

Companies House
Co. No. 2917572

Northern Sights
(A Company Limited By
Guarantee)

Report and Accounts

30 April 1999



DIRECTORS' REPORT

The Directors present their report and the audited accounts for the year ended 30 April 1999.

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 has now begun in earnest in the year to which these accounts relate.

The project comprises training events and roadshows, residencies and projects, culminating in a regional festival in Summer 2000. Projects had commenced in 8 of the 13 Local Education Authority areas by April 1999 with the remaining projects and the training programme due to begin in Summer 1999.

REVIEW OF TRANSACTIONS AND FINANCIAL POSITION

The year to 30 April 1999 represents the initial phase of the second major Northern Sights project, "The Arts Are Ours". The project is scheduled to run for two years and is budgeted to break even over the full course of the project.

The surplus reported for the 1998/99 financial year is therefore the result of the timing of the receipt of Arts For Everyone funding in advance of the commencement of the full training programme rather than any "true" 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;

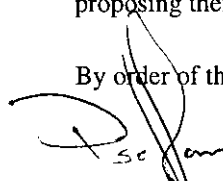
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Date 3 September 1999

REPORT OF THE AUDITORS
to the members of Northern Sights (A Company Limited By Guarantee)

We have audited the accounts on pages 5 to 11, 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 directors (who also act as trustees for the charitable activities of Northern Sights) are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

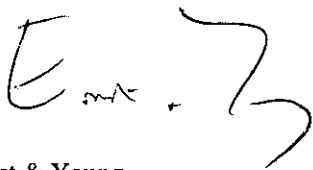
Basis of opinion

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 1999 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.

A handwritten signature in black ink, appearing to be 'E. M. T.', followed by a large, stylized flourish.

Ernst & Young
Registered Auditor
Newcastle upon Tyne

13 September 1999

Northern Sights (A Company Limited By Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES for the year ended 30 April 1999

	Notes	Unrestricted Funds General Fund £	Restricted Funds £	Total 1999 £	Total 1998 £
INCOME & EXPENDITURE					
INCOMING RESOURCES					
Grant income	2	193,990	-	193,990	35,762
Sponsorship	3	-	-	-	31,750
Course fees		885	-	885	-
Bank interest received		182	-	182	562
TOTAL INCOMING RESOURCES		195,057	-	195,057	68,074
RESOURCES EXPENDED					
Direct charitable expenditure	4	134,183	-	134,183	52,494
Management and administration	5	14,206	-	14,206	7,221
TOTAL RESOURCES EXPENDED	7	148,389	-	148,389	59,715
NET MOVEMENT IN FUNDS		46,668	-	46,668	8,359
FUNDS BROUGHT FORWARD		1,861		1,861	£ (6,498)
At 1 May 1998					
FUNDS CARRIED FORWARD					
At 30 April 1999		£48,529	£ -	£48,529	£1,861

Northern Sights (A Company Limited By Guarantee)

INCOME AND EXPENDITURE ACCOUNT

for the year ended 30 April 1999

	1999 £	1998 £
INCOME		
Grant income	193,990	35,762
Sponsorship	-	31,750
Course fees	885	-
Interest received	182	562
TOTAL INCOME	195,057	68,074
EXPENDITURE		
Education	134,183	-
Marketing and Public Relations	-	5,000
Overheads	14,206	54,715
TOTAL EXPENDITURE	148,389	59,715
SURPLUS FOR THE YEAR	£46,668	£8,359

There were no recognised gains or losses for the year other than the surplus of £46,668 (1998: Surplus £8,359).

Northern Sights (A Company Limited By Guarantee)

BALANCE SHEET

at 30 April 1999

	Notes	1999 £	1998 £
FIXED ASSETS			
Tangible assets		-	-
CURRENT ASSETS			
Debtors	8	19,842	3,356
Cash at bank		30,450	267
		50,292	3,623
CREDITORS: amounts falling due within one year	9	1,762	1,762
NET CURRENT ASSETS		48,530	1,861
TOTAL ASSETS LESS CURRENT LIABILITIES		£48,530	£1,861
CAPITAL AND RESERVES			
General reserve	10	48,530	1,861
		£48,530	£1,861

ERNST & YOUNG

J Bridge

J Bridge
Director

Date 3 September 1999

Northern Sights (A Company Limited By Guarantee)

NOTES TO THE ACCOUNTS

at 30 April 1999

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.

Grants from the European Regional Development Fund are credited to income upon completion of a quarterly claim form.

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

	1999 £	1998 £
Northern Arts	20,000	-
Arts Council of England (£5,000 Restricted Fund 1997/98)	173,990	25,000
European Regional Development Fund - Objective 2	-	10,762
	<u>£193,990</u>	<u>£35,762</u>

3. SPONSORSHIP INCOME

	1999 £	1998 £
ABSA	-	30,750
Northumbria Tourist Board	-	1,000
	<u>-</u>	<u>£31,750</u>

Northern Sights (A Company Limited By Guarantee)

NOTES TO THE ACCOUNTS

at 30 April 1999

4. DIRECT CHARITABLE EXPENDITURE

	<i>Unrestricted Funds £</i>	<i>Restricted Funds £</i>	<i>Total 1999 £</i>	<i>Total 1998 £</i>
GRANTS PAYABLE				
International Initiatives	-	-	-	5,000
Education	124,803	-	124,803	-
	<u>124,803</u>	<u>-</u>	<u>124,803</u>	<u>5,000</u>
MARKETING & PUBLIC RELATIONS	-	-	-	4,897
SUPPORT COSTS:				
Fees - Project co-ordination	9,380	-	9,380	-
Salary costs	-	-	-	42,011
Travel and committee costs	-	-	-	586
	<u>9,380</u>	<u>-</u>	<u>9,380</u>	<u>42,597</u>
TOTAL DIRECT CHARITABLE EXPENDITURE	<u>£134,183</u>	<u>£ -</u>	<u>£134,183</u>	<u>£52,494</u>

No Trustees/Directors were reimbursed for travelling expenses in the year (1998: £Nil).

5. MANAGEMENT AND ADMINISTRATION

	<i>Unrestricted Funds £</i>	<i>Restricted Funds £</i>	<i>Total 1999 £</i>	<i>Total 1998 £</i>
Salary costs - administration	-	-	-	3,121
Meeting costs	3,914	-	3,914	14
Publicity, press and promotion	3,572	-	3,572	-
Stationery & books	882	-	882	60
Audit fee	1,762	-	1,762	1,919
Legal and professional	15	-	15	-
Other office costs	-	-	-	2,107
Inland Revenue assessment	4,061	-	4,061	-
	<u>£14,206</u>	<u>£ -</u>	<u>£14,206</u>	<u>£7,221</u>
TOTAL MANAGEMENT AND ADMINISTRATION	<u>£14,206</u>	<u>£ -</u>	<u>£14,206</u>	<u>£7,221</u>

Northern Sights (A Company Limited By Guarantee)

NOTES TO THE ACCOUNTS

at 30 April 1999

6. STAFF COSTS

	1999 £	1998 £
EMOLUMENTS OF EMPLOYEES		
Gross salary costs	-	41,135
Social security costs	-	3,997
Other pension costs	-	-
	£ -	£45,132
ANALYSED AS FOLLOWS:		
Direct charitable expenditure - advice, promotion and advocacy	-	42,011
Other expenditure - administration and management	-	3,121
	£ -	£45,132
	<i>No.</i>	<i>No.</i>
NO. OF STAFF RECEIVING REMUNERATION IN THE FOLLOWING BAND		
£30,000 - £40,000	-	1
No emoluments were paid to any Director in the year (1998: Nil).		
	<i>No.</i>	<i>No.</i>
AVERAGE NUMBER OF STAFF EMPLOYED DURING THE YEAR		
Direct charitable expenditure - advice, promotion and advocacy	-	1
Other expenditure - administration and management	-	1
	-	2

7. TOTAL RESOURCES EXPENDED

	Staff costs £	Depreciation £	Other costs £	Total 1999 £	Total 1998 £
DIRECT CHARITABLE EXPENDITURE					
Grants payable	-	-	124,803	124,803	-
Support costs	-	-	9,380	9,380	52,494
	-	-	134,183	134,183	52,494
OTHER EXPENDITURE					
Management and administration	-	-	14,206	14,206	7,221
	£ -	£ -	£148,389	£148,389	£59,715

Northern Sights (A Company Limited By Guarantee)

NOTES TO THE ACCOUNTS

at 30 April 1999

8. DEBTORS

	1999 £	1998 £
Northern Arts	17,181	3,356
Sundry	2,661	-
	<u>£19,842</u>	<u>£3,356</u>

9. CREDITORS: amounts falling due within one year

	1999 £	1998 £
Accruals	1,762	1,762
	<u>£1,762</u>	<u>£1,762</u>

10. UNRESTRICTED FUNDS

	Balance at 1 May 1998 £	Movement in funds		Balance at 30 April 1999 £
		Incoming £	Outgoing £	
Unallocated funds - General reserve	1,861	195,057	148,389	48,529
TOTAL UNRESTRICTED FUNDS	<u>£1,861</u>	<u>£195,057</u>	<u>£148,389</u>	<u>£48,529</u>

11. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Net assets relate wholly to Unrestricted Funds.