,571	49,856	16,571	49,372
Cash at bank and in hand		140,836	23,703	140,836	23,703
		157,407	73,559	157,407	73,075
Creditors amounts falling due within one year	17	(46,859)	(72,978)	(46,859)	(72,496)
Net current assets/(liabilities)		110,548	581	110,548	(579)
Total assets less current liabilities		114,058	9,901	114,058	(9,901)
Funds					
Unrestricted		2,712	(20,851)	2,712	(20,851)
Restricted	18	111,346	30,752	111,346	30,752
Total funds		114,058	9,901	114,058	9,901

The notes on pages 15 to 25 form part of these financial statements

The financial statements on pages 13 to 25 were approved by the board of directors on 27 September 2011 and signed on its behalf by


 P. J. Rees-Steer

 A. Jowett

) Directors
)

AUDIENCES CENTRAL

Limited by Guarantee

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

31 March 2011

1 Principal accounting policies

Basis of accounting

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom, under the historical cost accounting rules, in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities (SORP 2005) issued in March 2005 and the Companies Act 2006

As required by Financial Reporting Standard number 18 “Accounting Policies” paragraph 21 and as permitted by SI2008/409 Schedule 1(10)(2), the directors have prepared the financial statements on the basis that the company is no longer a going concern as explained below

Going concern

As noted in the Directors’ Report and note 23 to the financial statements, the directors have taken the decision to close the company on 31 March 2012. Accordingly, the financial statements have not been prepared on a going concern basis

The directors have considered the potential adjustments that would be required as a consequence of preparing the financial statements on this basis. These adjustments would mainly relate to the possible impairment of fixed assets, recoverability of debtors and possible pay back of restricted grants to funders

The directors are of the opinion that the company will fulfill its current funding obligations in the year to 31 March 2012 and that any other adjustments would be immaterial to these financial statements

Group financial statements

The Group financial statements consolidate those of the charitable company and its non-charitable trading subsidiaries. The results of the trading subsidiaries have been incorporated on a line by line basis, before transfers to the charitable company. No separate Statement of Financial Activities is presented for the charitable company, as provided by Section 408 of the Companies Act 2006 and paragraph 397 of SORP 2005. The result for the year of the charitable company is set out at Note 20

Tangible fixed assets and depreciation

Tangible fixed assets costing £500 or more are capitalised and stated at cost less accumulated depreciation

Depreciation of fixed assets is provided on a straight line basis commencing with the year of acquisition at rates estimated to write off their cost less any residual value over their expected useful lives and charged to the relevant fund as follows

Computer equipment	3 years
Furniture and fittings	4 years

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NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

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1 Principal accounting policies – continued

Voluntary income

Income from donations and grants, including capital grants, is included in incoming resources on a receivable basis, except when

- (a) donors or grantors specify that donations or grants given to the charitable company must be used in future accounting periods, in which case the income is deferred until those periods,
- (b) donors impose conditions which have to be fulfilled before the charitable company becomes entitled to use such income, in which case the income is deferred and not included in incoming resources until the pre-conditions for use have been met

When donors specify that donations and grants, including capital grants, are for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, this income is included in incoming resources of restricted funds when receivable

Investment income

Investment income is included in the financial statements as and when receivable

Capital grants and donations

Grants and donations received for capital purposes are accounted for as restricted funds and the amortisation or depreciation of the underlying fixed assets is charged to the funds

Cash flow statement

The charitable company has taken advantage of the exemption from preparing a cash flow statement in accordance with Financial Reporting Standard No 1 on the basis that it is a small company as defined in the Companies Act 2006

Resources expended

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered

Expenditure is recognised when a liability is incurred. Contractual arrangements and performance related grants are recognised as goods or services are supplied. Other grant payments are recognised when a constructive obligation arises that results in the payment being unavoidable

- Costs of generating funds are those costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds
- Charitable activities include expenditure associated with the core programme activity, research, consultancy, professional development and services and include both the direct costs and support costs relating to these activities
- Governance costs comprise those incurred in the governance of the charitable company and its assets and are primarily associated with constitutional and statutory requirements
- Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, e.g. allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage

Irrecoverable VAT

All resources expended are classified under activity headings that aggregate all costs related to the category. Irrecoverable VAT is charged against the category of resources expended for which it was incurred

Operating leases

Rentals payable under operating leases are charged the statement of financial activities on a straight line basis over the period of the lease

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1 Principal accounting policies – continued

Pension Costs

The charitable company pays pension contributions to a stakeholder pension scheme for certain employees and also pays into personal pension plans for certain employees. The amounts charged to the statement of financial activities represents the contributions payable in respect of the accounting period.

2 Incoming resources

Incoming resources represents the amount derived from membership subscriptions and the provision of services which fall within the charitable company's objects together with grants and donations receivable, stated net of value added tax.

3 Voluntary income – unrestricted

	2011 £	2010 £
Revenue grants		
Arts Council England	227,576	222,707

4 Investment income

All of the group's investment income arises from an interest bearing current account.

5 Net income from trading activities of subsidiary undertaking

A summary of Audiences Central Enterprises Limited's unaudited trading results and balance sheet for the year ended 31 March 2011 is shown below.

	Audiences Central Enterprises Limited £
Profit and loss account (unaudited)	
Turnover	18,628
Cost of sales	(6,578)
	<hr/>
Gross profit	12,050
Administration expenses	(11,439)
	<hr/>
Operating profit	611
Amount gift-aided to Audiences Central	(611)
	<hr/>
Retained in subsidiary	-
	<hr/>

Included within cost of sales and administration expenses of Audiences Central Enterprises Limited is £11,439 (2010 £1,079) in respect of overhead allocation from the parent charitable company.

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NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

31 March 2011

5 Net income from trading activities of subsidiary undertaking – continued

	Audiences Central Enterprises Limited £
Balance sheet (unaudited)	
Debtors	352
Creditors	(350)
	<hr/>
Net assets	2
	<hr/>
Represented by	£
Share capital	2
Profit and loss account	<hr/> -
Net assets	2
	<hr/>

6 Analysis of costs of generating funds

Activity	Direct costs £	Support costs £	2011 Total £	2010 Total £
Subscriber and organisational support	129	52,724	52,853	75,980
	<hr/>	<hr/>	<hr/>	<hr/>

7 Analysis of costs of charitable activities

Activity	Direct costs £	Support costs £	2011 Total £	2010 Total £
Costs of restricted activity	88,712	117,800	206,512	205,190
Core programme activity	-	170,678	170,678	182,140
Research	13,738	28,861	42,599	59,004
Consultancy	8,376	23,651	32,027	57,657
Professional development	-	-	-	3,570
Services	<u>41,135</u>	<u>40,512</u>	<u>81,647</u>	<u>115,009</u>
	<hr/>	<hr/>	<hr/>	<hr/>
	151,961	381,502	533,463	622,570
	<hr/>	<hr/>	<hr/>	<hr/>

AUDIENCES CENTRAL

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NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

31 March 2011

8 Analysis of support costs

	<i>Generating funds</i>		<i>Charitable activities</i>				2011 Total £	2010 Total £
	Subscriber and organisational support	Costs of restricted activity	Core programme activity	Research	Consultancy	Services		
	£	£	£	£	£	£		
Staff costs	41,726	95,685	134,584	22,840	18,717	32,061	345,613	424,538
Premises costs	4,071	8,185	13,359	2,228	1,826	3,128	32,797	32,558
Information technology	3,959	7,962	12,995	2,167	1,776	3,042	31,901	31,711
Administration	3,506	7,049	11,505	1,919	1,573	2,694	28,246	44,136
Promotion and PR	82	164	268	45	37	63	659	3,466
Bank charges and interest	79	160	261	44	36	61	640	129
Depreciation	721	1,450	2,366	395	323	554	5,810	8,282
	<u>54,144</u>	<u>120,655</u>	<u>175,338</u>	<u>29,638</u>	<u>24,288</u>	<u>41,603</u>	<u>445,666</u>	<u>544,821</u>
Less ENTS allocation	(1,420)	(2,855)	(4,660)	(777)	(637)	(1,091)	(11,440)	(1,079)
Audiences Central	<u>52,724</u>	<u>117,800</u>	<u>170,678</u>	<u>28,861</u>	<u>23,651</u>	<u>40,512</u>	<u>434,226</u>	<u>543,742</u>

Support costs have been allocated on the basis of staff time spent on each of the charitable company's main areas of activity

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NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

31 March 2011

9	Analysis of governance costs	2011 £	2010 £
	Legal and professional charges	1,667	3,315
	Audit and accountancy charges	<u>5,550</u>	<u>6,870</u>
		<u>7,217</u>	<u>10,185</u>
10	Analysis of administration costs – parent charitable company only	2011 £	2010 £
	Recruitment	-	6,098
	Staff training	2,167	4,388
	Travel expenses	3,457	6,668
	General expenses	2,402	4,363
	Telephone	3,495	3,679
	Insurance	3,381	3,725
	Stationery	1,033	2,686
	Subscriptions and publications	3,928	3,221
	Photocopier costs	3,875	3,875
	Office equipment	2,014	1,796
	Postage and courier costs	881	993
	Health and safety	508	1,322
	Catering	330	401
	Office sundries	<u>775</u>	<u>921</u>
		<u>28,246</u>	<u>44,136</u>
11	Directors and employees – parent charitable company only	2011 £	2010 £
	Staff costs		
	Wages and salaries	297,887	363,072
	Social security costs	29,253	35,276
	Pensions	<u>12,742</u>	<u>15,684</u>
		<u>339,882</u>	<u>414,032</u>
	Number	Number	Number
	Average number employed (excluding directors)	<u>12</u>	<u>17</u>

No employee earns in excess of £60,000

None of the directors received any remuneration or expenses from the charitable company during the year
During the year £892 (2010 £892) was incurred in respect of Directors and Officers liability insurances

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NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

31 March 2011

12	Net incoming resources	2011	2010
		£	£

Net incoming resources are stated after charging

Depreciation of tangible fixed assets	5,810	8,282
Auditors' remuneration group audit fee	5,500	6,400
Property rent payable	24,750	24,250

13 Taxation

The charitable company was granted charitable status during 1996 and as a consequence under the provisions of section 478 of the Income and Corporation Taxes Act 2010 none of its activities are subject to corporation tax. The trading subsidiaries pass profits on which tax would be payable to the charitable company under Gift Aid.

14	Tangible fixed assets	Computer equipment £	Furniture and fittings £	Total £
	Group and charitable parent company			
	Cost			
	1 April 2010	38,892	10,812	49,704
	Disposals	(12,180)	(141)	(12,321)
		<hr/>	<hr/>	<hr/>
	31 March 2011	26,712	10,671	37,383
		<hr/>	<hr/>	<hr/>
	Depreciation			
	1 April 2010	32,667	7,717	40,384
	Charge for year	3,899	1,911	5,810
	Disposals	(12,180)	(141)	(12,321)
		<hr/>	<hr/>	<hr/>
	31 March 2011	24,386	9,487	33,873
		<hr/>	<hr/>	<hr/>
	Net book amount			
	31 March 2011	2,326	1,184	3,510
		<hr/>	<hr/>	<hr/>
	31 March 2010	6,225	3,095	9,320
		<hr/>	<hr/>	<hr/>

All tangible fixed assets are held for the ultimate benefit of Audiences Central

AUDIENCES CENTRAL

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NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

31 March 2011

15 Investment in subsidiary undertakings

The charitable company owned 100% of the issued ordinary share capital of Birmingham Arts Information Technology Limited, a company incorporated in England. The shares were acquired at cost and therefore the investment was included at £2. Birmingham Arts Information Technology Limited ceased activities on 31 March 2008 and was fully wound up on 17 November 2010.

The charitable company owns 100% of the issued ordinary share capital of Audiences Central Enterprises Limited, a company incorporated in England. The shares were gifted to Audiences Central and therefore the investment is included at £nil cost. Audiences Central Enterprises Limited principal activity is the provision of marketing services and campaign work to major regional commercial arts companies.

Further information regarding the results and assets of Audiences Central Enterprises Limited is given in Note 5.

16 Debtors	Group		Company	
	2011 £	2010 £	2011 £	2010 £
Trade arrears	11,177	36,071	10,827	35,081
Other debtors	2,500	2,500	2,500	2,500
Prepayments	2,894	11,285	2,894	11,285
Amount owed by subsidiary undertaking	-	-	350	506
	<u>16,571</u>	<u>49,856</u>	<u>16,571</u>	<u>49,372</u>

17 Creditors, amounts falling due within one year	Group		Company	
	2011 £	2010 £	2011 £	2010 £
Trade creditors	12,513	24,056	12,513	24,056
Other taxation and social security	8,847	15,769	8,847	15,719
Accruals	10,123	24,604	10,123	24,172
Deferred income	<u>15,376</u>	<u>8,549</u>	<u>15,376</u>	<u>8,549</u>
	<u>46,859</u>	<u>72,978</u>	<u>46,859</u>	<u>72,496</u>

Included within accruals is an amount of £770 (2010: £1,138) in respect of payments due to the pension scheme.

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18	Restricted funds	Balances as at 1 April 2010 £	Incoming £	Outgoing £	Balances as at 31 March 2011 £
	Cultural Tourism Development	7,600	-	(119)	7,481
	West Midlands Public Engagement Campaign	3,727	191,267	(161,033)	33,961
	Regional Networking	-	48,750	(3,299)	45,451
	Gruntvig Partnership	-	12,821	(496)	12,325
	DCD	-	16,200	-	16,200
	Dancing digital platform	19,425	18,068	(41,565)	(4,072)
		<hr/>	<hr/>	<hr/>	<hr/>
	Unrestricted funds	30,752	287,106	(206,512)	111,346
		<hr/>	<hr/>	<hr/>	<hr/>

Description and nature of restricted funds

Cultural Tourism Development	To link the cultural sector into the arts sector
West Midlands Public Engagement Campaign	A Black Country specific audience engagement campaign
Regional Networking	To develop audience engagement through Shropshire and Coventry and Warwickshire
Gruntvig Partnership	Participation in European lifelong learning programme
DCD	To develop a website plug-in enabling arts venues to offer services functionality
Dancing digital platform	Build and maintenance of digital platform for the Cultural Olympiad 2012

19 Analysis of net assets between funds

	Fixed assets £	Net current assets £	Total £
Restricted funds			
Cultural Tourism Development	-	7,481	7,481
West Midlands Public Engagement Campaign	-	33,961	33,961
Regional Networking	-	45,451	45,451
Gruntvig Partnership	-	12,325	12,325
DCD	-	16,200	16,200
Dancing digital platform	-	(4,072)	(4,072)
	<hr/>	<hr/>	<hr/>
	-	111,346	111,346
Unrestricted funds	3,510	(798)	2,712
	<hr/>	<hr/>	<hr/>
	3,510	110,548	114,058
	<hr/>	<hr/>	<hr/>

AUDIENCES CENTRAL

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NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

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20 Financial activities of the charitable company

The financial activities shown in the consolidated statement of financial activities includes those of the charitable company's wholly owned subsidiaries

A summary of the financial activities undertaken by the charitable company is set out below

	2011 £	2010 £
Gross incoming resources	697,078	616,055
Gift aid from subsidiary companies	<u>611</u>	<u>261</u>
	697,689	616,316
Cost of generating funds	(52,852)	(75,980)
Total expenditure on charitable activities	(533,463)	(622,570)
Governance costs	<u>(7,217)</u>	<u>(10,187)</u>
Net incoming/(outgoing) resources for the year	104,157	(92,421)
Total funds brought forward	<u>9,901</u>	<u>102,322</u>
Total funds carried forward	<u>114,058</u>	<u>9,901</u>
Represented by		
Unrestricted funds	2,712	(20,851)
Restricted funds	<u>111,346</u>	<u>30,752</u>
	<u>114,058</u>	<u>9,901</u>

21 Financial commitments

Financial commitments under non-cancellable operating leases will result in the following payments falling due in the year to 31 March 2012

	Group		Company	
	Land and buildings £	Other £	Land and buildings £	Other £
Contracts expiring				
Within one year	12,500	-	-	-
Within one to two years	<u>-</u>	<u>3,875</u>	<u>24,500</u>	<u>3,875</u>

22 Related party transactions

Advantage has been taken of the exemption in FRS8 paragraph 3(c) not to disclose transactions with group companies, as consolidated financial statements are prepared

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23 Post balance sheet events

As described in the Directors' Report on page 7 and also in note 1 to the financial statements, the directors took the decision on 12 July 2011 that the company would close and cease activity on 31 March 2012

As a result of the above decision, these accounts have been prepared on the basis that the company is no longer a going concern