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**Northern Sights  
(A Company Limited By Guarantee)**

**Report and Accounts**

**30 April 2001**



## Northern Sights (A Company Limited By Guarantee)

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### DIRECTORS' REPORT

The Directors present their report and the audited accounts for the year ended 30 April 2001.

#### 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 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.

#### REVIEW OF TRANSACTIONS AND FINANCIAL POSITION

The year to April 2001 represents the evaluation stage of the second major Northern Sights project, "The Arts Are Ours". The evaluation is scheduled to be completed by Summer 2001 and is budgeted to break even over the full course of the project.

The deficit reported for the 2000/01 financial year is therefore the result of the programme expenditure being incurred prior to the release of the final tranche of the Arts Council funding which will be paid on receipt of the final audited report.

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       | Other Directors                        |
|-------------|----------------------------------------|
| Dr J Bridge | Mr A Dixon                             |
|             | Mr S Barber (Resigned 1 February 2001) |
|             | Ms M Laws (Appointed 1 February 2001)  |

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

#### 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.

## Northern Sights (A Company Limited By Guarantee)

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### DIRECTORS' REPORT

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                        Central Square  
                                                  Forth Street  
                                                  Newcastle upon Tyne  
                                                  NE1 3PJ  
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**

Stokoe Rodger & Co  
24 Lansdowne Terrace  
Gosforth  
Newcastle upon Tyne  
NE3 1HP

### **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 surplus or deficit 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**

Stokoe Rodger & Co, who were appointed during the year, 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

31/7/2001

## **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.

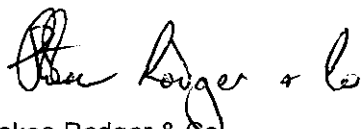
### **Basis of opinion**

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 2001 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 & Co  
Registered Auditor

31 July 2001

**Northern Sights (A Company Limited By Guarantee)**

**STATEMENT OF FINANCIAL ACTIVITIES**  
for the year ended 30 April 2001

|                                 | Notes | Unrestricted<br>Funds<br>General<br>Fund<br>£ | Restricted<br>Funds<br>£ | Total<br>2001<br>£ | Total<br>2000<br>£ |
|---------------------------------|-------|-----------------------------------------------|--------------------------|--------------------|--------------------|
| <b>INCOME &amp; EXPENDITURE</b> |       |                                               |                          |                    |                    |
| <b>INCOMING RESOURCES</b>       |       |                                               |                          |                    |                    |
| Grant income                    | 2     | 16,010                                        | 30,000                   | 46,010             | 170,000            |
| Course fees                     |       | 115                                           | -                        | 115                | -                  |
| Bank interest received          |       | <u>25</u>                                     | <u>-</u>                 | <u>25</u>          | <u>68</u>          |
| <b>TOTAL INCOMING RESOURCES</b> |       | <u>16,150</u>                                 | <u>30,000</u>            | <u>46,150</u>      | <u>170,068</u>     |
| <b>RESOURCES EXPENDED</b>       |       |                                               |                          |                    |                    |
| Direct charitable expenditure   | 3     | 49,190                                        | 29,890                   | 79,080             | 189,253            |
| Management and administration   | 4     | <u>2,130</u>                                  | <u>110</u>               | <u>2,240</u>       | <u>6,076</u>       |
| <b>TOTAL RESOURCES EXPENDED</b> | 6     | <u>51,320</u>                                 | <u>30,000</u>            | <u>81,320</u>      | <u>195,329</u>     |
| <b>NET MOVEMENTS IN FUNDS</b>   |       | <u>( 35,170)</u>                              | <u>-</u>                 | <u>( 35,170)</u>   | <u>( 25,261)</u>   |
| <b>FUNDS BROUGHT FORWARD</b>    |       |                                               |                          |                    |                    |
| At 1 May 2000                   |       | <u>23,268</u>                                 | <u>-</u>                 | <u>23,268</u>      | <u>48,529</u>      |
| <b>FUNDS CARRIED FORWARD</b>    |       |                                               |                          |                    |                    |
| At 30 April 2001                |       | <u>( 11,902)</u>                              | <u>-</u>                 | <u>( 11,902)</u>   | <u>23,268</u>      |

**Northern Sights (A Company Limited By Guarantee)**

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**INCOME AND EXPENDITURE ACCOUNT**  
**for the year ended 30 April 2001**

|                                   | <b>2001</b><br><b>£</b> | <b>2000</b><br><b>£</b> |
|-----------------------------------|-------------------------|-------------------------|
| <b>INCOME</b>                     |                         |                         |
| Grant income                      | 46,010                  | 170,000                 |
| Course fees                       | 115                     | -                       |
| Interest received                 | <u>25</u>               | <u>68</u>               |
| <b>TOTAL INCOME</b>               | <u>46,150</u>           | <u>170,068</u>          |
| <br><b>EXPENDITURE</b>            |                         |                         |
| Education                         | 79,080                  | 189,253                 |
| Overheads                         | <u>2,240</u>            | <u>6,076</u>            |
| <b>TOTAL EXPENDITURE</b>          | <u>81,320</u>           | <u>195,329</u>          |
| <br><b>(DEFICIT) FOR THE YEAR</b> | <u>( 35,170)</u>        | <u>( 25,261)</u>        |

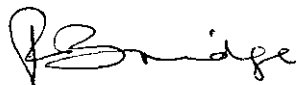
There were no recognised gains or losses for the year other than the deficit of £35,170 (2000:Deficit £25,261).

**Northern Sights (A Company Limited By Guarantee)**

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**BALANCE SHEET**  
**at 30 April 2001**

|                                                       | Notes | 2001<br>£        | 2000<br>£     |
|-------------------------------------------------------|-------|------------------|---------------|
| <b>FIXED ASSETS</b>                                   |       |                  |               |
| Tangible assets                                       |       | -                | -             |
| <b>CURRENT ASSETS</b>                                 |       |                  |               |
| Debtors                                               | 7     | -                | 14,513        |
| Cash at bank                                          |       | <u>603</u>       | <u>10,517</u> |
|                                                       |       | 603              | 25,030        |
| <b>CREDITORS: amounts falling due within one year</b> | 8     | <u>12,505</u>    | <u>1,762</u>  |
| <b>NET CURRENT (LIABILITIES)/ASSETS</b>               |       | <u>( 11,902)</u> | <u>23,268</u> |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>          |       | <u>( 11,902)</u> | <u>23,268</u> |
| <b>CAPITAL AND RESERVES</b>                           |       |                  |               |
| General reserve                                       | 9     | <u>( 11,902)</u> | <u>23,268</u> |
|                                                       |       | <u>( 11,902)</u> | <u>23,268</u> |



J Bridge  
Director

31/7/2001

## Northern Sights (A Company Limited By Guarantee)

### NOTES TO THE ACCOUNTS at 30 April 2001

#### 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

|                         | 2001<br>£      | 2000<br>£       |
|-------------------------|----------------|-----------------|
| Northern Arts           | 10,000         | 20,000          |
| Arts Council of England | 36,010         | 150,000         |
|                         | <u>£46,010</u> | <u>£170,000</u> |

#### 3. DIRECT CHARITABLE EXPENDITURE

|                                            | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total<br>2001<br>£ | Total<br>2000<br>£ |
|--------------------------------------------|----------------------------|--------------------------|--------------------|--------------------|
| <b>Education</b>                           |                            |                          |                    |                    |
| Grants payable                             | 29,435                     | -                        | 29,435             | 180,326            |
| Artistic programme                         | -                          | 17,840                   | 17,840             | -                  |
|                                            | <u>29,435</u>              | <u>17,840</u>            | <u>47,275</u>      | <u>180,326</u>     |
| <b>Marketing &amp; Public Relations</b>    |                            |                          |                    |                    |
| Marketing                                  | 5,050                      | 8,103                    | 13,153             | -                  |
| Press & PR                                 | 1,800                      | 1,350                    | 3,150              | -                  |
|                                            | <u>6,850</u>               | <u>9,453</u>             | <u>16,303</u>      | -                  |
| <b>Support Costs</b>                       |                            |                          |                    |                    |
| Fees – Project co-ordination               | 5,613                      | 2,597                    | 8,210              | 8,927              |
| Meeting costs                              | 7,292                      | -                        | 7,292              | -                  |
|                                            | <u>12,905</u>              | <u>2,597</u>             | <u>15,502</u>      | <u>8,927</u>       |
| <b>Total Direct Charitable Expenditure</b> | <u>£49,190</u>             | <u>£29,890</u>           | <u>£79,080</u>     | <u>£189,253</u>    |

No Trustees/Directors were reimbursed for travelling expenses in the year (2000:£Nil).



# Northern Sights (A Company Limited By Guarantee)

## NOTES TO THE ACCOUNTS at 30 April 2001

### 4. MANAGEMENT AND ADMINISTRATION

|                                            | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total<br>2001<br>£   | Total<br>2000<br>£   |
|--------------------------------------------|----------------------------|--------------------------|----------------------|----------------------|
| Meeting costs                              | -                          | -                        | -                    | 4,147                |
| Publicity, press and promotion             | -                          | -                        | -                    | -                    |
| Stationery & books                         | -                          | -                        | -                    | 152                  |
| Audit fee                                  | 2,115                      | -                        | 2,115                | 1,762                |
| Legal and professional                     | 15                         | -                        | 15                   | 15                   |
| Postage                                    | -                          | 110                      | 110                  | -                    |
| <b>Total Management and Administration</b> | <b><u>£2,130</u></b>       | <b><u>£ 110</u></b>      | <b><u>£2,240</u></b> | <b><u>£6,076</u></b> |

### 5. DIRECTORS EMOLUMENTS

No emoluments were paid to any Director in the year (2000:£Nil).

### 6. TOTAL RESOURCES EXPENDED

|                                      | 2001<br>£             | 2000<br>£              |
|--------------------------------------|-----------------------|------------------------|
| <b>Direct Charitable Expenditure</b> |                       |                        |
| Education                            | 47,275                | 180,326                |
| Support costs                        | 15,502                | 8,927                  |
| Marketing and public relations       | <u>16,303</u>         | <u>-</u>               |
|                                      | 79,080                | 189,253                |
| <b>Other Expenditure</b>             |                       |                        |
| Management and administration        | <u>2,240</u>          | <u>6,076</u>           |
|                                      | <b><u>£81,320</u></b> | <b><u>£195,329</u></b> |

### 7. DEBTORS

|               | 2001<br>£  | 2000<br>£       |
|---------------|------------|-----------------|
| Northern Arts | <u>£ -</u> | <u>£ 14,513</u> |

### 8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

|               | 2001<br>£             | 2000<br>£             |
|---------------|-----------------------|-----------------------|
| Accruals      | 2,115                 | 1,762                 |
| Northern Arts | <u>10,390</u>         | <u>-</u>              |
|               | <b><u>£12,505</u></b> | <b><u>£ 1,762</u></b> |

## Northern Sights (A Company Limited By Guarantee)

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### NOTES TO THE ACCOUNTS at 30 April 2001

#### 9. UNRESTRICTED FUNDS

|                                 | Balance at<br>1 May 2000<br>£ | Movement in funds     |                       | Balance at<br>30 April 2001<br>£ |
|---------------------------------|-------------------------------|-----------------------|-----------------------|----------------------------------|
|                                 |                               | Incoming<br>£         | Outgoing<br>£         |                                  |
| Unallocated funds               |                               |                       |                       |                                  |
| - General reserve               | <u>23,268</u>                 | <u>46,150</u>         | <u>81,320</u>         | <u>(11,902)</u>                  |
| <b>Total Unrestricted Funds</b> | <u><u>£23,268</u></u>         | <u><u>£46,150</u></u> | <u><u>£81,320</u></u> | <u><u>£(11,902)</u></u>          |

#### 10. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Net liabilities relate wholly to Unrestricted Funds.

**Northern Sights (A Company Limited By Guarantee)**

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**NOTES TO THE ACCOUNTS**  
**at 30 April 2001**

**9. UNRESTRICTED FUNDS**

|                                 | Balance at<br>1 May 2000<br>£ | Movement in funds     |                       | Balance at<br>30 April 2001<br>£ |
|---------------------------------|-------------------------------|-----------------------|-----------------------|----------------------------------|
|                                 |                               | Incoming<br>£         | Outgoing<br>£         |                                  |
| Unallocated funds               |                               |                       |                       |                                  |
| - General reserve               | <u>23,268</u>                 | <u>46,150</u>         | <u>81,320</u>         | <u>(11,902)</u>                  |
| <b>Total Unrestricted Funds</b> | <u><u>£23,268</u></u>         | <u><u>£46,150</u></u> | <u><u>£81,320</u></u> | <u><u>£(11,902)</u></u>          |

**10. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

Net liabilities relate wholly to Unrestricted Funds.