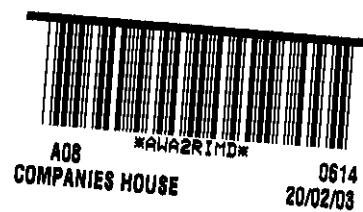


Northern Sights
(A Company Limited By Guarantee)

Report and Accounts

30 April 2002



Northern Sights (A Company Limited By Guarantee)

DIRECTORS' REPORT

The Directors present their report and the audited accounts for the year ended 30 April 2002.

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 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 order to ensure its continued use by Northern Sights.

REVIEW OF TRANSACTIONS AND FINANCIAL POSITION

The year to April 2002 represents the final stage of the second major Northern Sights project, "The Arts Are Ours". As anticipated the budgeted break even position was achieved.

DIRECTORS

Chair	Other Directors
Dr J Bridge	Mr A Dixon
	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)

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 Mrs D M Coaten

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 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



D M Coaten
Company Secretary

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

We have audited the accounts on pages 4 to 9, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 2 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.

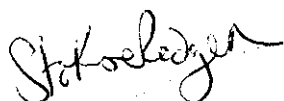
Basis of opinion

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 2002 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

Northern Sights (A Company Limited By Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 30 April 2002

	Notes	Unrestricted Funds General Fund £	Restricted Funds £	Total 2002 £	Total 2001 £
INCOME & EXPENDITURE					
INCOMING RESOURCES					
Grant income	2	30,990	-	30,990	46,010
Course fees		-	-	-	115
Bank interest received		<u>2</u>	<u>-</u>	<u>2</u>	<u>25</u>
TOTAL INCOMING RESOURCES		<u>30,992</u>	<u>-</u>	<u>30,992</u>	<u>46,150</u>
RESOURCES EXPENDED					
Direct charitable expenditure	3	-	-	-	79,080
Management and administration	4	<u>19,081</u>	<u>-</u>	<u>19,081</u>	<u>2,240</u>
TOTAL RESOURCES EXPENDED	6	<u>19,081</u>	<u>-</u>	<u>19,081</u>	<u>81,320</u>
NET MOVEMENTS IN FUNDS		<u>11,911</u>	<u>-</u>	<u>11,911</u>	<u>35,170</u>
FUNDS BROUGHT FORWARD					
At 1 May 2001		<u>(11,902)</u>	<u>-</u>	<u>(11,902)</u>	<u>23,268</u>
FUNDS CARRIED FORWARD					
At 30 April 2002		<u>9</u>	<u>-</u>	<u>9</u>	<u>(11,902)</u>

Northern Sights (A Company Limited By Guarantee)

INCOME AND EXPENDITURE ACCOUNT
for the year ended 30 April 2002

	2002 £	2001 £
INCOME		
Grant income	30,990	46,010
Course fees	-	115
Interest received	<u>2</u>	<u>25</u>
TOTAL INCOME	<u>30,992</u>	<u>46,150</u>
 EXPENDITURE		
Education	-	79,080
Overheads	<u>19,081</u>	<u>2,240</u>
TOTAL EXPENDITURE	<u>19,081</u>	<u>81,320</u>
 SURPLUS/(DEFICIT) FOR THE YEAR	<u><u>11,911</u></u>	<u><u>(35,170)</u></u>

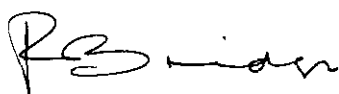
There were no recognised gains or losses for the year other than the surplus of £11,911 (2001:Deficit £35,170).

Northern Sights (A Company Limited By Guarantee)

BALANCE SHEET
at 30 April 2002

	Notes	2002 £	2001 £
FIXED ASSETS			
Intangible assets	7	-	-
CURRENT ASSETS			
Cash at bank		<u>3,321</u>	<u>603</u>
		3,321	603
CREDITORS: amounts falling due within one year	8	<u>3,312</u>	<u>12,505</u>
NET CURRENT (LIABILITIES)/ASSETS		<u>9</u>	<u>(11,902)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>9</u>	<u>(11,902)</u>
CAPITAL AND RESERVES			
General reserve	9	<u>9</u>	<u>(11,902)</u>
		<u>9</u>	<u>(11,902)</u>

The Directors' Report and Accounts were approved by the Board on



J Bridge
Director

Northern Sights (A Company Limited By Guarantee)

NOTES TO THE ACCOUNTS at 30 April 2002

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

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

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. GRANT INCOME

	2002 £	2001 £
Northern Arts	18,275	10,000
Arts Council of England	<u>12,715</u>	<u>36,010</u>
	<u>£30,990</u>	<u>£ 46,010</u>

3. DIRECT CHARITABLE EXPENDITURE

	Unrestricted Funds £	Restricted Funds £	Total 2002 £	Total 2001 £
Education				
Grants payable	-	-	-	29,435
Artistic programme	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,840</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>47,275</u>
Marketing & Public Relations				
Marketing	-	-	-	13,153
Press & PR	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,150</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,303</u>
Support Costs				
Fees – Project co-ordination	-	-	-	8,210
Meeting costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,292</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,502</u>
Total Direct Charitable Expenditure	<u>£17,625</u>	<u>£ -</u>	<u>£17,625</u>	<u>£ 79,080</u>

No Trustees/Directors were reimbursed for travelling expenses in the year (2001:£Nil).

Northern Sights (A Company Limited By Guarantee)

NOTES TO THE ACCOUNTS
at 30 April 2002

4. MANAGEMENT AND ADMINISTRATION

	Unrestricted Funds £	Restricted Funds £	Total 2002 £	Total 2001 £
Audit fee	1,433	-	1,433	2,115
Legal and professional	15	-	15	15
Postage	-	-	-	110
H M Customs & Excise Penalty	8	-	8	-
Amortisation	<u>17,625</u>	-	<u>17,625</u>	-
Total Management and Administration	<u>£19,081</u>	<u>£-</u>	<u>£19,081</u>	<u>£-</u>

5. DIRECTORS EMOLUMENTS

No emoluments were paid to any Director in the year (2001:£Nil).

6. TOTAL RESOURCES EXPENDED

	2002 £	2001 £
Direct Charitable Expenditure		
Education	-	47,275
Support costs	-	15,502
Marketing and public relations	-	<u>16,303</u>
	-	79,080
Other Expenditure		
Management and administration	<u>19,081</u>	<u>2,240</u>
	<u>£19,081</u>	<u>£ 81,320</u>

7. INTANGIBLE FIXED ASSETS

	Copyright £
At cost	
Additions in year	<u>17,625</u>
Balance at 30 April 2002	<u>17,625</u>
Amortisation	
Charged in the year	<u>17,625</u>
Balance at 30 April 2002	<u>17,625</u>
Net book value	
At 30 April 2002	<u>£-</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2002 £	2001 £
Accruals	1,586	2,115
Northern Arts	<u>1,726</u>	<u>10,390</u>
	<u>£ 3,312</u>	<u>£ 12,505</u>

Northern Sights (A Company Limited By Guarantee)

**NOTES TO THE ACCOUNTS
at 30 April 2002**

9. UNRESTRICTED FUNDS

	Balance at 1 May 2001 £	Movement in funds Incoming £	Outgoing £	Balance at 30 April 2002 £
Unallocated funds				
- General reserve	(11,902)	30,992	19,081	9
Total Unrestricted Funds	<u>£(11,902)</u>	<u>£30,992</u>	<u>£19,081</u>	<u>£ 9</u>

10. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Net assets relate wholly to Unrestricted Funds.

Northern Sights (A Company Limited By Guarantee)

DETAILED INCOME AND EXPENDITURE ACCOUNT
for the year ended 30 April 2002

	2002 £	2001 £
INCOME		
Grant Income		
Northern Arts	18,275	10,000
Arts Council of England	<u>12,715</u>	<u>36,010</u>
	<u>30,990</u>	<u>46,010</u>
Sponsorship Income		
Course fees	-	115
Bank interest received	<u>2</u>	<u>25</u>
	<u>2</u>	<u>140</u>
Total Income	<u>30,992</u>	<u>46,150</u>
EXPENDITURE		
Education		
Arts Are Ours – Education Grants	-	29,435
Artistic Programme	-	25,132
Marketing	-	13,153
Press and PR	<u>-</u>	<u>3,150</u>
	<u>-</u>	<u>70,870</u>
Overheads		
Co-ordinator Fees	-	8,210
Meeting costs	-	-
Stationery and books	-	-
Audit and Accountancy	1,433	2,115
Legal and professional	15	15
Postage	-	110
H M Customs & Excise Penalty	8	-
Amortisation	<u>17,625</u>	<u>-</u>
	<u>19,081</u>	<u>10,450</u>
Total Expenditure	<u>19,081</u>	<u>81,320</u>
Surplus/(Deficit) of Income over Expenditure	<u>£ 11,911</u>	<u>£(35,170)</u>