



**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2001**

REGISTERED CHARITY NUMBER: 1043197





Registered Office	The Babylon Gallery Babylon Bridge Waterside Ely Cambs CB7 4AU
Registered Charity Number	1043197
Company Number	2999055
Chairman	Martin Gent
Company Secretary	Nicola Adamson
Auditors	Price Bailey Walsingham Chambers Butchers Row Ely Cambridgeshire CB7 4NA

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DIRECTORS REPORT

The directors submit their report and the financial statements of the Charity for the year ended 31 March 2001.

RESULTS FOR THE YEAR

The gross income for the year totalled £299,244. The accounts show a surplus for the year of £9,438 compared to £18,119 in 1999/2000. The surplus to carry forward is £21,642.

REVIEW OF THE BUSINESS

The Company's principal activity during the year was that of the promotion and development of the arts in East Cambridgeshire.

Under the auspices of ADeC, the development of the arts in East Cambridgeshire continues to progress with grants and guarantees awarded to a wide variety of art forms in the District.

The Company has undertaken major changes during the year, including moving its headquarters to refurbished premises and the opening of a new art gallery on the same site.

In addition the Company undertook two exceptional large-scale projects: the promotion of the Royal Shakespeare Company's touring production of *The Taming of the Shrew* at Littleport and a series of concerts and formation of a community orchestra with support from the National Lottery.

The Directors consider the state of the Company to be eminently satisfactory and look to the future with confidence.

FUTURE DEVELOPMENTS

The Company will be closely involved in implementing the development strategy for the network of village arts venues when enhancements funded through East Cambridgeshire District Council's Capital Arts Strategy are completed. In addition, ADeC expects to launch in September an initiative to make arts equipment acquired with the help of a National Lottery capital grant available to the community for hire at competitive rates.



DIRECTORS REPORT (CONTINUED)

DIRECTORS

The directors during the year were as follows:

S. Adamson	T. Overall
A. Allen	E. Peeling (resigned October 2000)
Cllr. S. Friend-Smith (ECDC Nominee)	E. Quinn (resigned September 2000)
M. Gent	A. O'Hanlon (elected October 2000)
B. Hogger	R. Setchell
R. Hogger (resigned December 2000)	A. Stewart
H. Kilpatrick (resigned July 2000)	G. Waterhouse
D. Learner	H. Lichterman (co-opted November 2000)
D. Mack (resigned February 2001)	

DIRECTORS' RESPONSIBILITIES

The directors acknowledge their various accounting responsibilities, in particular the requirement to maintain proper and accurate accounting records and the need to safeguard assets and take reasonable steps for the prevention and detection of fraud and other irregularities. In addition, the directors also acknowledge their responsibility for the accounts, which have been prepared from the accounting records.

The accounts are required to give a true and fair view and to comply with the Companies Act 1985. To achieve this, the directors have chosen accounting policies suitable to the business, applied them consistently and made judgements and estimates that they consider prudent and reasonable. They have applied the going concern basis of accounting, which they consider appropriate in the circumstances.

AUDITORS

A resolution to appoint Price Bailey as auditors will be put to the members at the Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

BY ORDER OF THE BOARD

N. Adamson - Secretary

Dated 14th August 2001

AUDITOR'S REPORT TO THE MEMBERS ON THE ACCOUNTS OF



We have audited the financial statements on pages 4 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 2 the trustees, who are also the directors of ADeC for the purposes of company law are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on the financial statements 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 financial statements. It also includes an assessment of the judgments made by the directors in the preparation of the financial statements, 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 financial statements are free from material mis-statement, 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 financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the charitable company's state of affairs as at 31 March 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.

Walsingham Chambers
Butchers Row
Ely
Cambs CB7 4NA

Price Bailey
Registered Auditor

15 August 2001



ARTS DEVELOPMENT IN EAST CAMBRIDGESHIRE

**STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 MARCH 2001**

	Notes	2001	2000
INCOMING RESOURCES			
Grants: East Cambs District Council		173,618	145,704
East England Arts		7,000	7,000
Re: Equipment bank premises		5,415	-
Members subscriptions		578	798
Bank interest		1,582	1,174
Major projects & development groups	5	107,007	11,338
Gallery			
Goods sold & miscellaneous		578	-
Exhibition receipts		2,606	-
Miscellaneous		860	1,583
TOTAL INCOMING RESOURCES	2	<u>299,244</u>	<u>167,597</u>
RESOURCES EXPENDED			
Direct charitable expenditure:			
Grants and guarantees		29,433	27,000
Salaries and national insurance	4	37,828	40,980
Gallery costs	6	38,774	15,882
Marketing (including <i>The Guide</i>)			
information and publications		19,420	19,503
Subscriptions		4,896	5,023
Equipment bank	7	6,301	-
Major projects & development groups	5	<u>125,489</u>	<u>22,561</u>
		<u>263,141</u>	<u>130,949</u>
Management and Administration			
Salaries and national insurance	4	10,321	6,805
Depreciation	9	1,424	1,470
Profit/loss on disposal		-	1,612
Other administration costs	8	<u>15,920</u>	<u>8,642</u>
		<u>27,665</u>	<u>18,529</u>
TOTAL RESOURCES EXPENDED	3	290,806	149,478
NET INCOMING/OUTGOING RESOURCES			
		9,438	18,119
FUND BALANCES			
Brought forward at 1 April 2000		<u>12,204</u>	<u>(5,915)</u>
Carried forward at 31 March 2001		<u>£21,642</u>	<u>£12,204</u>

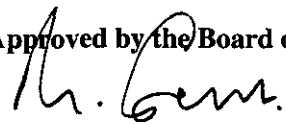
AdeC held no endowment funds at any time during the two years to 31 March 2001.



BALANCE SHEET AT 31 MARCH 2001

	Notes	2001	2000
FIXED ASSETS			
Tangible assets	9	8,070	8,323
CURRENT ASSETS			
Debtors	10	1,159	5,356
Cash at bank and in hand		<u>35,388</u>	<u>55,817</u>
		<u>36,547</u>	<u>61,173</u>
CREDITORS: amounts falling due within one year	11	<u>22,975</u>	<u>57,292</u>
TOTAL CURRENT ASSETS		<u>13,572</u>	<u>3,881</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>£21,642</u>	<u>£12,204</u>
CAPITAL AND RESERVES			
Income and expenditure account		<u>21,642</u>	<u>12,204</u>
		<u>£21,642</u>	<u>£12,204</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective March 2000).

Approved by the Board on 18 July 2001

M. Gent – Director

The notes on pages 6 to 10 form part of these financial statements



NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

Accounting convention and standards

The financial statements are prepared under the historical cost convention in accordance with applicable statements of standard accounting practice and financial reporting standards.

Incoming Resources

Council and others Incoming Resources represents income derived by direct grants from East Cambridgeshire District, subscriptions, box office and miscellaneous sales and is stated net of value added tax.

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset over its estimated useful life as follows:

Fixtures and Fittings	15% per annum on the reducing balance
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Taxation

The Company, as a charity is not liable for assessment to tax on its results.

Leasing and hire purchase commitments

Rentals paid under operating agreements are charged to income as incurred.

2. INCOMING RESOURCES

Incoming Resources and the surplus is all attributable to the principal activity of the promotion and development of the arts in East Cambridgeshire.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. TOTAL RESOURCES EXPENDED	2001	2000
This is stated after charging:-		
Auditors' remuneration (2000, Reporting Accountants)	1,500	1,500
Expenses paid to director	-	553
Depreciation	1,424	1,470
Operating lease payments	<u>1,884</u>	<u>2,143</u>

4. STAFF COSTS

Wages and salaries	65,226	48,688
Social security costs	5,490	3,089
Pension costs	<u>3,181</u>	<u>-</u>
	<u>73,897</u>	<u>51,777</u>
Apportioned		
Direct charitable expenditure	37,828	40,980
Direct charitable expenditure – gallery	21,701	3,992
Management & administration	10,321	6,805
Included in project costs	<u>4,047</u>	<u>-</u>
	<u>73,897</u>	<u>51,777</u>

The average weekly number of employees during the year was 5 (2000, 4)

5. MAJOR PROJECTS & DEVELOPMENT GROUPS

	2001		2000	
	Income	Expenditure	Income	Expenditure
Major Projects				
RSC Taming of the Shrew	31,551	36,632	-	-
Ely Millenium Festival Concerts	70,441	74,338	-	-
Development Groups				
Dance	516	4,693	2,413	4,745
Drama	313	2,800	50	137
Literature	1,278	1,936	2,566	4,888
Music	2,878	4,967	3,281	7,497
Visual Arts	-	-	3,028	4,657
Miscellaneous	<u>30</u>	<u>123</u>	<u>-</u>	<u>637</u>
	<u>107,007</u>	<u>125,489</u>	<u>11,338</u>	<u>22,561</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	2001	2000
6. GALLERY/ARTSPACE COSTS		
Salaries & national insurance (note 4)	21,701	3,992
Exhibition costs	7,540	-
Goods for resale	367	-
Rent	-	6,400
Light, heat and water	1,083	740
Telephone and fax costs	1,204	1,183
Printing, postage and stationery	2,004	2,099
Recruitment & training costs	466	-
Insurance	337	557
Maintenance & cleaning	1,778	911
Moving expenses	888	-
Bank and credit sales charges	245	-
Miscellaneous expenses & office sundries	1,082	-
Travelling expenses	79	-
	<u>38,774</u>	<u>15,882</u>
7. EQUIPMENT BANK		
Building renovations (covered by grant received)	5,415	-
Rent	875	-
Miscellaneous expense	11	-
	<u>6,301</u>	<u>-</u>
8. ADMINISTRATION		
Rent	-	1,600
Light, heat and water	470	185
Telephone and fax charges	1,878	298
Printing, postage and stationery	2,727	527
Recruitment & training costs	1,217	-
Equipment rental	1,884	2,143
Insurance	505	139
Audit/accountancy fees	1,275	1,595
Bank and credit sales charges	674	724
Maintenance & cleaning	996	-
Moving expenses	1,966	-
Miscellaneous expenses & office sundries	1,783	1,130
Legal	-	301
Travelling expenses	545	-
	<u>15,920</u>	<u>8,642</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. TANGIBLE FIXED ASSETS

	Fixtures & Fittings
Cost	
At 1 April 2000	13,477
Additions	<u>1,171</u>
At 31 March 2001	<u>14,648</u>
Depreciation	
At 1 April 2000	5,154
Charge for the year	<u>1,424</u>
At 31 March 2001	<u>6,578</u>
Net Book Values	
31 March 2001	<u>8,070</u>
31 March 2000	<u>8,323</u>

Fixed assets are used for the management and administration of the company.

10. DEBTORS	2001	2000
Debtors	263	1,878
Prepayments	<u>896</u>	<u>3,478</u>
	<u>1,159</u>	<u>5,356</u>

11. CREDITORS: amounts falling due in one year

Bank overdraft	2,156	7,378
Deferred income	-	34,816
Other creditors	1,325	-
Taxes & social security	5,049	-
Grant received for expenditure in following year	-	1,695
Accruals	7,370	1,500
Balance of grants approved at 31 March 2001 but not yet taken up	<u>7,075</u>	<u>11,903</u>
	<u>22,975</u>	<u>57,292</u>

The bank balance is shown as an overdraft after taking account of unrepresented cheques.

Accruals include – Youth research project	3,750
Website building costs	1,500



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12. RESTRICTED/DESIGNATED FUNDS

There are no restricted or designated funds.

13. CONSTITUTION

The Company is limited by guarantee and does not have a share capital. At 31 March 2001 there were 48 (2000: 49) individual members and 29 (2000: 25) group members.

Members' liability is limited at £1 each, in the event of the Company being wound up while they are members, or within one year after they cease to be a member, for payment of debts and liabilities contracted before they ceased to be a member.