

# **Rural Arts North Yorkshire**

(A company limited by guarantee)

## **Report and Financial Statements**

**Year ended: 31 March 2002**

Charity no: 1081007  
Company no: 3949494



## **Rural Arts North Yorkshire**

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## **Rural Arts North Yorkshire**

### **Legal and Administrative Information**

#### **Status**

The organisation is a charitable company limited by guarantee (company no:3949494) and registered with the Charity Commission (charity no: 1081007).

The company was established under a Memorandum of Association which sets out the objectives and powers of the charitable company and is governed by the Articles of Association. Under these Articles, one third of the members of the Council of Management are required to retire annually by rotation and may offer themselves for re-election.

#### **Appointment of Trustees**

Trustees are appointed by invitation of the members of the Council of Management.

#### **Council of Management**

Dr B Thiede	Chair
Mr C Shirtcliffe	Vice Chair
Mr R Woodworth	Hon. Treasurer
Mrs I Arnold	
Mr J Bloom	died June 2002
Mrs H Bloom	appointed 11 December 2002
Mrs L Bradshaw	
Mr J Bell	
Mr M Bettison	
Mr R Hutchings	
Mr D Lloyd-Williams	
Mr T Mould	appointed 8 March 2002
Mr S Roocroft*	Yorkshire Rural Community Council
Mr C MacPherson*	Yorkshire Arts
Mrs A Dale*	Askham Bryan College
Ms G Sutherland*	North Yorkshire County Council

#### **Secretary**

Mrs J McVay

#### **Arts Director**

Mrs A Hayward

The members of the Council of Management of the charitable company are its trustees for the purposes of Charity law and also directors for the purposes of Company Law.

\* These members are appointed to the Council of Management in an advisory capacity and are not trustees for the purposes of Charity Law.

Mrs A Dale and Ms G Sutherland were appointed on 8 March 2002.

**Legal and Administrative Information** contd.

**Sub Committees**

The Council of Management has three sub committees to help manage the charity effectively. The nature and make up of the committees are set out below:-

**Personnel**

Dr B Thiede, Mr C Shirtcliffe, Mrs I Arnold, Mrs L Bradshaw, Mr D Lloyd-Williams, Mr R Woodworth, Mrs A Hayward.

**Finance**

Dr B Thiede, Mr R Woodworth, Mrs A Hayward

**Courthouse Development**

Dr B Thiede, Mr C Shirtcliffe, Mr J Bell, Mr T Mould, Mrs A Hayward

**Registered Office and Operation Address**

The Old Courthouse, Westgate, Thirsk, North Yorkshire YO7 1QS

**Reporting Accountants**

The Barker Partnership, 17 Central Buildings, Market Place, Thirsk, North Yorkshire. YO7 1HD

**Bankers**

Lloyds TSB, Thirsk Branch, Market Place, Thirsk, North Yorkshire YO7 1HB

**Solicitors**

Jacksons, Innovation House, Yarm Road, Stockton on Tees. TS18 3TN

## **Rural Arts North Yorkshire**

### **Report of the Trustees for the year ended 31 March 2002**

The trustees are pleased to present their report together with the financial statements of the Charity for the period ended 31 March 2002.

Legal and administrative information set out on pages 1 and 2 form part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice – Accounting and Reporting by Charities.

#### **Objects of the Charity**

The object of the Charity is to promote the Rural Arts, in all their forms, in the area of North Yorkshire. The charity contributes to the quality of life of the people in the local authorities making up the County of North Yorkshire through the provision of a challenging and accessible programme of community arts projects and 'On Tour' – a scheme of professional touring companies that are engaged to play in village and community hall venues in North Yorkshire.

#### **Trustees**

It was with great sadness that the Trustees learnt of the death of Mr John Bloom and his presence has been sorely missed at Management meetings. However, the Trustees were delighted when Mrs Hannah Bloom agreed to serve on the Management Committee from December 2002.

It is with pleasure that the Trustees welcome other appointments to the Management Committee, namely Mr Tom Mould and, in an advisory capacity, Mrs Ann Dale and Ms Gayle Sutherland.

Mr Mould comes from the farming community around Masham and has been involved in local activities for a number of years having served on Harrogate Borough Council and as a Town Councillor.

Mrs Ann Dale was invited to support the Management Committee as a representative of Askham Bryan College, a college that has a rural outreach programme similar in nature to Rural Arts.

Ms Gayle Sutherland represents North Yorkshire County Council and the North Yorkshire Cultural Officers Group

#### **Organisation**

The Council of Management, made up of a minimum of three members, meet at regular intervals throughout the period to administer the charity. There is a sub committee covering Personnel. Further sub committees for developing the Courthouse and Finance have been established to streamline and focus the management of the charity during this period and into the future.

The Arts Director continues to manage the day to day operations of the charity.

**Investment Powers**

Under the memorandum and articles of association, the charity has the power to make any investment which the trustees see fit.

**Related Parties**

The charity continues to let the first floor of the Courthouse to Shirtcliffe and Co., Solicitors, of which Mr C. Shirtcliffe, a member of the Council of Management, is the Senior Partner. This is an arm's length transaction with the rent being set at an open market rate. Permission and approval for this arrangement was sought from the Charity Commission and this was given in November 2000. This arrangement is expected to come to an end when Shirtcliffe & Co., Solicitors find new premises.

**Review of the Activities and Future Developments**

Since the last Trustees report Rural Arts has been successful in obtaining funding from Yorkshire Forward under the Single Regeneration Budget, Round 6 and the Learning and Skills Council under Objective 3 Co financing. These two strands of funding have allowed the charity to appoint two development workers and a training officer. The development workers, based in the east and west sides of North Yorkshire, work with local community and voluntary groups within their areas to engage them in creative activities. The development workers are supported by the training officer who helps in devising interesting activities that encourage the participants to seek further education or training. This development work has been supported and enhanced by the mobile classroom of ten laptops, funded by a TargIT grant from the DfES, which has introduced a wide range of groups to the world of computer technology and the internet.

Rural Arts has continued to participate in a wide variety of community projects across the county including the Whitby Fish Quay mosaics, Scruton Village Banner and newspaper body sculpture with the Hawes Museum for the re opening of the National Parks after the Foot and Mouth epidemic. Two interesting youth projects have been undertaken – the first with Nidderdale High School involved year 9 students writing and producing a performance exploring issues surrounding drugs and young people. The charity also supported Thirsk's Ritz Cinema in their Young peoples Film festival by making available the Courthouse and the mobile laptop classroom for the animation element of the festival. This project culminated in a performance of the work produced by the young people during the week at the Cinema in Thirsk.

The Autumn and Spring 'On Tour' scheme continues to offer an interesting range of performances to new rural audiences. The three seasons since the last Trustees Report has included such artists as Tango Siempre – a stunning display of dance that sold out in nearly all the venues involved (an outstanding achievement after the effects of the Foot and Mouth outbreak)- the Eduardo Niebla Guitar Duo and the Ukulele Orchestra of Great Britain.

## **Rural Arts North Yorkshire**

### **Report of the Trustees for the year ended 31 March 2002**

Spring 2002 included a number of performances that were directed at specific target groups. These performances were put on as part of a pilot project funded by the Learning and Skills Council looking at how to engage young people and older people within a community through the Arts.

#### **Reserves Policy**

The Council of Management has established the policy whereby the unrestricted funds not committed or invested in tangible fixed assets are held as general funds at such a level that there are free reserves to provide financial flexibility over the next financial period. This policy will be reviewed on a regular basis.

#### **Risk Management**

The Council of Management has conducted its own review of the major risks to which the charity is exposed. Risks to external funding were identified by the Business Plan and this has led to the company seeking other sources of funding to support its artistic programme and develop other aspects, such as training, of Rural Arts' work. Internal risks are minimized by the close involvement of the Council of Management in decision making.

#### **Responsibilities of the Directors in relation to the Financial Statements**

Company Law requires the Directors to prepare financial statements that give a true and fair view of the state of affairs of the charity at the end of the financial period and its surplus or deficit for the financial period. In doing so the Directors are required to:

1. select suitable accounting policies and then apply them consistently;
2. make judgements and estimates that are reasonable and prudent; and
3. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enables them to ensure that the financial statements comply with the Companies Act 1985. The Directors are responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the Directors:

Position: *Chairman*

Date: *24.1.03*

*Brenda Friede*

## **Accountants' Report to the Members of Rural Arts North Yorkshire**

We report on the financial statements for the year ended 31 March 2002 set out on pages 7 to 15.

### **Respective responsibilities of the directors and reporting accountants**

As described on page 5 the directors, who also act as trustees for the charitable activities of Rural Arts North Yorkshire, are responsible for the preparation of the financial statements, and they believe that the charity is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

### **Basis of opinion**

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the accounts with the accounting records kept by the charity, and in making such limited enquiries of the officers of the charity as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

### **Opinion**

In our opinion:

- (a) the accounts are in agreement with accounting records kept by the charity under section 221 of the Companies Act 1985;
- (b) having regard only to, and on the basis of, the information contained in those accounting records:
  - (i) the accounts have been drawn up in a manner consistent with the accounting requirements specified in section 249 C (6) of the Act; and
  - (ii) the charity satisfied the conditions for exemption from an audit of the financial statements period specified in section 249 A (4) of the Act and did not, at any time within that period, fall within any of the categories of companies not entitled to the exemption specified in section 249 B (1).

*The Barker Partnership.*

For The Barker Partnership  
Registered Auditors

Thirsk

Date: *24<sup>th</sup> January 2003*



# Rural Arts North Yorkshire

## Statement of Financial Activities (including Income and Expenditure Account) for the year ended 31 March 2002

		12 months to 31 March 2002			9 months to 31 March 2001
	note	Restricted Funds	Unrestricted Funds	Total Funds 2002	Total Funds 2001
		£	£	£	£
<b>Incoming Resources</b>					
<u>General Activities</u>					
Yorkshire Arts			24,300	24,300	18,072
Local Authorities			33,340	33,340	26,219
Project Income			28,751	28,751	22,485
Learning & Skills Council pilot project			28,852	28,852	-
TargiT Grant	15	21,055	-	21,055	-
Donations	3	5,200	1,000	6,200	3,500
Community Development Fund	4	-	-	-	7,494
Rental Income			4,672	4,672	2,418
Bank Interest			1,313	1,313	-
Other Income			946	946	1,794
		26,255	123,174	149,429	81,982
<u>On Tour</u>					
Yorkshire Arts			20,000	20,000	15,003
Local Authorities			19,357	19,357	12,683
Event Promoters			10,016	10,016	7,542
			49,373	49,373	35,228
<u>Development of The Courthouse</u>					
Arts Council Lottery Fund	5	-	-	-	21,813
<b>Total Incoming resources</b>		26,255	172,547	198,802	139,023
<b>Resources Expended</b>					
<u>General Activities</u>					
Salaries	6		48,861	48,861	37,863
Travel Costs			6,512	6,512	4,405
Training Costs			1,616	1,616	803
Contract Artists			23,716	23,716	16,209
Materials and Equipment			8,483	8,483	4,638
Office Expenses	8	1,926	23,138	25,064	12,160
Building Expenses			9,518	9,518	7,937
Learning & Skills Council Pilot project costs			14,187	14,187	-
Loss on disposal of Fixed Asset			-	-	1,501
		1,926	136,031	137,957	85,517
<u>On Tour</u>					
Company Fees			32,797	32,797	18,724
Booking Agent			9,507	9,507	7,532
Publicity costs			1,412	1,412	1,340
Touring Events			200	200	418
			43,916	43,916	28,013
<u>Development of Courthouse</u>					
Professional Fees	5	-	-	-	21,813
<b>Total resources expended</b>		1,926	179,948	181,873	135,344
<b>Movement in total funds for the year - Net income/(expenditure) for the year</b>	9	24,329	(7,401)	16,929	3,679
Total funds brought forward		2,500	57,950	60,450	56,771
<b>Total funds carried forward</b>		26,829	50,549	77,379	60,450

**Rural Arts North Yorkshire**  
**Balance Sheet as at 31 March 2002**

	Note	£	2002 £	2001 £
<b>FIXED ASSETS</b>	10		177,267	156,137
<b>CURRENT ASSETS</b>				
Trade Debtors		33,999		29,382
Prepayments		5,809		2,043
Cash at bank and in hand		14,318		28,531
		<u>54,126</u>		<u>59,955</u>
<b>CREDITORS: amounts falling due within one year</b>	11	<u>31,448</u>		<u>29,897</u>
<b>NET CURRENT ASSETS</b>			22,678	30,058
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>199,945</u>	<u>186,195</u>
<b>CREDITORS: amounts falling due after more than one year</b>	14		<u>122,567</u>	<u>125,745</u>
<b>NET ASSETS</b>			<u><u>77,379</u></u>	<u><u>60,450</u></u>
<b>Unrestricted Funds</b>				
General Funds		71,698		54,769
Designated Funds	16	<u>3,181</u>		<u>3,181</u>
			74,879	57,950
<b>Restricted Funds</b>	15		<u>2,500</u>	<u>2,500</u>
			<u><u>77,379</u></u>	<u><u>60,450</u></u>

The Directors statement required under section 249B(4) is shown on page 9 and forms part of the balance sheet  
Approved by the Directors and signed on their behalf:

**Rural Arts North Yorkshire**

**Balance Sheet as at 31 March 2002 contd.**

**Directors' Statements required by Section 249B(4) for the year ended 31 March 2002**

In approving these financial statements as Directors of the company we hereby confirm:

- (a) that for the period stated above the company was entitled to the exemption conferred by section 249A(1) of the Companies Act 1985
- (b) that no notice has been deposited at the registered office of the company pursuant to section 249B(2) requesting that an audit be conducted for the period ended 31 March 2002
- (c) that we acknowledge our responsibilities for:
  - (i) ensuring that the company keeps accounting records which comply with section 221, and
  - (ii) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial period and of its income and expenditure account for the period then ended in accordance with the requirements of section 226 and which otherwise comply with the provisions of the Companies Act relating to the financial statements, so far as applicable to the company.

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

The financial statements were approved by the Directors and signed on its behalf by

Director

Date

*Brenda Ince*  
24.1.03

The notes on pages 10 to 15 form an integral part of these financial statements.

## **1. Accounting Policies**

### **a) Basis of preparation of accounts**

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000); the Companies Act 1985 and follow the recommendations in the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2000) issued in October 2000. The accounting policies adopted in the preparation of the financial statements are as follows:

### **b) Donations, legacies and similar incoming resources**

Donations, legacies and similar resources are included in the year in which they are receivable, which is when the charity becomes entitled to the resource.

### **c) Grants receivable**

Grants receivable, including grants for the purchase of fixed assets, are credited to the Statement of Financial Activities (SOFA) in the year for which they are received. Deferred income represents amounts received for future periods and is released to incoming resources in the period for which it has been received.

### **d) Rental income**

Rental income is included in the Statement of Financial Activities in the year in which it is receivable.

### **e) Interest receivable**

Interest is included when received by the charity.

### **f) Resources expended**

Resources expended are included in the Statement of Financial Activities on an accruals basis. The company is not registered for VAT and accordingly expenditure is shown gross of irrecoverable VAT.

Certain expenditure is directly attributable to specific activities and has been included in those cost categories.

### **g) Pension costs**

The charity participates in a defined contribution scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the period.

**h) Tangible fixed assets**

Individual fixed assets costing £500 or more are capitalised at cost.

Tangible fixed assets are depreciated on a straight line basis over their estimated useful lives as follows:

	Annual rate
Freehold land and buildings	2%
Motor vehicles including those held under finance leases	33%
I T equipment	25%
Kiln	5%

**i) Fund Accounting**

Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the charity without further specified purpose and are available as general funds.

Designated funds are unrestricted funds earmarked by the Council of Management for particular purposes.

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

**2. Legal status of the charity**

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding-up is limited to £1.

**3. Donations**

	Unrestricted	Restricted	2002 Total	2001 Total
	£	£	£	£
Lloyds TSB Foundation	-	5,200	5,200	
General Donations	1,000	-	1,000	1,000
Trustees of Thirsk	-	-	-	2,500
Infants School Charity				
	1,000	5,200	6,200	3,500

**4. European Union Community Development Fund**

A scheme for the promotion of events in upland areas was approved by the North Yorkshire County Council acting in conjunction with the Department of the Environment and the European Union. Grants totalling £30,000 over the three year period ending 31st March 2001 were available to the company in support of these events. Grants up to 50% of attributable expenditure were available. £ 2317 was used to purchase IT equipment that have been included in Fixed Assets.

**5. Development of the Courthouse**

Lottery funding was received for the preparation of a business plan and scheme of works to develop the Courthouse into a suitable artistic and administrative base for the Company. The business plan was then used as the basis of a bid to the Arts Council for funding of the proposed development. This subsequent bid proved to be unsuccessful.

**6. Staff Costs and Trustees' Remuneration**

	2002	2001
	£	£
Wages and salaries	42,510	30,794
Social Security costs	3,598	2,886
Pension Costs	<u>2,753</u>	<u>4,183</u>
	<u>48,861</u>	<u>37,863</u>

No employee earned more than £50,000 per annum.

The members of the Council of Management were not paid or re imbursed for expenses during the year

**7. Staff Numbers**

The average number of employees during the year was made up as follows:

	2002	2001
Directors	4	4
Arts Director	1	1
Administrative Assistant	1.5	1

**8. Office expenses**

	Restricted	Unrestricted	2002 Total	2001
	£	£	£	£
Postage and Stationery		4,376	4,376	2,091
Telephones		3,689	3,689	1,541
Marketing and Promotion		2,521	2,521	2,029
Insurances		2,165	2,165	1,286
Accounting Services		5,521	5,521	4,055
Depreciation	1,926	1,179	3,105	290
Staff Recruitment		894	894	868
Miscellaneous Expenses		2,793	2,793	-
	<u>1,926</u>	<u>23,138</u>	<u>25,064</u>	<u>12,160</u>

**9. Movement in total funds for the period**

This is stated after charging:	2002 £	2001 £
Depreciation of tangible fixed assets		
- owned by the charity	6,020	2,657
- held under finance leases	3,200	2,817
Reporting Accountants' remuneration		
External reporting	400	400

**10. Tangible Fixed Assets**

	Freehold Land and Buildings £	Motor Vehicles £	Kiln £	I T Equipment £	Total £
Cost					
At 1 April 2001	146,738	9,500	543	4,413	161,194
Additions in the year	-	-	-	30,590	30,590
At 31 March 2002	<u>146,738</u>	<u>9,500</u>	<u>543</u>	<u>35,003</u>	<u>191,784</u>
Depreciation					
At 1 April 2001	2,258	2,400	109	290	5,057
Charge for the period	3,010	3,200	145	3,105	9,460
At 31 March 2002	<u>5,268</u>	<u>5,600</u>	<u>254</u>	<u>3,395</u>	<u>14,517</u>
Net book value					
At 31 March 2002	<u>141,470</u>	<u>3,900</u>	<u>289</u>	<u>28,001</u>	<u>177,267</u>
At 31 March 2001	<u>144,480</u>	<u>7,100</u>	<u>434</u>	<u>4,123</u>	<u>156,137</u>

The whole of the net book value of motor vehicles included above at £3,900 relates to assets held under finance leases.

In the Trustees opinion the Freehold Land and Buildings have a market value of approximately £200,000.

**11. Creditors: amounts falling due within one year**

	2002 £	2001 £
Bank loans and overdrafts (secured)	8,782	2,498
Other taxes and social security costs	447	2,371
Obligations under finance leases due within one year	-	2,673
Accruals	3,390	3,954
Amounts received in advance (note 12)	13,551	9,228
Funds held on behalf of City of York Council (note 13)	<u>5,278</u>	<u>9,173</u>
	<u>31,448</u>	<u>29,897</u>

**Rural Arts North Yorkshire****Notes to the financial statements for the year ended 31 March 2002****12. Amounts received in advance**

These represent grants received for the Spring 'On Tour' season that straddles the end of the financial accounting period.

	2002	2001
	£	£
Yorkshire Arts	5,001	5,001
Local Authorities	<u>8,550</u>	<u>4,227</u>
	<u>13,551</u>	<u>9,228</u>

**13. Funds held on behalf of City of York**

This represents the funds managed by Rural Arts North Yorkshire on behalf of the City of York for a Millennium arts project called 'Count Me In'. This project enabled community groups to apply for the services of an artist and the costs of materials to undertake an arts project. This project is expected to be completed in the next financial year.

	2002	2001
	£	£
Balance at 1 April	9,173	30,000
Funds received during period	650	-
Costs of Artists and Materials	<u>(4,545)</u>	<u>(20,827)</u>
Balance at 31 March	<u>5,278</u>	<u>9,173</u>

**14. Creditors: amounts falling due after more than one year**

	2002	2001
	£	£
Lloyds TSB plc (secured)	42,517	45,695
Trustees of Thirsk Infants School Charity (secured)	40,000	40,000
Mr S Clements (secured)	<u>20,000</u>	<u>20,000</u>
	102,517	105,695
Undated Loans	<u>20,050</u>	<u>20,050</u>
	<u>122,567</u>	<u>125,745</u>

**Lloyds TSB plc**

This loan is secured by a first charge on the freehold land and buildings

This represents 32% of the charged asset value.

**Thirsk Infants School Trustees**

This loan is secured by a second charge on the freehold land and buildings

This represents 27% of the charged asset value.

**Mr S Clements**

This loan is secured by a third charge on the freehold land and buildings

This represents 13% of the charged asset value.



**Rural Arts North Yorkshire****Notes to the financial statements for the year ended 31 March 2002****15. Restricted Funds**

	At 1 April 2001 £	Incoming Resources £	Resources Expended £	At 31 March 2002 £
Arts Centre Development	2500	-	-	2500
TargIT Grant	-	21055	(21055)	-
Lloyds TSB Foundation	-	5200	(5200)	-
	<u>2500</u>	<u>26255</u>	<u>26255</u>	<u>2500</u>

Arts Centre Development was a donation from the Thirsk Infants School Trustees for developing the Courthouse as an Arts Centre for Thirsk. These funds have not yet been expended.

TargIT Grant was a grant from the DfES for the provision of a mobile classroom of 10 laptops for use in an outreach environment. The laptops were purchased in January 2002.

The Lloyds TSB Foundation donated £5200 for the purchase of office computer equipment which was purchased in November 2001.

**16. Designated Repairs Funds**

	£
Balance as at 1 April 2001	3,181
Movement in funds for the year	<u>-</u>
Balance carried forward 31 March 2002	<u>3,181</u>

**17. Related Parties**

Mr C. Shirtcliffe, a member of the Council of Management is also the senior partner in Shirtcliffe & Co., Solicitors to whom the charity lets office space under normal commercial terms and at arm's length.

During the year £4,254 (2001 £2,418) was received in rent at an 'open market' rate as established by Joplings, Estate Agents and Valuers, Thirsk.