

**Rural Arts North Yorkshire**  
(A company limited by guarantee)

**Report and Financial Statements**

**Period ended: 31 March 2001**

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 incorporated on 16 March 2000 and did not trade until 1 July 2000. On 1 July 2000 the company took on the assets and liabilities of Rural Arts North Yorkshire, an unincorporated charity (charity no: 1018523) which was subsequently dissolved.

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. However, at the first AGM all members of the Council of Management are required to retire and offer themselves for re election.

#### **Appointment of Trustees**

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

#### **Council of Management**

Mrs B Theide	Chair
Mr C Shirtcliffe	Vice Chair
Mr R Woodworth	Hon. Treasurer
Mrs I Arnold	
Mr J Bloom	
Mrs L Bradshaw	
Mr J Bell	
Mr M Bettison	
Mr R Hutchings	
Mr D Lloyd-Williams	

Mr S Roocroft*	Yorkshire Rural Community Council
Cluny MacPherson*	Yorkshire Arts

#### **Secretary**

Mrs J McVay

#### **Arts Director**

Mrs A Heyward

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.

## **Rural Arts North Yorkshire**

### **Legal and Administrative Information contd.**

#### **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 period ended 31 March 2001**

- The trustees are pleased to present their report together with the financial statements of the Charity for the period ended 31 March 2001.

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.

#### **Organisation**

The Council of Management, made up of a minimum of three members, meet at regular intervals throughout the period, administers the charity. There is a sub committee covering Personnel. An Arts Director is appointed 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 lets 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.

#### **Review of the Activities and Future Developments**

From the date of incorporation until 1<sup>st</sup> July 2000, the company did not trade. On 1<sup>st</sup> July 2000 the company took over the assets and liabilities of Rural Arts North Yorkshire, an unincorporated charity. This latter charity was then dissolved in August 2000.

During the period the company successfully applied for Lottery Funding for the development of a business plan and a scheme for development of the Courthouse. Changes in staff has led to an internal review and restructuring of the organization in line with the business plan. This has led to a refocusing of the organization to operate on a more strategic level across the region, supporting the emerging county- wide cultural strategy.

**Rural Arts North Yorkshire**  
**Report of the Trustees for the period ended 31 March 2001**

During the period, Rural Arts took part and supported a wide range of Millennium projects with community groups in the County, including Alne mosaic sundial, Kirby Hill Church banners and Fryton's mosaic floor and seating. Rural Arts also managed the Millennium 'Count me in' project for the City of York.

Rural Arts invested in new computer equipment that is used in community outreach projects. Rural Arts have also developed and launched its own website that is regularly updated with information about projects being undertaken and feedback from groups taking part in events as well as an artists' database.

The Autumn and Spring 'On Tour' scheme continued to reach new rural audiences. The Autumn 2000 tour had thirty seven shows including Indian Dance, a brass ensemble as well as a variety of theatre companies. The Spring 2001 schedule was decimated by the Foot and Mouth outbreak with fourteen out of the twenty seven shows having to be cancelled or rescheduled. The foot and mouth outbreak continued to affect all aspects of Rural Arts outreach work until well into the summer of 2001.

**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.

**Rural Arts North Yorkshire**

**Report of the Trustees for the period ended 31 March 2001**

- 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:  
Date

*C Shitcliffe*  
*Vice-Chairman*  
*14/1/02*

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

We report on the financial statements for the period ended 31 March 2001 set out on pages 7 to 14.

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

As described on pages 4 and 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 not entitled to the exemption specified in section 249 B (1).

*The Barker Partnership*

For The Barker Partnership  
Registered Auditors

Thirsk

Date: 14<sup>th</sup> February 2002



**Rural Arts North Yorkshire**  
**Statement of Financial Activities (including Income and Expenditure Account)**  
**for the period ended 31 March 2001**

	note	Restricted Funds	Unrestricted Funds	Total Funds 2001
<b>Incoming Resources</b>		£	£	£
General Activities				
Yorkshire Arts			18072	18072
Local Authorities			26219	26219
Project Income			22485	22485
Donations	3	2500	1000	3500
Community Development Fund	4		7494	7494
Rental Income			2418	2418
Bank Interest			1794	1794
		<u>2500</u>	<u>79482</u>	<u>81982</u>
On Tour				
Yorkshire Arts			15003	15003
Local Authorities			12683	12683
Event Promoters			7542	7542
			<u>35228</u>	<u>35228</u>
Development of The Courthouse				
Arts Council Lottery Fund	5	21813	-	21813
<b>TOTAL INCOMING RESOURCES</b>		<u>24313</u>	<u>114710</u>	<u>139023</u>
<b>Resources Expended</b>				
General Activities				
Salaries	6		37863	37863
Travel Costs			4405	4405
Training Costs			803	803
Contract Artists			16209	16209
Materials and Equipment			4638	4638
Office Expenses			12160	12160
Building Expenses			7937	7937
Loss on disposal of Fixed Asset			1502	1502
			<u>85517</u>	<u>85517</u>
On Tour				
Company Fees			18724	18724
Booking Agent			7532	7532
Publicity costs			1340	1340
Touring Events			418	418
			<u>28014</u>	<u>28014</u>
Development of Courthouse				
Professional Fees	5	21813	-	21813
<b>TOTAL RESOURCES EXPENDED</b>		<u>21813</u>	<u>113531</u>	<u>135344</u>
<b>NET INCOME FOR THE PERIOD</b>	8	<u>2500</u>	<u>1179</u>	<u>3679</u>

**Rural Arts North Yorkshire**  
**Balance Sheet as at 31 March 2001**

	Note	£	2001 £
<b>FIXED ASSETS</b>	9		156137
<b>CURRENT ASSETS</b>			
Trade Debtors		29382	
Prepayments		2042	
Cash at Bank and in Hand		<u>28531</u>	
		59955	
<b>LIABILITIES: amounts falling due within one year</b>			
Creditors	10	7542	
Amounts received in advance	11	9228	
Accruals		3954	
Funds held on behalf of City of York Council	12	<u>9173</u>	
		29897	
<b>NET CURRENT ASSETS</b>			30058
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>186195</u>
<b>LIABILITIES: amounts falling due after more than one year</b>	13		<u>125745</u>
<b>NET ASSETS</b>			<u><u>60450</u></u>
Unrestricted Funds			1179
Funds transferred from Rural Arts North Yorkshire (unincorporated)			53590
Restricted Funds	14		2500
Designated Funds	15		<u>3181</u>
			<u><u>60450</u></u>

The Directors statement required under section 249B(4) is shown on page 9 and forms part of the balance sheet.

**Rural Arts North Yorkshire**  
**Balance Sheet as at 31 March 2001 contd.**

**Directors' Statements required by Section 249B(4) for the period ended 31 March 2001**


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 2001
- (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

  
14/1/02

The notes on pages 10 to 14 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 SOFA 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.

## **Rural Arts North Yorkshire**

### **Notes to the financial statements for the period ended 31 March 2001**

#### **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%
IT 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 £	Total £
Trustees of Thirsk Infants School Charity	-	2,500	2,500
General donations	<u>1,000</u>	<u>-</u>	<u>1,000</u>
	<u>1,000</u>	<u>2,500</u>	<u>3,500</u>

## **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

## **Rural Arts North Yorkshire**

### **Notes to the financial statements for the period ended 31 March 2001**

#### **5. Development of the Courthouse contd.**

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**

	£
Wages and salaries	30,794
Social Security costs	2,886
Pension Costs	<u>4,183</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 period was made up as follows:

Directors	4
Arts Director	1
Administrative Assistant	1

When the company was first incorporated in March 2000 there were two directors, a performing arts director and a visual arts director. In July 2000 the performing arts director resigned and the Council of Management chose not to appoint a replacement.

#### **8. Movement in total funds for the period**

This is stated after charging:

	£
Depreciation of tangible fixed assets	
- owned by the charity	2,657
- held under finance leases	2,817
Reporting Accountants' remuneration	
External reporting	400

**Rural Arts North Yorkshire**  
**Notes to the financial statements for the period ended 31 March 2001**

**9. Tangible Fixed Assets**

	Freehold Land and Buildings £	Motor Vehicles £	Kiln £	I T Equipment £	Total £
<b>Cost</b>					
At 1 July 2001	-	-	-	-	-
Additions in the period	146,738	16,618	543	4,413	168,311
Disposals in the period	-	(7,118)	-	-	(7,118)
At 31 March 2001	<u>146,738</u>	<u>9,500</u>	<u>543</u>	<u>4,413</u>	<u>161,193</u>
<b>Depreciation</b>					
At 1 July 2001	-	-	-	-	-
Charge for the period	2,258	2,817	109	290	5,473
Disposals in the period	-	(417)	-	-	(417)
At 31 March 2001	<u>2,258</u>	<u>2,400</u>	<u>109</u>	<u>290</u>	<u>5,056</u>
<b>Net book value</b>					
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 £7,100 relates to assets held under finance leases.

**10. Creditors**

	£
Taxes and Social Security Costs	2,371
Obligations under finance leases due within one year	2,673
Loan repayments due within one year (Lloyds TSB plc) note 13	<u>2,498</u>
	<u>7,542</u>

**11. Amounts received in advance**

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

	£
Yorkshire Arts	5,001
Local Authorities	<u>4,227</u>
	<u>9,228</u>

**12. 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.

**Rural Arts North Yorkshire****Notes to the financial statements for the period ended 31 March 2001****12. Funds held on behalf of City of York contd.**

	£
Funds Received from the City of York	30,000
Costs of Artists and Materials to 31 March 2001	<u>20,827</u>
	<u>9,173</u>

**13. Liabilities: amounts falling due after more than one year**

	£
Lloyds TSB plc (secured)	45,695
Trustees of Thirsk Infants School Charity (secured)	40,000
Mr S Clements (secured)	<u>20,000</u>
	105,695
Undated Loans (secured)	<u>20,050</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.

Undated loans

Two loans of £15,050 and £5,000 respectively are secured by further charges on the freehold land and buildings. These represent 10% and 3% of the charged asset value.

**14. Restricted Funds**

	£
Development of the Courthouse as an Arts Centre	<u>2,500</u>

**15. Building Repairs Fund**

	£
Balance transferred from RANY (unincorporated) on 1 July 2000	5,945
Less: External painting and other repairs	<u>2,764</u>
Balance carried forward 31 March 2001	<u>3,181</u>

**16. 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 period £2,418 was received in rent at an 'open market' rate as established by Joplings, Estate Agents and Valuers, Thirsk.