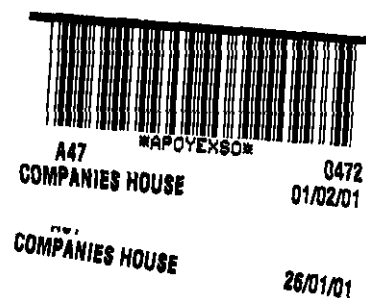


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Northern Sights
(A Company Limited By
Guarantee)

Report and Accounts

30 April 2000



Northern Sights (A Company Limited By Guarantee)

DIRECTORS' REPORT

The Directors present their report and the audited accounts for the year ended 30 April 2000.

PRINCIPAL ACTIVITY AND AIMS

Northern Sights' aims are to foster and promote the arts in society by developing public appreciation of the arts and by improving public access to and quality of the arts.

REVIEW OF DEVELOPMENTS, ACTIVITIES AND ACHIEVEMENTS

The company and charity was originally established in 1993 by Northern Arts, the North of England Assembly of Local Authorities, the Northern Development Company and the region's two Tourist Boards, initially to undertake the planning, development and delivery of *Visual Arts UK* (also referred to as the Year of Visual Arts 1996), a year-long festival of the visual arts taking place in the Northern Arts' region (Northumberland, Durham, Teesside, Cumbria and Tyne and Wear) in 1996.

A second major project, "The Arts Are Ours", was then developed to build upon the education work of Visual Arts UK, involving arts in education work in collaboration with 13 local authorities in the Northern Arts region. Arts for Everyone funding of £360,000 over three years was secured from the Arts Council of England in 1997/98 and the project began in earnest in the year to April 1999.

The project comprises training events and roadshows, residencies and projects, culminating in a regional festival in Summer 2000. Projects are underway in all 13 Local Education Authority areas and are due for completion by Summer 2000.

REVIEW OF TRANSACTIONS AND FINANCIAL POSITION

The year to 30 April 2000 represents the mid phase of the second major Northern Sights project, "The Arts Are Ours". The project is scheduled to run until Summer 2000 and is budgeted to break even over the full course of the project.

The deficit reported for the 1999/00 financial year is therefore the result of the timing of the payments of Education grants and should be viewed in conjunction with the previous year's surplus.

No unforeseen events or circumstances have arisen which would cause the projection of a break-even position by the end of "The Arts Are Ours" project to be revised.

DIRECTORS

Chair

Dr J Bridge

Other Directors

Mr A Dixon

Mr S Barber

All Directors are appointed in accordance with Paragraphs 31-37 of the Articles of Association of the Company.

Northern Sights (a Company Limited by Guarantee)

DIRECTORS' REPORT

LEGAL AND ADMINISTRATIVE INFORMATION

Northern Sights is a charitable company, limited by guarantee and not having a share capital. It is governed by its Memorandum & Articles of Association.

In the event of the company being wound up, each Member undertakes to contribute to the assets of the company such amount as may be required, not exceeding one pound.

Registered Charity No 1044273
Company Registration No 2917572
Registered Office 9-10 Osborne Terrace
Jesmond
Newcastle upon Tyne
NE2 1NZ
Company Secretary Mr P O'Hara

BANKERS

Co-operative Bank plc
Blandford Square
Newcastle upon Tyne
NE99 1AN

SOLICITORS

Dickinson Dees
St Ann's Wharf
112 Quayside
Newcastle upon Tyne
NE99 1SB

AUDITORS

Ernst & Young
Norham House
12 New Bridge Street West
Newcastle upon Tyne
NE1 8AD

DIRECTORS' RESPONSIBILITIES FOR THE ACCOUNTS

Company law requires the Directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those accounts, the Directors are required to;

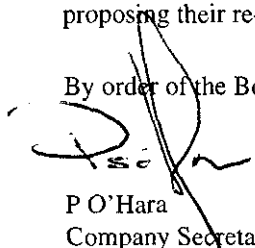
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

Ernst & Young have expressed their willingness to continue in office as auditors and a resolution proposing their re-appointment will be put to the members at the Annual General Meeting.

By order of the Board


P O'Hara
Company Secretary
15 August 2000

REPORT OF THE AUDITORS

to the members of Northern Sights (A Company Limited By Guarantee)

We have audited the accounts on pages 5 to 10, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors (who also act as trustees for the charitable activities of Northern Sights) are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you. Our responsibilities, as independent auditors, are established in the United Kingdom by Statute, the Auditing Practices Board and by our profession's ethical guidance.

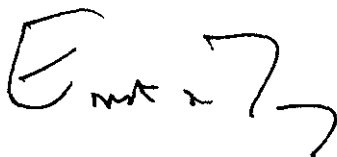
Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the charitable company's state of affairs as at 30 April 2000 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young
Registered Auditor
Newcastle upon Tyne

15 August 2000

Northern Sights (A Company Limited By Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 30 April 2000

	Notes	Unrestricted Funds General Fund £	Restricted Funds £	Total 2000 £	Total 1999 £
INCOME & EXPENDITURE					
INCOMING RESOURCES					
Grant income	2	170,000	-	170,000	193,990
Course fees		-	-	-	885
Bank interest received		68	-	68	182
TOTAL INCOMING RESOURCES		170,068	-	170,068	195,057
RESOURCES EXPENDED					
Direct charitable expenditure	3	189,253	-	189,253	134,183
Management and administration	4	6,076	-	6,076	14,206
TOTAL RESOURCES EXPENDED	6	195,329	-	195,329	148,389
NET MOVEMENT IN FUNDS		(25,261)	-	(25,261)	46,668
FUNDS BROUGHT FORWARD					
At 1 May 1999		£48,529	-	£48,529	£1,861
FUNDS CARRIED FORWARD					
At 30 April 2000		£23,268	£ -	£23,268	£48,529

Northern Sights (A Company Limited By Guarantee)

INCOME AND EXPENDITURE ACCOUNT

for the year ended 30 April 2000

	2000 £	1999 £
INCOME		
Grant income	170,000	193,990
Course fees	-	885
Interest received	68	182
TOTAL INCOME	<u>170,068</u>	<u>195,057</u>
EXPENDITURE		
Education	189,253	134,183
Overheads	6,076	14,206
TOTAL EXPENDITURE	<u>195,329</u>	<u>148,389</u>
(DEFICIT)/SURPLUS FOR THE YEAR	<u>£(25,261)</u>	<u>£46,668</u>

There were no recognised gains or losses for the year other than the deficit of £25,261 (1999: Surplus £46,668).


Northern Sights (A Company Limited By Guarantee)

BALANCE SHEET

at 30 April 2000

	Notes	2000 £	1999 £
FIXED ASSETS			
Tangible assets		-	-
CURRENT ASSETS			
Debtors	7	14,513	19,842
Cash at bank		10,517	30,450
		25,030	50,292
CREDITORS: amounts falling due within one year	8	1,762	1,762
NET CURRENT ASSETS		23,268	48,530
TOTAL ASSETS LESS CURRENT LIABILITIES		£23,268	£48,530
CAPITAL AND RESERVES			
General reserve	9	23,268	48,530
		£23,268	£48,530

ERNST & YOUNG



J Bridge
Director

15 August 2000

Northern Sights (A Company Limited By Guarantee)

NOTES TO THE ACCOUNTS

at 30 April 2000

1. ACCOUNTING POLICIES

Accounting convention

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards, and comply in all material matters with the Statement Of Recommended Practice, "Accounting by Charities", issued in October 1995.

Northern Sights operates on a project-by-project basis, with each project budgeted to break even over its full course. Hence, any surpluses or deficits arising at any given year end need to be viewed in the light of the fact that the company will return to a break-even position at the end of each major project.

Income

Grants from Northern Arts and the Arts Council of England are credited to income upon receipt.

Expenditure

Fees for the Project Co-Ordinator are charged to Direct Charitable Expenditure in the Statement Of Financial Activities. All other central overheads are allocated to Management and Administration under Other Expenditure.

2. GRANT INCOME

	2000 £	1999 £
Northern Arts	20,000	20,000
Arts Council of England	150,000	173,990
	<u>£170,000</u>	<u>£193,990</u>

3. DIRECT CHARITABLE EXPENDITURE

	Unrestricted Funds £	Restricted Funds £	Total 2000 £	Total 1999 £
GRANTS PAYABLE				
Education	180,326	-	180,326	124,803
	<u>180,326</u>	<u>-</u>	<u>180,326</u>	<u>124,803</u>
MARKETING & PUBLIC RELATIONS				-
SUPPORT COSTS:				
Fees - Project co-ordination	8,927	-	8,927	9,380
	<u>8,927</u>	<u>-</u>	<u>8,927</u>	<u>9,380</u>
TOTAL DIRECT CHARITABLE EXPENDITURE	<u>£189,253</u>	<u>£ -</u>	<u>£189,253</u>	<u>£134,183</u>

No Trustees/Directors were reimbursed for travelling expenses in the year (1999: £Nil).

Northern Sights (A Company Limited By Guarantee)

NOTES TO THE ACCOUNTS

at 30 April 2000

4. MANAGEMENT AND ADMINISTRATION

	<i>Unrestricted Funds £</i>	<i>Restricted Funds £</i>	<i>Total 2000 £</i>	<i>Total 1999 £</i>
Meeting costs	4,147	-	4,147	3,914
Publicity, press and promotion	-	-	-	3,572
Stationery & books	152	-	152	882
Audit fee	1,762	-	1,762	1,762
Legal and professional	15	-	15	15
Inland Revenue assessment	-	-	-	4,061
TOTAL MANAGEMENT AND ADMINISTRATION	£6,076	£ -	£6,076	£14,206

5. DIRECTORS EMOLUMENTS

No emoluments were paid to any Director in the year (1999: Nil).

6. TOTAL RESOURCES EXPENDED

	<i>2000 £</i>	<i>1999 £</i>
DIRECT CHARITABLE EXPENDITURE		
Grants payable	180,326	124,803
Support costs	8,927	9,380
	<u>189,253</u>	<u>134,183</u>
OTHER EXPENDITURE		
Management and administration	6,076	14,206
	<u>£195,329</u>	<u>£148,389</u>

7. DEBTORS

	<i>2000 £</i>	<i>1999 £</i>
Northern Arts	14,513	17,181
Sundry	-	2,661
	<u>£14,513</u>	<u>£19,842</u>

Northern Sights (A Company Limited By Guarantee)

NOTES TO THE ACCOUNTS

at 30 April 2000

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2000 £	1999 £
Accruals	1,762	1,762
	<u>£1,762</u>	<u>£1,762</u>

9. UNRESTRICTED FUNDS

	Balance at 1 May 1999 £	Movement in funds		Balance at 30 April 2000 £
		Incoming £	Outgoing £	
Unallocated funds - General reserve	48,529	170,068	195,329	23,268
TOTAL UNRESTRICTED FUNDS	<u>£48,529</u>	<u>£170,068</u>	<u>£195,329</u>	<u>£23,268</u>

10. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Net assets relate wholly to Unrestricted Funds.