

Charity Registration No. 1044273

Company Registration No. 2917572 (England and Wales)

**NORTHERN SIGHTS**  
**A COMPANY LIMITED BY GUARANTEE**  
**REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED 30 APRIL 2003**



**NORTHERN SIGHTS**  
**A COMPANY LIMITED BY GUARANTEE**  
**LEGAL AND ADMINISTRATIVE INFORMATION**

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<b>Directors</b>	Dr J Bridge - Chair Mr A Dixon Ms M Laws
<b>Secretary</b>	D M Coaten
<b>Charity number</b>	1044273
<b>Company number</b>	2917572
<b>Registered office</b>	Central Square Forth Street Newcastle upon Tyne NE1 3PJ
<b>Auditors</b>	Stokoe Rodger 24 Lansdowne Terrace Gosforth Newcastle upon Tyne NE3 1HP
<b>Bankers</b>	Co-operative Bank Plc Newcastle Branch 53-57 Blandford Square Newcastle upon Tyne NE99 1AN
<b>Solicitors</b>	Dickinson Dees St Ann's Wharf 112 Quayside Newcastle upon Tyne NE99 1SB

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**NORTHERN SIGHTS**  
**A COMPANY LIMITED BY GUARANTEE**  
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**NORTHERN SIGHTS**  
**A COMPANY LIMITED BY GUARANTEE**  
**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 30 APRIL 2003**

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The directors present their report and accounts for the year ended 30 April 2003.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's governing document, applicable law and the requirements of the Statement of Recommended Practice, "Accounting and Reporting by Charities" issued in October 2000.

**Objects of the charity**

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

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 activities**

*The company and charity was originally established in 1993 by Northern Arts (now Arts Council England, North East), 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 comprised training events and roadshows, residencies and projects, culminating in a regional festival in Summer 2000. Projects were undertaken in all 13 Local Education Authority (LEA) areas and were completed by Autumn 2000. A further training programme was then undertaken aimed at Education Officers and LEA Co-ordinators culminating in a conference in January 2001.*

In 1994 Northern Sights introduced the 'Eye' logo for the purpose of branding projects within the region. The original design of the logo was provided free of charge by the designer Robson Brown. Use of the logo has continued and is now widely recognised within the region and beyond. Northern Sights agreed to purchase the copyright of the logo in 2001/02 in order to ensure its continued use by Northern Sights.

*"The Arts Are Ours" has been instrumented in piloting work which is now being picked up by Local Authorities and other agencies. For this reason Northern Sights has not actively sought to run further projects this year.*

**Directors**

The directors who served during the year were:

Dr J Bridge - Chair

Mr A Dixon

Ms M Laws

None of the directors has any beneficial interest in the company. All of the directors are members of the company and guarantee to contribute £1 in the event of a winding up.

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 (CONTINUED)  
FOR THE YEAR ENDED 30 APRIL 2003**

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**Review of financial position**

The year to April 2003 achieved the anticipated break even position.

**Reserves policy**

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.

**Risk factors**

The directors have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

**Auditors**

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Stokoe Rodger be reappointed as auditors of the company will be put to the Annual General Meeting.

On behalf of the board of directors

*D. Coaten*

**D M Coaten**

Company Secretary

Dated: 23.01.04...

**NORTHERN SIGHTS**  
**A COMPANY LIMITED BY GUARANTEE**  
**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the charitable company's state of affairs at the end of the year and of its income and expenditure 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 charitable 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.

# **NORTHERN SIGHTS**

## **A COMPANY LIMITED BY GUARANTEE**

### **INDEPENDENT AUDITORS' REPORT**

#### **TO THE MEMBERS OF NORTHERN SIGHTS**

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We have audited the accounts of Northern Sights for the year ended 30 April 2003 set out on pages 5 to 9. These accounts have been prepared under the historical cost convention and the accounting policies set out on page 7.

This report is made solely to the company's members as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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 described on page 3, the directors, who also act as trustees for the charitable activities of Northern Sights, are responsible for the preparation of accounts in accordance with applicable law and United Kingdom Accounting Standards. Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the accounts, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charitable company is not disclosed.

We are not required to consider whether the statement in the Directors' Report concerning the major risks to which the charity is exposed covers all existing risks and controls, or to form an opinion on the effectiveness of the charity's risk management and control procedures.

We read other information contained in the Directors' Report, and consider whether it is consistent with the audited accounts. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the accounts. Our responsibilities do not extend to any other information.

#### **Basis of opinion**

We conducted our audit in accordance with United Kingdom 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 as to whether 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 2003 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.

**Stokoe Rodger**

Chartered Accountants

Registered Auditor

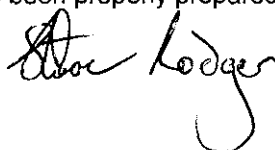
24 Lansdowne Terrace

Gosforth

Newcastle upon Tyne

NE3 1HP

Dated: 23/01/04



**NORTHERN SIGHTS**  
**A COMPANY LIMITED BY GUARANTEE**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**INCLUDING INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 30 APRIL 2003**

	Notes	2003 £	2002 £
<b><u>Incoming resources</u></b>			
Activities in furtherance of the charity's activities	2	641	30,990
Investment income	3	4	2
Other incoming resources	4	8	-
<b>Total incoming resources</b>		<b>653</b>	<b>30,992</b>
<b><u>Resources expended</u></b>			
<b>Charitable expenditure</b>			
Management and administration		662	19,081
<b>Total resources expended</b>	5	<b>662</b>	<b>19,081</b>
<b>Net (expenditure)/income for the year/ Net movement in funds</b>		<b>(9)</b>	<b>11,911</b>
Fund balances at 1 May 2002		9	(11,902)
<b>Fund balances at 30 April 2003</b>		<b>-</b>	<b>9</b>

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 1985.



**NORTHERN SIGHTS**  
**A COMPANY LIMITED BY GUARANTEE**  
**BALANCE SHEET**  
**AS AT 30 APRIL 2003**

	Notes	2003 £	£	2002 £	£
<b>Current assets</b>					
Cash at bank and in hand		618		3,321	
<b>Creditors: amounts falling due within one year</b>	9	<u>(618)</u>		<u>(3,312)</u>	
<b>Total assets less current liabilities</b>			<u>-</u>		<u>9</u>
<b>Income funds</b>					
Unrestricted funds			<u>-</u>		<u>9</u>
			<u>-</u>		<u>9</u>

The accounts were approved by the Board on 23.01.04



Dr J Bridge - Chair  
Director

**NORTHERN SIGHTS**  
**A COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 30 APRIL 2003**

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**1 Accounting policies**

**1.1 Basis of preparation**

The accounts are prepared under the historical cost convention.

The accounts have been prepared in accordance with the Statement of Recommended Practice, "Accounting and Reporting by Charities" issued in October 2000.

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.

**1.2 Incoming resources**

Grants are credited to income upon receipt.

**1.3 Resources expended**

All central overheads are allocated to Management and Administration under Other Expenditure.

**1.4 Intangible fixed assets and amortisation**

This relates to the purchase of a copyright and is stated at cost. Amortisation is calculated to right off the cost in full in the year of acquisition.

**2 Activities in furtherance of the charity's activities**

	2003 £	2002 £
Grants receivable for charitable activities	<u>641</u>	<u>30,990</u>

**3 Investment income**

	2003 £	2002 £
Interest receivable	<u>4</u>	<u>2</u>

**4 Other incoming resources**

	2003 £	2002 £
VAT Refund	<u>8</u>	<u>-</u>

**NORTHERN SIGHTS**  
**A COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 APRIL 2003**

**5 Total resources expended**

	<b>Total 2003 £</b>	<b>Total 2002 £</b>
Charitable expenditure:		
Management and administration	<b>662</b>	19,081
	<b>662</b>	19,081

Management and administration costs includes payments to the auditors of £645 (2002 - £1,433) for audit fees and £Nil (2002 - £Nil) for other services.

**6 Directors**

None of the directors (or any persons connected with them) received any remuneration or benefits from the charity during the year.

**7 Employees**

**Number of employees**

There were no employees during the year.

**8 Intangible fixed assets**

	<b>Copyright £</b>
<b>Cost</b>	
At 1 May 2002 and at 30 April 2003	<b>17,625</b>
<b>Amortisation</b>	
At 1 May 2002 and at 30 April 2003	<b>17,625</b>
<b>Net book value</b>	
At 30 April 2003	<b>-</b>

**9 Creditors: amounts falling due within one year**

	<b>2003 £</b>	<b>2002 £</b>
Other creditors	<b>16</b>	1,726
Accruals	<b>602</b>	1,586
	<b>618</b>	3,312

**NORTHERN SIGHTS**  
**A COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
***FOR THE YEAR ENDED 30 APRIL 2003***

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**10 Related parties**

Income of £641 was derived from Arts Council England, North East whose personnel and facilities were provided for the management of Northern Sights.