



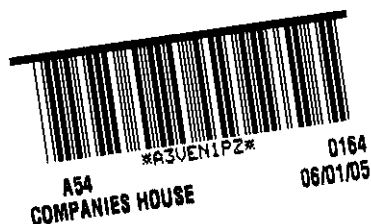
ARTS DEVELOPMENT IN EAST CAMBRIDGESHIRE

(A COMPANY LIMITED BY GUARANTEE)

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2004**

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 Martin Gent

Company Secretary Jane Wilson

Auditors Price Bailey LLP
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	(re-elected October 2003)
Mrs B Bendon	
Mr D Collison	(resigned October 2003)
Mr M Gent (Chair)	(re-elected October 2003)
Mr M Green	
Ms S Hogger	
Mr F Kara	(elected October 2003)
Mr T Overall	(resigned October 2003)
Ms H Lichterman	
Mr D Schumann	
Mr A Stewart	
Ms K Tyrrell	(elected October 2003- resigned January 2004)
Mrs L Olney	(elected October 2003)
Mr R Hobbs	(co-opted November 2003)

Secretary

Ms J Wilson

Chief Executive

Ms J Wilson

Registered Office and Operational Address

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

Auditors

Price Bailey LLP

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 2004.

Activities

The company is a charity and exists to promote, maintain and encourage public understanding of the arts in East Cambridgeshire.

Results

The net incoming resources for the year amounted to £10,962 restricted funds are £35,911, a further £6,000 has been designated as shown in note 8, and is attributable to general reserves, which now stand at £42,017. The free reserves of ADeC now stand at £35,047, which is in line with the reserves policy of the organisation.

Ongoing Activities

To achieve the aims of the organisation the charity operates a range of complementary mechanisms, as follows:

- event promotion, promoting high quality arts events in East Cambridgeshire, in particular where events would not otherwise be presented locally,
- development support for amateur, voluntary and professional organisations and individuals working in the arts in East Cambridgeshire, including the grants and guarantees scheme,
- the equipment bank, providing low cost access to staging, lighting, sound and other equipment needed to stage arts events,
- a box office service, providing promoters with a credit card booking line and an Ely box office,
- the Babylon Gallery, with a year round programme of high quality contemporary art exhibitions and associated outreach activity,
- arts based projects, in partnership with other arts and non-arts organisations, to increase access to the arts, and to meet identified needs, both in the arts and in other areas where the arts is an appropriate mechanism.

Events

ADeC promoted over twenty events in East Cambridgeshire, ranging from the large scale, such as the Midsummer Music Series in the Lady Chapel, through children's theatre and the launch of the Voices in the Gallery series of literature events, to workshops in dj-ing, street dance and drumming. This does not include exhibitions or related workshops in the Babylon Gallery, or any of the project activity detailed below.

Development Support

ADeC provided support for a wide range of East Cambridgeshire groups over the year. Support included the grants and guarantees scheme; publication of *The Guide*, a monthly what's on guide to arts and leisure events in East Cambridgeshire, which provides free listings to any individual or group running an event in the district; and advice and guidance with planning, fundraising and marketing. Highlights included the support for Haddenham Studios and Gallery for their Indonesia Live project, which took place throughout February 2004, and for Art All Over, both for their Art All Over project in May 2003, which placed artists in residence in five rural locations across the district, and for the carnival eel building project in March 2004.



TRUSTEES REPORT (CONTINUED)

During the year, thirty grants and fourteen guarantees were awarded, with a total value of £29,345. A total of £4,451 was returned to the grants and guarantees fund as a result of under-claims on grants and guarantees which were not required; of this total £2,776 related to grants and guarantees awarded in the financial year 2002-3 for events which took place in 2003-4. This leaves a balance of expenditure on grants and guarantees of £24,894.

The Equipment Bank

The equipment bank continues to provide low cost equipment for hire to local groups, with fifty four groups, including schools, local arts groups, venues, and individuals using the bank over the year.

Box Office Service

This service, which has been provided to City Screen for their cinema programme in the Maltings for several years, was opened up to other promoters. This service helped to bring Covent Garden Opera to the district (and has been taken up by the company again for Summer 2004) and supported the visit of Bury St Edmunds Theatre Royal and the Funky Flamingo Night Club to the Maltings in Ely.

Babylon Gallery

The Gallery had another successful year, with a combination of national touring exhibitions and solo and group shows. All exhibitions were accompanied by free drop in family activities and a free talk, either by the artist or by the exhibition co-ordinator. The gallery was closed from the end of October to the beginning of January for building work to enable the gallery to present digital art. This necessitated the refiguring of the gallery space, including the installation of an attractive new riverside entrance. The new entrance incorporates one of five new public artworks created by Elizabeth Jane Grose as part of the Ely Eel trail, a new walk around Ely linking together the key locations of the riverside, the city centre and Ely Cathedral. In total the gallery programme was disrupted for five months. Total visitor numbers of 12,000, down 25% on the previous year, reflect this disruption. The building work also affected the ADeC offices and it is due to the hard work and patience of the staff team that the quality of service offered by ADeC was maintained during the disruption.

Projects

The level of project activity, both in terms of delivery and of development, increased significantly over the year.

Babylon Digital

This was the first full year of the Babylon Digital project, of which the building work in the Gallery formed a part. In addition two artists, Jane Wingfield and Kevin Carter were awarded major commissions to create new work both for on-line viewing and for installation in the gallery, and a series of taster sessions and workshops in digital skills for young people were delivered in Soham.



TRUSTEES REPORT (CONTINUED)

Youth Arts

The youth arts project continued with the delivery of Club School in Littleport and Mepal; year one of the Them & Us project, working with young people from Ely; and a range of taster sessions and workshops across the district, including band development activity in Witchford, and music sessions in Littleport, Ely and Sutton. A survey of current youth arts provision across the district was carried out, which identified contemporary music as a priority area for development, and this was followed through with the development of the Soham Young People's Day project in conjunction with the Soham Festival Committee and Soham Town Forum (the project took place in April and May 2004).

The Eel Trail Project

ADeC led the development and delivery of the public consultation on and involvement with the Eel Trail in Ely. Over 150 people were involved in the process, which included a drop in Family Day at Ely Museum, with a range of making activities and the opportunity to meet the project artist, Elizabeth Jane Grose, activities in the Babylon Gallery, and with Springmeadow Infants School; and an intensive project with year 11 and 12 students at the City of Ely Community College leading to the installation of temporary works around Ely. The project was extended through the involvement of Art All Over, a group of locally based artists who run voluntary community arts projects, to build a giant carnival eel with children and families from the Barns area of Ely for the launch of the trail.

Writing on the Waterways

This project placed a professional writer into Littleport, working with children at Littleport Primary School and linking their work to reminiscences from older residents. The work from the project was entered into the Writing on the Waterways competition promoted by Cambridgeshire County Council. All the work from the project will be published and distributed to local schools.

Rural Arts Development Project

This project was developed during 2003-4 to address the need to develop locally based skills in arts promotion across the district, particularly in the smaller rural locations. The project plan successfully attracted funds from Arts Council England, East and will start in 2004.

Babylon Gallery Outreach Project

This project was also developed during 2003-4, to address the need to extend the reach of the Gallery across the district, and in particular its use by groups and communities, both by supporting visits to the Gallery and by taking activity out into communities beyond Ely. The project also includes the development of an East Cambridgeshire Galleries Forum to build on the artistic and economic success of the sector in the district. Again the project was successful in attracting funds and will begin in 2004.

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.



TRUSTEES REPORT (CONTINUED)

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. Free reserves have now reached this target level. This level was set by the Trustees as it represents approximately 3 months operating costs.

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.

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 2.

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 2004 was 136.



TRUSTEES REPORT (CONTINUED)

Auditors

Price Bailey were re- appointed auditors at the Annual General Meeting on 22 October 2003.

During the year Price Bailey converted to a Limited Liability Partnership, a resolution to appoint Price Bailey LLP will be put to 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 28 July 2004 and signed on its behalf by:

A handwritten signature in dark ink, appearing to read "M. Gent", is written over a horizontal line.

Mr M Gent (Chairman)



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 18 for the year ended 31 March 2004. 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 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.



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 of the charitable company's state of affairs as at 31 March 2004 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 LLP
Registered Auditor**

29 September 2004



**STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 MARCH 2004**

	Notes	Unrestricted Funds	Designated Funds	Restricted Funds	Total Funds 2004	Total Funds 2003
INCOMING RESOURCES						
Donations		198	-	-	198	337
Activities to further the charities objects:			-			
Grants and contracts for arts development	5	195,004	-	71,444	266,448	268,272
Earned income	6	41,592	-	-	41,592	56,720
Investment income		1,684	-	-	1,684	697
TOTAL INCOMING RESOURCES		<u>238,478</u>	<u>-</u>	<u>71,444</u>	<u>309,922</u>	<u>326,026</u>
RESOURCES EXPENDED						
Direct charitable expenditure:						
Grants payable in furtherance of the charity's objects		24,894	-	-	24,894	32,032
Costs of activities in furtherance of the charity's objects						
Events		51,696	-	-	51,696	86,201
Development support		43,711	-	-	43,711	41,064
Babylon gallery		50,379	-	-	50,379	65,381
Equipment bank		11,837	-	-	11,837	12,180
Box office		4,261	-	-	4,261	3,752
Projects		13,304	-	82,756	96,060	21,253
Administration of the charity		16,122	-	-	16,122	14,945
		<u>191,310</u>	<u>-</u>	<u>82,756</u>	<u>274,066</u>	<u>244,776</u>
TOTAL RESOURCES EXPENDED	7	<u>216,204</u>	<u>-</u>	<u>82,756</u>	<u>298,960</u>	<u>276,808</u>
NET INCOMING RESOURCES	3	22,274	-	(11,312)	10,962	49,218
PROVISIONS FOR LIABILITIES AND CHARGES	13	(8,000)	-	-	(8,000)	-
FUND BALANCES						
Brought forward at 1 April 2003		31,415	-	43,551	74,966	25,748
Transfers between funds	8 & 9	(9,672)	6,000	3,672	-	-
Carried forward at 31 March 2004		<u>£36,017</u>	<u>£ 6,000</u>	<u>£35,911</u>	<u>£77,928</u>	<u>£74,966</u>



ARTS DEVELOPMENT IN EAST CAMBRIDGESHIRE

BALANCE SHEET AT 31 MARCH 2004

	Notes	2004	2003
FIXED ASSETS			
Tangible assets	10	6,970	9,853
CURRENT ASSETS			
Debtors	11	9,396	13,222
Cash at bank and in hand		<u>94,486</u>	<u>92,836</u>
		<u>103,882</u>	<u>106,058</u>
CREDITORS: amounts falling due within one year	12	<u>24,924</u>	<u>40,945</u>
TOTAL CURRENT ASSETS		<u>78,958</u>	<u>65,113</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		85,928	74,966
PROVISION FOR LIABILITIES AND CHARGES	13	<u>(8,000)</u>	-
		<u>£77,928</u>	<u>£74,966</u>
CAPITAL AND RESERVES			
Unrestricted Funds		36,017	31,415
Designated Funds	8	6,000	-
Restricted Funds	9	<u>35,911</u>	<u>43,551</u>
		<u>£77,928</u>	<u>£74,966</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 28 July 2004

M. Gent – Chairman

The notes on pages 12 to 18 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	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 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. NET INCOMING RESOURCES	2004	2003
This is stated after charging:-		
Auditors' remuneration	2,448	2,470
Expenses paid to trustees	96	58
Depreciation- per note 10	9,431	1,736
Operating lease payments	<u>2,603</u>	<u>2,325</u>

4. STAFF COSTS		
Wages and salaries	92,528	80,089
Social security costs	6,209	4,727
Pension costs	<u>2,478</u>	<u>4,768</u>
	<u>101,116</u>	<u>89,584</u>

The average weekly number of employees during the year was 6 (2003, 6)

5. GRANTS AND CONTRACTS FOR ARTS DEVELOPMENT

	Unrestricted	Restricted	Total
East Cambridgeshire District Council	187,275	4,000	191,275
Arts Council England, East	7,729	37,387	45,116
Lloyds TSB Foundation	-	10,000	10,000
Chase Charity	-	5,000	5,000
Community Safety Partnership (East Cambridgeshire)	-	3,000	3,000
Cambridgeshire County Council	-	1,000	1,000
New Opportunities Fund	-	1,388	1,388
Soham Town Forum	-	2,250	2,250
LEADER (Club School fund)	-	6,647	6,647
Fenland District Council	-	772	772
	<u>195,004</u>	<u>71,444</u>	<u>266,448</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. EARNED INCOME	2004	2003
Box office	413	-
Development support	870	487
Equipment bank	6,731	6,821
Events	24,528	21,401
Gallery	7,522	26,741
Membership	<u>1,528</u>	<u>1,270</u>
	<u>41,592</u>	<u>56,720</u>

The basis on which the gallery income is arrived at has changed. For the year ending 31 March 2003 income was shown as the total value of sales from the gallery, of which ADeC took a commission with the balance being paid to the artists. For the year ended 31 March 2004 the figure only includes the value of commission received by ADeC.

7. TOTAL RESOURCES EXPENDED

	Employee costs	Artistic costs	Marketing costs	Overheads	Project costs	Total
Events	20,455	20,987	3,119	7,135	-	51,696
Development support	22,498	-	14,240	6,973	-	43,711
Babylon Gallery	23,656	5,903	5,405	15,415	-	50,379
Equipment bank	6,561	-	344	4,932	-	11,837
Box Office	2,953	-	-	1,308	-	4,261
Projects	15,728	38,915	115	5,323	35,979	96,060
Administration	<u>10,603</u>	<u>-</u>	<u>-</u>	<u>5,519</u>	<u>-</u>	<u>16,122</u>
	<u>102,454</u>	<u>65,805</u>	<u>23,223</u>	<u>46,605</u>	<u>35,979</u>	<u>274,066</u>

8. DESIGNATED FUNDS

	At 1/4/2003	From general fund	Expenditure	At 31/3/2004
Replacement of equipment bank	-	6,000	-	6,000
	<u>-</u>	<u>6,000</u>	<u>-</u>	<u>6,000</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. MAJOR PROJECTS & DEVELOPMENT GROUPS

Restricted Funds	At 1/4/2003	Income	Expenditure	At 31/3/2004
Youth Arts	-	6,387	(6,363)	24
Intergenerational Project – Them and Us	18,967	12,500	(16,051)	15,416
Club School	-	5,019	(5,019)	-
Babylon Digital	24,584	44,445	(54,454)	14,575
Soham Young People Day	-	2,250	-	2,250
Ely Partnership	-	3,515	-	3,515
Writing on the waterways	-	1,000	(869)	131
	<u>£ 43,551</u>	<u>£75,116</u>	<u>£(82,756)</u>	<u>£35,911</u>

Purposes of restricted funds

Youth Arts Fund

A youth arts co-ordinator post. This post is supported by the New Opportunities Fund as part of the Healthy Living East Cambridgeshire partnership and by the Chase Charity.

Intergenerational Project, Them & Us Fund.

A three year intergenerational project, to assess the impact of arts activities on intergenerational attitudes and behaviour. The Lloyds TSB Foundation, East Cambridgeshire Community Safety Partnership and Fenland District Council have committed funds to this project. Year one of the project took place in this year.

Club School fund.

A project to provide young people in East Cambridgeshire and Fenland with opportunities to learn about running club events. Funds were received from Leader+, East Cambridgeshire Community Safety Partnership and Fenland District Council for this project, which was completed in July 2003. The outstanding balance is due to payments in arrears by Leader+.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Babylon Digital fund.

A project to introduce digital art to the Babylon Gallery, through the creation of a dedicated website, alterations to the Babylon Gallery to enable digital work to be shown in the Gallery, a series of commissions to create new digital work and workshops with young people to introduce the digital arts medium. This project has received funds from Arts Council England, East and East Cambridgeshire District Council.

Writing on the Waterways

A intergenerational writing project in Littleport, working with primary school children and retired people, to create work inspired by the waterways and reminiscences of life in Littleport. Funding was received from Cambridgeshire County Council for this project, and additional funding in arrears will come from Leader+ fast track.

Soham Young People's Day

This project, to work with young people in Soham to prepare for and run a youth music event, will take place in 2004-5, funding has been received in advance from Soham Town Forum.

Ely Partnership

An ongoing partnership between Ely Cathedral, Britten Sinfonia and ADeC. Funds of £3,515, earned through a previous partnership event, have been restricted towards a major partnership project, including the commissioning of a new work by John Woolrich for performance in Ely Cathedral on 25 September 2004, and a linked outreach project with young people aged 9-12 from Ely.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. TANGIBLE FIXED ASSETS

	Equipment & Furniture	Equipment for Hire	Total
Cost			
At 1 April 2003	19,326	579	19,905
Expenditure	<u>6,048</u>	<u>500</u>	<u>6,548</u>
At 31 March 2004	<u>25,374</u>	<u>1,079</u>	<u>26,453</u>
Depreciation			
At 1 April 2003	9,892	160	10,052
Charge for the year	<u>9,293</u>	<u>138</u>	<u>9,431</u>
At 31 March 2004	<u>19,185</u>	<u>298</u>	<u>19,483</u>
Net Book Values			
At 31 March 2003	<u>9,434</u>	<u>419</u>	<u>9,853</u>
At 31 March 2004	<u>6,189</u>	<u>781</u>	<u>6,970</u>

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

During the year the method of depreciation has been changed and all Equipment and Furniture assets are now written off on a straight line basis over 3 years. The change in depreciation policy has led to an additional £7,081 being charged in the year.

11. DEBTORS	2004	2003
Trade Debtors	6,584	11,232
Grants receivable	1,771	500
Prepayments	<u>1,041</u>	<u>1,490</u>
	<u>9,396</u>	<u>13,222</u>
12. CREDITORS: amounts falling due in one year	2004	2003
Value Added Tax	1,511	6,883
Other creditors	7,718	18,078
Taxes and social security	1,620	1,572
Accruals	3,445	2,515
Balance of grants at 31 March 2004 but not taken up	<u>10,630</u>	<u>11,897</u>
	<u>24,924</u>	<u>40,945</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. PROVISION FOR LIABILITIES AND CHARGES

	Other
Balance at 01 April 2003	-
Profit and loss	<u>8,000</u>
Balance at 31 March 2004	<u>8,000</u>

The provision represents an additional charge for building work on the Babylon Gallery, which was carried out in the year to 31 March 2004. At the balance sheet date this was in dispute with the contractors and has been included as a provision under FRS 12.

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 a share capital. At 31 March 2004 there were 110 (2003: 119) individual members and 26 (2003: 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.