



ARTS DEVELOPMENT IN EAST CAMBRIDGESHIRE

(A COMPANY LIMITED BY GUARANTEE)

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2003**

COMPANY REGISTRATION NUMBER 2999055

REGISTERED CHARITY NUMBER 1043197



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

Registered Charity Number 1043197

Company Number 2999055

Chairman Martin Gent

Company Secretary Jane Wilson

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

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LEGAL AND ADMINISTRATIVE INFORMATION

Status

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. Under those articles the members of the Board are elected at the AGM to serve a period of three years, subject to ratification at each AGM.

Members of the Board

Mr S Adamson	
Mr A Allen	(resigned September 2002)
Mrs B Bendon	(elected October 2002)
Mr D Collison	(elected October 2002)
Cllr S Friend-Smith	(resigned May 2002)
Mr M Gent (Chair)	
Mr M Green	(elected October 2002)
Ms S Hogger	(elected October 2002)
Mr F Kara	(co-opted February 2003)
Mr D Learner	(resigned November 2002)
Mr T Overall	
Mr A O'Hanlon	(resigned September 2002)
Ms H Lichterman	
Mr D Schumann	(elected October 2002)
Mr R Setchell	(resigned March 2002)
Mr A Stewart	
Ms K Tyrrell	(co-opted November 2002)

Secretary

Mrs N Adamson (resigned 22 February 2003)
Ms J Wilson (from 24 February 2003)

Chief Executive

Mrs N Adamson (to 22 February 2003)
Ms J Wilson (from 24 February 2003)

Registered Office and Operational Address

Babylon Gallery, Waterside, Ely, Cambridgeshire, CB7 4AU

Auditors

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

Bankers

HSBC
5 Buttermarket, Ely, Cambridgeshire, CB7 4PA



TRUSTEES REPORT

The Board presents its report and the audited financial statements for the year ended 31 March 2003

Activities

The company is a charity and exists to promote, maintain and encourage public understanding of the arts in East Cambridgeshire. To achieve this object the charity provides a range of activities and projects.

Results

The net incoming resources for the year amounted to £49,218 of which £43,551 is restricted funding and has to be used within restricted projects, and £5,667 was the amount attributable to general reserves, which now stand at £31,415

Ongoing Activities

The charity continued to deliver a range of activities in support of arts activities in East Cambridgeshire.

Events

Not including the Framework Festival (see below) the charity directly promoted seventeen performances and nine workshops in a wide range of art forms.

Framework Festival: in February 2003 the charity presented a major film and literature festival with twelve films and five workshops over three days. Total attendance at events was over 22,000.

Babylon Gallery

The charity continued to operate the Babylon Gallery throughout the year, presenting a mixed programme of contemporary art. 15,500 people visited the gallery during the year.

Grants & Guarantees

Four major grants were awarded during the year, to [ACT] to support their Cambridgeshire rural touring scheme activity in East Cambridgeshire; City Screen to support the cinema programme at the Maltings, Ely; to CambsDance to support dance development in East Cambridgeshire; and to Cross Border Arts for arts and disability work in East Cambridgeshire. In addition, thirty-one grants, ranging from £70 to £1000, were provided for arts activities in the district. A further seventeen guarantees against loss were provided to underwrite arts productions in East Cambridgeshire.

Support Services

The charity provides a range of support services to organisations and individuals involved in the arts in East Cambridgeshire including:

- The Guide, a monthly what's on guide to arts and leisure activities in East Cambridgeshire;
- The Equipment Bank, a low cost hire service for equipment used in arts productions: fifty organisations hired equipment from the bank during the year, and thirty people received training in the use of the equipment;
- Advice and support



TRUSTEES REPORT (CONTINUED)

Projects

In addition to ongoing activities, the charity runs a number of projects with specific arts objectives:

Youth Arts Co-ordinator

A successful application to the New Opportunities Fund as part of the Healthy Living East Cambridgeshire partnership enabled the appointment of a Youth Arts Co-ordinator in January 2003. Additional funding for this post was received from the Cole Charitable Trust. This post has been created in response to the results of the youth arts study undertaken by the charity.

Club School

Preparation work started on this partnership project to provide young people in East Cambridgeshire and Fenland with opportunities to learn about running club events. Funds were received from East Cambridgeshire Community Safety Partnership and Fenland District Council for this project.

Them & Us Intergenerational Project

Funds were received from Lloyds TSB Foundation, East Cambridgeshire Community Safety Partnership and Fenland District Council for this partnership project to run the first year of a three-year study to assess the impact of arts activities on intergenerational attitudes and behaviour. The main activity took place in August 2003.

Digital Arts

The Digital Arts project to extend the scope of the Babylon Gallery to include digital programming in the gallery and an on-line interactive gallery was successful in attracting funds through the Regional Arts Lottery Programme. Funds for the first year of activity were received in the year, work on the project starts in 2003-4.

Future Strategy

The charity plans continuing the ongoing activities as outlined above in the forthcoming years subject to satisfactory funding arrangements. Time limited projects will continue for their planned life span, and plans for future projects are in development.

Reserves Policy

The Board has established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets held by the charity should be in the region of £35,000. At present the free reserves, which amount to £21,562 do not reach this target level and the board are considering ways in which additional unrestricted funds will be raised.

Risk Review

The Board has conducted a review of the major risks to which the charity is exposed and systems have been established to mitigate those risks. 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

TRUSTEES REPORT (CONTINUED)

Responsibilities of the Board

Company law requires the board 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 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 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

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 1.

Members of the charitable company guarantee to contribute an amount not exceeding £1 to the assets of the charitable company in the event of winding up. The total number of such guarantees at 31 March 2003 was 119.

Auditors

Price Bailey were appointed auditors at the Annual General Meeting on 9 October 2002.

A resolution to re-appoint Price Bailey as auditors will be proposed at the annual general meeting.

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

Approved by the Board on 17 September 2003 and signed on its behalf by:



Mr M Gent (Chairman)

AUDITOR'S REPORT TO THE MEMBERS ON THE ACCOUNTS OF



We have audited the financial statements of ADeC (Arts Development in East Cambridgeshire) on pages 7 to 14 for the year ended 31 March 2003. These financial statements have been prepared under the historical cost convention and the accounting policies set out on page 9.

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 4 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 United Kingdom Auditing Standards.

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

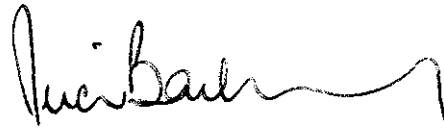
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates 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.

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 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.

**Richmond House
Broad Street
Ely
Cambs CB7 4AH**



**Price Bailey
Registered Auditor**

23 September 2003

STATEMENT OF FINANCIAL ACTIVITIES YEAR ENDED 31 MARCH 2003

	Notes	Unrestricted Funds	Restricted Funds	Total Funds 2003	Total Funds 2002
INCOMING RESOURCES					
Grants:East Cambs District Council		183,603	-	183,603	179,995
East England Arts		7,426	-	7,426	7,210
Other		1,060	-	1,060	1,208
Members subscriptions		1,270	-	1,270	1,638
Bank interest		697	-	697	1,118
Major projects & development groups	5	44,012	53,619	97,631	51,029
Gallery					
Goods sold and miscellaneous		1,394	-	1,394	1,285
Exhibition receipts		25,645	-	25,645	11,200
Equipment bank hire charges		6,821	-	6,821	1,018
Miscellaneous		479	-	479	1,913
TOTAL INCOMING RESOURCES	2	<u>272,407</u>	<u>53,619</u>	<u>326,026</u>	<u>257,614</u>
RESOURCES EXPENDED					
Direct charitable expenditure:					
Grants and guarantees		32,032	-	32,032	29,198
Staff costs	4	51,983	-	51,983	51,419
Gallery costs	6	62,206	-	62,206	51,418
Marketing (including <i>The Guide</i>) information and publications		16,505	-	16,505	20,382
Subscriptions		5,196	-	5,196	4,852
Equipment bank costs	7	7,278	-	7,278	7,438
Major projects and development Groups	5	<u>61,572</u>	<u>10,068</u>	<u>71,640</u>	<u>61,016</u>
		<u>236,772</u>	<u>10,068</u>	<u>246,840</u>	<u>225,723</u>
Management and Administration					
Staff costs	4	12,905	-	12,905	11,374
Other administration costs	8	17,063	-	17,063	16,411
		<u>29,968</u>	<u>—</u>	<u>29,968</u>	<u>27,785</u>
TOTAL RESOURCES EXPENDED	3	<u>266,740</u>	<u>10,068</u>	<u>276,808</u>	<u>253,508</u>
NET INCOMING RESOURCES		5,667,	43,551	49,218	4,106
FUND BALANCES					
Brought forward at 1 April 2002		25,748	-	25,748	21,642
Carried forward at 31 March 2003		<u>£31,415</u>	<u>£43,551</u>	<u>£74,966</u>	<u>£25,748</u>

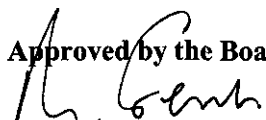


ARTS DEVELOPMENT IN EAST CAMBRIDGESHIRE

BALANCE SHEET AT 31 MARCH 2003

	Notes	2003	2002
FIXED ASSETS			
Tangible assets	9	9,853	9,837
CURRENT ASSETS			
Debtors	10	13,222	12,487
Cash at bank and in hand		<u>92,836</u>	<u>35,069</u>
		<u>106,058</u>	<u>47,556</u>
CREDITORS: amounts falling due within one year	11	<u>40,945</u>	<u>31,645</u>
TOTAL CURRENT ASSETS		<u>65,113</u>	<u>15,911</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>£74,966</u>	<u>£25,748</u>
CAPITAL AND RESERVES			
Unrestricted Funds		31,415	25,748
Restricted Funds	5	<u>43,551</u>	<u>-</u>
		<u>£74,966</u>	<u>£25,748</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 June 2002).

Approved by the Board on 17 September 2003


M. Gent – Chairman

The notes on pages 9 to 14 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 accounting standards, financial reporting standards and the Statement of Recommended Practice (SORP) *Accounting and Reporting by Charities* (October 2000).

Incoming Resources

All Incoming resources are recognized in the Statement of Financial Activities (S.O.F.A) 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	15% per annum on the reducing balance
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 and hire purchase commitments

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

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. TOTAL RESOURCES EXPENDED	2003	2002
This is stated after charging:-		
Auditors' remuneration	1,750	2,470
Expenses paid to trustees	18	58
Depreciation	1,738	1,736
Operating lease payments	<u>2,124</u>	<u>2,325</u>
4. STAFF COSTS		
Wages and salaries	80,713	80,089
Social security costs	4,727	4,457
Pension costs	<u>4,768</u>	<u>5,654</u>
	<u>90,208</u>	<u>90,200</u>
Apportioned		
Direct charitable expenditure	51,983	51,419
Direct charitable expenditure – gallery	24,824	25,554
Management & administration	12,905	11,374
Included in project costs	<u>496</u>	<u>1,853</u>
	<u>90,208</u>	<u>90,200</u>

The average weekly number of employees during the year was 6 (2002, 6)

5. MAJOR PROJECTS & DEVELOPMENT GROUPS

	2003		2002	
Unrestricted Funds	Income	Expenditure	Income	Expenditure
Major Projects				
RSC Merchant of Venice	-	-	42,063	42,524
Development Groups				
Dance	1,183	1,991	1,770	2,599
Drama	2,236	5,870	312	2,130
Literature	11,842	18,072	78	940
Music	28,556	34,049	6,806	10,972
Youth	195	1,081	-	1,000
Miscellaneous	-	509	-	851
	<u>44,012</u>	<u>61,572</u>	<u>51,029</u>	<u>61,016</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. MAJOR PROJECTS & DEVELOPMENT GROUPS (CONTINUED)

Restricted Funds	At 1/4/2002	Income	Expenditure	At 31/3/2003
Youth Arts	-	1,218	1,218	-
Intergenerational Project – Them and Us	-	23,000	4,033	18,967
Club School	-	4,401	4,401	-
Baby/Online	-	25,000	416	24,584
	£ -	£53,619	£10,068	£43,551

Purposes of restricted funds

The Youth Arts Fund

This is to fund a youth arts co-ordinator post. A successful application to the New Opportunities Fund as part of the Healthy Living East Cambridgeshire partnership enabled the appointment of a Youth Arts Co-ordinator in January 2003. Additional funding for this post was received from the Cole Charitable Trust.

The Intergenerational Project, Them & Us Fund.

Funds were received from Lloyds TSB Foundation, East Cambridgeshire Community Safety Partnership and Fenland District Council for this partnership project to run the first year of a three-year study to assess the impact of arts activities on intergenerational attitudes and behaviour. The main activity took place in August 2003.

The balance has arisen because payment has been received in advance for activity taking place in 2003-4.

The Club School fund.

Preparation work started on this partnership project to provide young people in East Cambridgeshire and Fenland with opportunities to learn about running club events. Funds were received from East Cambridgeshire Community Safety Partnership and Fenland District Council for this project.

The Babylon Digital fund.

The Digital Arts project to extend the scope of the Babylon Gallery to include digital programming in the gallery and an on-line interactive gallery was successful in attracting funds through the Regional Arts Lottery Programme. Funds for the first year of activity were received in the year, work on the project starts in 2003-4.

The balance has arisen because payment has been received in advance for activity taking place in 2003-4.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	2003	2002
6. GALLERY COSTS		
Staff costs (note 4)	24,824	25,554
Exhibition costs	27,731	16,218
Marketing	-	789
Goods for resale	638	302
Light, heat and water	717	550
Telephone	640	861
Printing, postage and stationery	1,673	1,928
Recruitment and training	817	373
Insurance	771	401
Maintenance and cleaning	2,580	2,356
Rent	1,000	-
Bank and credit sales charges	184	486
Depreciation	332	214
Miscellaneous expenses and office sundries	-	910
Travelling expenses	299	476
	<u>62,206</u>	<u>51,418</u>
7. EQUIPMENT BANK		
Contractor's fees	2,565	1,845
Recruitment and training	-	53
Marketing	263	1,787
Telephone	262	214
Rent	1,560	1,500
Printing, postage and stationery	101	651
Insurance	489	171
Maintenance and cleaning	419	157
Depreciation	73	87
Miscellaneous expenses and office sundries	175	638
Travelling expenses	583	335
Light, heat and water	638	-
Equipment hire	150	-
	<u>7,278</u>	<u>7,438</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	2003	2002
8. ADMINISTRATION		
Light, heat and water	325	234
Telephone	930	1,292
Printing, postage and stationery	2,721	2,535
Recruitment and training costs	1,791	747
Equipment rental	2,124	2,325
Insurance	1,704	602
Legal and professional fees	2,436	2,698
Bank and credit sales charges	448	958
Maintenance and cleaning	1,650	2,016
Rent	913	-
Miscellaneous expenses and office sundries	93	1,098
Depreciation	1,332	1,435
Travelling expenses	<u>596</u>	<u>471</u>
	<u>17,063</u>	<u>16,411</u>
9. TANGIBLE FIXED ASSETS		
	Equipment & Furniture	Equipment for Hire
		Total
Cost		
At 1 April 2002	17,571	579
Expenditure	<u>1,755</u>	<u>-</u>
At 31 March 2003	<u>19,326</u>	<u>579</u>
Depreciation		
At 1 April 2002	8,227	87
Charge for the year	<u>1,665</u>	<u>73</u>
At 31 March 2003	<u>9,892</u>	<u>160</u>
Net Book Values		
At 31 March 2002	<u>9,344</u>	<u>492</u>
At 31 March 2003	<u>9,434</u>	<u>419</u>

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. DEBTORS	2003	2002
Trade Debtors	11,232	1,154
Value added tax	-	957
Income tax recoverable	-	95
Grants receivable	500	6,737
Prepayments	<u>1,490</u>	<u>3,544</u>
	<u>13,222</u>	<u>12,487</u>

11. CREDITORS: amounts falling due in one year

Value Added Tax	6,883	-
Other creditors	18,078	5,324
Taxes and social security	1,572	1,522
Accruals	2,515	4,514
Grants received but repayable	-	9,680
Balance of grants at 31 March 2003 but not taken up	<u>11,897</u>	<u>10,605</u>
	<u>40,945</u>	<u>31,645</u>

12. RESTRICTED, DESIGNATED, ENDOWMENT FUNDS

There are no Designated nor Endowment funds. Information regarding Restricted Funds is in note 5.

13. CONSTITUTION

The Company is limited by guarantee and does not have a share capital. At 31 March 2003 there were 119 (2002: 115) individual members and 24 (2002: 24) 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.