



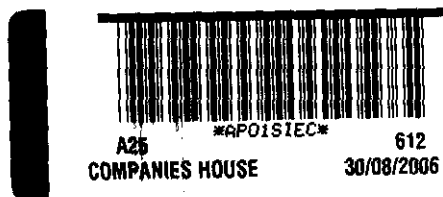
ARTS DEVELOPMENT IN EAST CAMBRIDGESHIRE

(A COMPANY LIMITED BY GUARANTEE)

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006**

COMPANY REGISTRATION NUMBER 2999055

REGISTERED CHARITY NUMBER 1043197





Registered Office The Babylon Gallery
 Babylon Bridge
 Waterside
 Ely
 Cambs CB7 4AU

Registered Charity Number 1043197

Company Number 2999055

Chairman Daniel Schumann

Company Secretary Jane Wilson

Auditors Price Bailey LLP
 Richmond House
 Broad Street
 Ely
 Cambridgeshire
 CB7 4AH

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Report of the board of trustees for the year ended 31 March 2006.

Reference and Administrative Information

Charity Name: Arts Development in East Cambridgeshire (ADeC)

Charity registration number: 1043197

Company registration number: 2999055

Registered Office and
Operational address
Babylon Gallery
Waterside
Ely
Cambridgeshire
CB7 4AU

Members of the Board of Trustees

Mr S Adamson	
Mrs B Bendon	(re-elected September 2005)
Mr F Kara	(resigned September 2005)
Mr M Gent	Chair (resigned September 2005)
Ms M Gillies	(elected September 2005)
Mr M Green	Treasurer (re-elected September 2005)
Mr S Green	
Mr R Haysom	(co-opted January 2006)
Cllr R Hobbs	
Ms L Olney	(resigned September 2005)
Ms J Roberts	
Mr D Schumann	Chair (from September 2005) (re-elected September 2005)
Mr A Stewart	(resigned April 2005)

Secretary

Ms J Wilson

Chief Executive

Ms J Wilson

Auditors

Price Bailey LLP
Richmond House, Broad Street, Ely, Cambridgeshire, CB7 4AH

Bankers

HSBC
5 Buttermarket, Ely, Cambridgeshire, CB7 4PA



Structure, Governance and Management

Governing Document

The organisation is a charitable company limited by guarantee, incorporated on 7 December 1994 and registered as a charity on 10 January 1995.

The company was established under a memorandum of Association, which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

Recruitment and Appointment of the Board of Trustees

The directors of the company are also charity trustees for the purposes of charity law. Under the requirements of the Memorandum and Articles of Association members of the board of trustees are elected to serve for a period of three years after which they must be re-elected at the next Annual General Meeting. East Cambridgeshire District Council is entitled to appoint one trustee to the board of trustees.

Stephen Adamson retires by rotation, and is not standing for re-election.

The board of trustees aims to maintain a broad mix of business, artistic and community based skills, and to this end, an audit of trustee skills is carried out on a regular basis. When particular skills are lost, individuals with the relevant skills are approached to offer themselves for election to the board of trustees.

Trustee Induction and Training

Potential trustees are provided with an information pack, including information about the structure and activities of the charity, and the role of the trustee in the operation of the charity, and are invited to visit ADeC and meet the staff team. All trustees are regularly invited to attend events and activities run by the charity.

Risk Management

The Board of directors has conducted a review of the major risks to which the charity is exposed. A risk register has been established which will be reviewed annually. Where appropriate, systems have been established to mitigate the risks faced by the charity. External risks to funding have led to the development of a strategic plan, which allows for the diversification of funding and activities. Internal risks are minimised by the implementation of procedures for authorisation of all transactions and projects and to ensure consistent quality of delivery for all operational aspects of the charitable company. These procedures are periodically reviewed to ensure that they still meet the needs of the charity.

Organisational Structure

ADeC has a board of trustees of up to 15 members who meet six times a year and are responsible for the strategic direction and policy of the charity. At present the committee has nine members from a variety of backgrounds relevant to the work of the charity. The secretary also sits on the board but has no voting rights.

The board is accountable for the general management of ADeC, and responsible for the direction of its affairs; it determines all policy matters including ADeC's strategy, Business Plan and Budget, and the Board determines the delegated powers to its chair and sub-committees. Sub-committees report to the board, and a sub committee may authorise its chair to take appropriate executive action.



There is one active sub-committee: the Management and Grants sub committee, which meets monthly. The chair, treasurer and up to three other trustees sit on this committee. This committee has two roles: it monitors the operation of the charity and reports to the board of trustees; and it assesses applications for grants and guarantees against loss received by the charity. A minimum of three trustees need to be present for this sub committee to make decisions.

Day to day responsibility for the provision of services is delegated to the Chief Executive, who is responsible for ensuring that the charity delivers the services specified in the annual delivery plan and that key performance indicators are met.

Related Parties

In so far as it is complementary to the charity's objects, the charity is guided by both local and national policy. These fall into two main categories: arts and cultural policy, and broader non-arts policies, where the arts are able to play a positive role in meeting policy needs. The chief executive of the charity sits on the Cambridgeshire and Peterborough Arts Development Officers Group (CAPADOG), which facilitates partnership working across Cambridgeshire and Peterborough.

Objects and Activities

The company's objects are to:

'Promote, maintain and encourage public understanding of the arts in East Cambridgeshire'.

In order to meet the objects the board of trustees have developed strategies to deliver a flexible and responsive programme of arts events, projects and support activities. The artistic programme includes the direct provision of events and projects across a wide range of art forms, and development support for other organisations and individuals providing arts activities. The different elements of the programme are detailed below:

Live performance – Music, Drama and Dance

ADeC programmes live arts events in a range of venues, with the emphasis on under represented locations, art forms and audiences. During 2005-6 this included the visit of the Royal Shakespeare Company to Littleport with their production of The Canterbury Tales, youth music gigs in Ely and Soham, and professional touring children's theatre at the Maltings, Ely. A total of twenty six events were promoted during the year.

Film (including Ely Cinema)

ADeC operates Ely Cinema in the Maltings, Ely. This provision is provided to meet the local need for cinema, particularly for people who would find the journey to full-time cinemas in Cambridge or elsewhere difficult. Ely Cinema was opened in June 2005, and is supported by volunteers, who provide in region of 100 hours a month to help promote and steward the cinema programme. ADeC also runs SeeCinema, an initiative to develop local voluntary promoters showing film in their local communities.

Visual arts (including Babylon Gallery)

The Babylon gallery is the primary mechanism for visual arts development in East Cambridgeshire. As well as the main Gallery programme, there is a programme of outreach activity, based on the programme. In 2005-6 this has included work with a range of professional artists in school and community settings, and a Galleries Forum working with the commercial contemporary art galleries in East Cambridgeshire.



Literature

ADeC runs projects to encourage literature development, including writing competitions, workshops and live literature events, for example 'Write Up My Street', a competition for young people to write about their communities, which concluded in April 2005.

Projects

ADeC project activity focuses on specific areas of work, where there is identified need. Project work often links with appropriate non-arts needs where arts based activities tackle issues such as rural isolation, providing support for vulnerable young people, developing communities. Projects are usually developed in partnership with other organisations, both arts and non-arts, professional and voluntary, with complementary skills and experience, to ensure that we are able to deliver activity in the most appropriate and effective way. For 2005-6 there were two priority project areas: young people and rural communities in the north of the district (project activity for the rural communities in the south of the district is planned for 2006-7). Specific activities included a project in Littleport to support the development of a new theatre group, The Field Theatre group, which is now successfully running as an independent group; work in Little Downham to support the extension of activities run by the Little Downham Archive Group to include arts based projects, which has resulted in a young people's film project; work with Young Travellers to develop opportunities for participation in arts activities, which is continuing into 2006-7; and work with the Barns Youth Steering Group to develop arts based activities for young people in the Barns area of Ely.

Development Support

ADeC provides a range of services for groups and individuals promoting arts activities. These include publication of the Guide (a what's on Guide printed ten times a year and distributed across the district), with free listings for arts and leisure activities in East Cambridgeshire, free advice and support in activity planning, fund-raising and marketing, and a small grants and guarantees scheme offering financial support.

Grants and Guarantees

Eighteen guarantees against loss with a total value of £6827 were approved during the year, as were eighteen small grants with a total value of £6540. Grants and guarantees are awarded for one off arts activities, including performances, workshops and exhibitions. In addition £3500 was awarded to [act], the rural touring scheme for performing arts, which enables volunteer promoters to present events by professional performers in village locations.

Financial Review

A long term approach to planning, combined with prudent financial management, has enabled ADeC to continue to grow against a national backdrop of uncertainty for organisations contracted to provide non-statutory services for local authorities. The process of diversification of activities to reduce the reliance on individual funding bodies will continue.

Principal Funding Sources

The single largest funder is East Cambridgeshire District Council, with grants and contracts totalling 47% of income received in 2005-6 (47% in 2004-5).

Earned income from event promotion, Ely Cinema, Babylon Gallery, the Equipment Bank, box office services and membership fees amounted to 30% of income received in 2005-6. This figure fluctuates from year to year, depending in particular on the scale of live events promoted during the year, however there is a significant increase from 2004-5 (17.5%), due largely to the opening of Ely Cinema.



Income from other grants and contracts represented 20% of the total income for the year. This is a reduction on 2004-5 (33%). Income from grants and contracts reflects the capacity for project planning and development, which was reduced in the year due to the introduction of Ely Cinema.

Investment Policy

The charity does not hold any funds for long term investment: funds are received and spent in the short term, aside from a prudent amount in reserves. Restricted funds received in advance are held in a high interest bank account and funds to be paid out in grants or guarantees are held in a separate building society account.

Reserves Policy

The Board of trustees has examined the charity's requirements for reserves in light of the main risks to the charity. It has established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets held by the charity should meet approximately 3 to 6 months operating costs. Budgeted expenditure for 2006-7 is £350,000 and therefore the target amount is between £87,500 and £175,000. Current unrestricted funds not committed or invested in tangible fixed assets stand at £63,375 which is significantly below this figure. Although the strategy is to continue to build reserves through operating surpluses, in the short term, the board of trustees has also considered the extent to which existing activities and expenditure could be curtailed, should such circumstances arise.

Plans for Future Periods

The charity plans to continue activities outlined above in the forthcoming years, subject to satisfactory funding arrangements. Plans are also in place to take on the delivery of the rural touring service for Cambridgeshire. [act]. This service will be offered across rural Cambridgeshire and will continue to build the local knowledge which is a key factor in enabling ADeC to provide a high quality and appropriate arts service.

Following a review of the Memorandum and Articles, the trustees will propose a resolution to amend the Memorandum and Articles at the Annual General Meeting 2006. The proposed amendments will:

- expand the geographical area over which ADeC can operate from East Cambridgeshire to the more general Eastern Region of England. This is proposed in order to enable ADeC to develop projects and activities which extend beyond the boundaries of East Cambridgeshire
- enable trustees to receive payment for professional services provided to the charity not in their capacity as a trustee. This is proposed because ADeC is a major employer of professional artists in the locality, and it will enable professional artists who wish to join the board of trustees to do so, without having to forgo the opportunity of applying for paid work as a professional artist.
- Update the wording of the memorandum in relation to Trustee Indemnity Insurance. This is proposed at the request of the Charity Commission.

Responsibilities of the Board of Trustees

Company law requires the management committee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year. In preparing those financial statements, the board of directors should follow best practice and:

- select suitable accounting policies and apply them consistently
- make judgements and estimates that are reasonable and prudent; and

- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the company will continue on that basis.

The board of trustees is responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 1985. The Board is also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Members of the Board of Trustees

Members of the board, who are directors for the purpose of company law and trustees for the purpose of charity law, who served during the year and up to the date of this report are set out on page 3.

In accordance with company law, as the company's directors, we certify that:

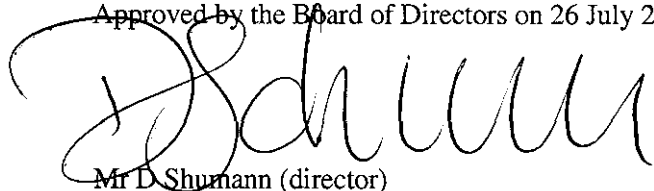
- in so far as we are aware, there is no relevant audit information of which the company's auditors are unaware; and
- as the directors of the company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors were aware of that information.

Auditors

Price Bailey LLP were appointed auditors at the Annual General Meeting on 24 September 2005 and have expressed their willingness to continue.

This report has been prepared in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities (issued in March 2005) and in accordance with the special provisions of the Part VII of the Companies Act 1985 relating to small entities.

Approved by the Board of Directors on 26 July 2006 and signed on its behalf by:



Mr D. Shumann (director)



AUDITOR'S REPORT TO THE MEMBERS ON THE ACCOUNTS OF ARTS DEVELOPMENT IN EAST CAMBRIDGESHIRE

We have audited the financial statements of ADeC (Arts Development in East Cambridgeshire) on pages 10 to 19 for the year ended 31 March 2006. These financial statements have been prepared under the historical cost convention and the accounting policies set out on page 12.

This report is made solely to the Charity 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 Charity's members those matters we are required to state to them in the 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 Charity and the Charity's members as a body, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described on page 6 the trustees, who are also the directors of ADeC for the purposes of company law are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements 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 trustees' report is not consistent with the financial statements, if the charitable company 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 directors' remuneration and transactions with the charitable company is not disclosed.

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

We read the trustees report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 significant estimates and 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.



AUDITOR'S REPORT TO THE MEMBERS ON THE ACCOUNTS OF ARTS DEVELOPMENT IN EAST CAMBRIDGESHIRE (CONTINUED)

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 in accordance with United Kingdom Generally Accepted Accounting Practice of the charitable company's affairs as at 31 March 2006 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.

Price Bailey LLP

Price Bailey LLP

29 August 2006

Chartered Accountants

Registered Auditor

Richmond House

Broad Street

Ely

Cambs

CB7 4AH



**STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 MARCH 2006**

	Notes	Unrestricted Funds	Designated Funds	Restricted Funds	Total Funds 2006	Total Funds 2005
INCOMING RESOURCES FROM GENERATED FUNDS						
Voluntary income						
Donations		603	-	-	603	514
<i>Activities for generating funds:</i>						
Investment income and interest		1,464	-	-	1,464	1,702
Incoming resources from charitable activities						
Grants and contracts for arts development	5	178,455	-	81,617	260,072	284,572
Earned income	6	110,943	-	277	111,220	67,588
TOTAL INCOMING RESOURCES		<u>291,465</u>	<u>-</u>	<u>81,894</u>	<u>373,359</u>	<u>354,376</u>
RESOURCES EXPENDED						
Charitable Activities						
Grants payable in furtherance of the charity's objects		<u>19,407</u>	<u>-</u>	<u>-</u>	<u>19,407</u>	<u>16,420</u>
Events		83,427	-	-	83,427	80,444
Development support		42,948	-	-	42,948	41,153
Ely Cinema		51,627	-	2,750	54,377	-
Babylon gallery		36,435	-	-	36,435	37,119
Equipment bank		8,683	-	-	8,683	9,845
Box office		4,874	-	-	4,874	4,198
Projects		21,623	-	68,027	89,650	148,139
Governance Costs		<u>9,893</u>	<u>-</u>	<u>-</u>	<u>9,893</u>	<u>13,179</u>
		259,510	-	70,777	330,287	334,077
TOTAL RESOURCES EXPENDED	7	<u>278,917</u>	<u>-</u>	<u>70,777</u>	<u>349,694</u>	<u>350,497</u>
NET INCOMING RESOURCES	3	12,548		11,117	23,665	3,879
FUND BALANCES						
Brought forward at 1 April 2005		43,752	6,000	32,055	81,807	77,928
Transfers between funds		(925)	-	925	-	-
Carried forward at 31 March 2006		<u>55,375</u>	<u>6,000</u>	<u>44,097</u>	<u>105,472</u>	<u>£81,807</u>



ARTS DEVELOPMENT IN EAST CAMBRIDGESHIRE

BALANCE SHEET AT 31 MARCH 2006

	Notes	2006 £	2005 £
FIXED ASSETS			
Tangible assets	10	4,055	7,852
CURRENT ASSETS			
Debtors	11	23,082	15,904
Cash at bank and in hand		<u>123,743</u>	<u>95,716</u>
		<u>146,825</u>	<u>111,620</u>
CREDITORS: amounts falling due within one year	12	<u>45,408</u>	<u>29,665</u>
TOTAL CURRENT ASSETS		<u>101,417</u>	<u>81,955</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		105,472	89,807
PROVISION FOR LIABILITIES AND CHARGES			
	13	-	(8,000)
		<u>£105,472</u>	<u>£81,807</u>
CAPITAL AND RESERVES			
Unrestricted Funds		55,375	43,752
Designated Funds	8	6,000	6,000
Restricted Funds	9	<u>44,097</u>	<u>32,055</u>
		<u>£105,472</u>	<u>£81,807</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 January 2005).

Approved by the Board on

D. Schumann – Chairman

The notes on pages 12 to 19 form part of these financial statements



NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention in accordance with applicable accounting standards, financial reporting standards and the Statement of Recommended Practice (SORP) *Accounting and Reporting by Charities* (March 2005).

Incoming Resources

All Incoming resources are recognized in the Statement of Financial Activities (SOFA) on an accruals basis.

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	additions pre 01/04/03-15% per annum on the reducing balance additions post 01/04/03- straight line over 3 years
Equipment for hire	15% per annum on the reducing balance

Taxation

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

Leasing

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

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates:

- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

- All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis e.g. staff time or usage as set out in note 7.

Grants receivable

Government grants and subsidies of a revenue nature are credited to income when received.

Pensions

The charity operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the SOFA in the year they are payable.

Fund accounting

Funds held by the charity are either:

- Unrestricted general funds – these are funds that can be used in accordance with the charitable objects at the discretion of the council of management.
- Designated funds – these are funds set aside by the council of management out of the unrestricted general funds for specific future purposes or projects.
- Restricted funds – these are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

2. INCOMING RESOURCES

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

3. NET INCOMING RESOURCES	2006	2005
	£	£
This is stated after charging:-		
Auditors' remuneration	3,086	2,500
Expenses paid to trustees	38	-
Depreciation- per note 10	4,299	4,126
Operating lease payments	1,425	1,649

4. STAFF COSTS

Wages and salaries	116,771	92,662
Social security costs	7,807	5,876
Pension costs	2,897	3,154
	<u>127,476</u>	<u>101,692</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. STAFF COSTS (CONTINUED)

No employee received emoluments of more than £60,000

The average weekly number of employees during the year was 6 (2005, 6)

5. GRANTS AND CONTRACTS FOR ARTS DEVELOPMENT

	Unrestricted	Restricted	Total
East Cambridgeshire District Council	173,930	4,000	177,930
Arts Council England, East	-	54,313	54,313
The Junction	-	2,000	2,000
Littleport partnership	-	3,939	3,939
Eastern Orchestral Board	4,525	1,800	6,325
Screen East	-	2,750	2,750
New Opportunities Fund (Big Lottery)	-	7,570	7,570
Babylon Digital	-	5,245	5,245
	<u>178,455</u>	<u>81,617</u>	<u>260,072</u>

6. EARNED INCOME

	2006	2005
	£	£
Box office	653	518
Development support	1,341	1,033
Equipment bank	6,581	8,423
Events	53,260	54,511
Gallery	844	1,846
Membership	287	1,257
Ely Cinema	47,977	-
Projects	277	-
	<u>111,220</u>	<u>67,588</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7 TOTAL RESOURCES EXPENDED

	Basis of allocation	Grants and guarantees	Events	Development	Cinema	Babylon Gallery	E Bank	Box office	Projects	Governance	Total
		£	£	£	£	£	£	£	£	£	£
Costs directly allocated to activities											
Artistic costs	Direct	19,407	56,749	7,698	29,068	2,307	2,856	-	36,561	-	154,646
Staff costs	Staff time	-	14,084	14,114	14,876	15,169	-	2,630	34,822	-	95,695
Training and development	Direct	-	474	497	145	-	-	-	1,022	104	2,243
Staff travel and expenses	Direct	-	297	675	9	114	-	-	1,559	75	2,729
Marketing	Direct	-	4,476	13,142	3,660	4,686	-	-	2,779	-	28,742
Consumables	Direct	-	-	-	-	-	142	-	-	-	142
Capital	Direct	-	-	-	-	-	-	-	1,024	-	1,024
Audit fees	Direct	-	-	-	-	-	-	-	-	2,600	2,600
Support costs allocated to activities											
General office and finance staff	Staff time	-	4,497	4,334	4,334	3,829	2,167	1,499	5,490	5,630	31,781
Recruitment	Direct	-	-	-	210	-	-	-	-	140	350
Communications	Usage	-	1,578	1,342	1,089	2,084	397	408	3,697	435	11,030
Premises	Usage	-	528	476	410	7,519	2,909	140	1,120	176	13,278
Legal and professional	Direct	-	-	-	-	-	-	-	-	486	486
Bank charges	Usage	-	100	90	77	97	15	26	211	33	649
Depreciation	Usage	-	644	580	499	630	197	171	1,364	214	4,299
Total		<u>19,407</u>	<u>83,427</u>	<u>42,948</u>	<u>54,377</u>	<u>36,435</u>	<u>8,683</u>	<u>4,874</u>	<u>89,650</u>	<u>9,893</u>	<u>349,694</u>

8. DESIGNATED FUNDS

	At 1/4/2005	From general fund	Expenditure	At 31/3/2006
Replacement of equipment bank	<u>6,000</u>	<u>-</u>	<u>-</u>	<u>6,000</u>
	<u>6,000</u>	<u>-</u>	<u>-</u>	<u>6,000</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. MAJOR PROJECTS & DEVELOPMENT GROUPS

Restricted Funds	At 1/4/2005	Income	Expenditure	Transfer	At 31/3/2006
Youth Arts	1,134	7,465	8,926	327	-
Ely Cinema	-	2,750	2,750	-	-
Intergenerational Project – Them and Us	17,701	-	18,299	598	-
Babylon Digital	4,925	7,245	12,824	-	(654)
Ely Partnership	(474)	1,800	-	-	1,326
Writing on the waterways	1,163	-	-	-	1,163
Rural Arts and Babylon Gallery Outreach	2,666	57,980	22,772	-	37,874
Ely Samba	4,940	226	4,566	-	600
Rural Touring Cinema	-	4,428	640	-	3,788
	<u>£ 32,055</u>	<u>£ 81,894</u>	<u>£ 70,777</u>	<u>£925</u>	<u>£ 44,097</u>

Purposes of restricted funds

Youth Arts Fund

This fund supports the youth arts component of the projects co-ordinator post at ADeC. Funds have been received from the Big Lottery (via the Healthy Living East Cambridgeshire Partnership)

Ely Cinema

This fund supports the local need for cinema, particularly for people who would find the journey to full-time cinemas in Cambridge or elsewhere difficult. Ely Cinema was opened in June 2005, and is supported by volunteers, who provide in the region of 100 hours a month to help promote and steward the cinema programme. Funds were received from Screen East.

Intergenerational Project – Them and Us

This fund was for a three year intergenerational project with young and older people in Ely and Wisbech. The project finished in 2005 and a transfer of £598 from general reserves was made to close the fund.

Babylon Digital

This fund supports a project to develop digital work at the Babylon Gallery. Funds were received from the Arts Council and the Junction

Ely Partnership

This fund supports partnership work between ADeC, Ely Cathedral and Britten Sinfonia. Income was received from Eastern Orchestral Board in respect of community work which was undertaken as part of the Tales of Transformation project in 2004. There was no activity connected to the fund in 2005-6.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Writing on the Waterways

This fund supported a writing project in Littleport.

Rural Arts and Gallery Outreach

This fund supports a three year project to develop activity in rural communities, including work connected to the Babylon Gallery programme. Funds were received from the Littleport Partnership and the Arts Council.

Ely Samba

This fund supports the development of a samba band in Ely (Ely Samba). Funds were received in 2004-5 from Awards for All, with activity starting in 2005-6. Income over the year has been from subscriptions from band members.

Rural Touring Cinema

This fund supports the acquisition of capital equipment to run the rural touring cinema scheme. Restricted funds were received from the UK Film Council. The equipment was purchased during the year and is now in use.

10. TANGIBLE FIXED ASSETS

	Equipment & Furniture	Equipment for Hire	Total
Cost			
At 1 April 2005	30,382	1,078	31,461
Expenditure	502	-	502
At 31 March 2006	30,885	1,078	31,963
Depreciation			
At 1 April 2005	23,194	415	23,609
Charge for the year	4,200	99	4,299
At 31 March 2006	27,394	514	27,908
Net Book Values			
At 31 March 2005	<u>7,189</u>	<u>663</u>	<u>7,852</u>
At 31 March 2006	<u>3,491</u>	<u>564</u>	<u>4,055</u>

The Equipment and Furniture are used for the management and administration of the company.

11. DEBTORS

	2006	2005
Trade Debtors	8,391	11,164
Grants receivable	7,493	3,104
Prepayments	<u>7,198</u>	<u>1,636</u>
	<u>23,082</u>	<u>15,904</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12. CREDITORS: amounts falling due in one year	2006	2005
Value Added Tax	9,149	6,781
Other creditors	15,469	6,364
Taxes and social security	2,465	2,004
Accruals	5,520	3,369
Balance of grants at 31 March 2006 but not taken up	<u>12,805</u> <u>45,408</u>	<u>11,147</u> <u>29,665</u>

13. PROVISION FOR LIABILITIES AND CHARGES

	2006	2005
Babylon Gallery	<u>-</u>	<u>8,000</u>

The provision represented additional charges for building work on the Babylon Gallery, which was carried out in the year to 31 March 2004 and has been subsequently settled in the year.

14. RESTRICTED, DESIGNATED, ENDOWMENT FUNDS

There are no Endowment funds. Information regarding Designated Funds is in note 8 and Restricted Funds is in note 9.

15. CONSTITUTION

The Company is limited by guarantee and does not have any share capital. At 31 March 2006 there were 77 (2005: 74) individual members and 25 (2005: 21) 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.

16. PENSION COSTS

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £2,897 (2005 £3,154). There were no contributions payable to the fund at the year end (2005 £nil).



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17. FINANCIAL COMMITMENTS

At 31 March 2006 the charity was committed to making the following payments under non-cancellable operating leases in the year to 31 March 2007.

	Land and Buildings	
	2006	2005
	£	£
Operating leases which expire:		
Between two and five years	<u>4,092</u>	<u>4,092</u>

18. TRUSTEE REMUNERATION & RELATED PARTY TRANSACTIONS

No members of the management committee received any remuneration during the year. During the year expenses amounting to £38 (2005 - £nil) were reimbursed to members of the management committee.

No trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity during the year (2005 - Nil).