



**HEREFORD ARTS IN ACTION LIMITED**

**AUDITED REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2010**

**Registered No. 2243832**

**Registered Charity No. 700196**



Young & Co.

**CHARTERED ACCOUNTANTS AND REGISTERED AUDITORS**

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## **HEREFORD ARTS IN ACTION LIMITED**

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**HEREFORD ARTS IN ACTION LIMITED**

**GENERAL INFORMATION**

**2010**

**Directors:**

Robin Cox (Chairman)	Sarah Corbett
Paul Elkington	Jane Glover
Lindsey Mundy	Grant Baynham
Robert Green	Brian Barrett
Paula Snow	Allan Johnson
Claire Kennedy	

**Secretary:**

Robert Neville Strawson

**Registered and Administrative Office:**

The Courtyard Centre for the Arts  
Edgar Street  
Hereford  
HR4 9JR

**Auditors:**

Young & Co  
Chartered Accountants & Registered Auditors  
Bewell House  
Bewell Street  
Hereford  
HR4 0BA

**Bankers:**

HSBC plc  
35 High Town  
Hereford  
HR1 2AQ

**Charity Name:**

Hereford Arts in Action (known as "The Music Pool")

## HEREFORD ARTS IN ACTION LIMITED

### CHAIRMAN'S REPORT

31 MARCH 2010

It seems that every year the Music Pool finds enough energy and inspiration to produce a bonanza of projects that are greeted with delight and pleasure from the public. We have our core activities that continue to be the bedrock of our work but Rob, Dennis and the team are always looking to respond to new needs. This process is helped immensely with the knowledge that there is a vastly experienced group of artists who are able to assume responsibility for project delivery. In our recent Board meetings we have been inviting some of these people to discuss their particular areas of involvement with us. This layer of Music Pool management is impressive and continues to grow, so giving us the chance to continue with the expansion of our projects whilst retaining the high standards that are the hallmark of our work.

The year has, as predicted, proven to be a difficult one financially, showing, for the first time, a small working loss. The Board has recognised that finances in the immediate future are going to be tighter than in the past and, as a consequence, we are actively planning to search for local sponsors of our work as well as of The Music Pool itself. Projects such as The Stonemason's Tale, The Gathering Wave, Jigsaw and Livewire (our very successful youth project) are all ideal for attracting local interest. This is our first venture into sponsorship for several years, which we hope will be successful. The first step of updating and improving our website is already under way.

The continued success of The Music Pool is down to the expertise, hard work and efficient management of our core staff team - Rob, Dennis, Mina and Nicky. They continue to attract so much praise from our participants. Recognition of the contribution to the musical life of Herefordshire was acknowledged this year in being given the coveted Elgar in Hereford Award for 2010. We are all very proud.

I look forward to the forthcoming year with great optimism as we develop new ideas, attract more funding through earned income as well as sponsorship and continue to liberate the creative potential, and enhance the lives and well-being, of a whole range of people throughout Herefordshire.



Robin Cox

15 November 2010

## **HEREFORD ARTS IN ACTION LIMITED**

### **DIRECTORS' REPORT**

**31 MARCH 2010**

The directors present their report and the audited financial statements for the year ended 31 March 2010.

#### **Governing Document**

The Charity is a company limited by guarantee and not having a share capital. As such it is governed by its Memorandum and Articles of Association. It was incorporated on 13 April 1988.

#### **Recruitment and Appointment of Directors**

The Directors of the company during the year were as follows:-

Robin Cox (Chairman)	Sarah Corbett	
Paul Elkington	Jane Glover	
Lindsey Mundy	Claire Sheppard	Resigned 29 March 2010
Robert Green	Grant Baynham	
Paula Snow	Brian Barrett	
Claire Kennedy	Allan Johnson	Appointed 12 May 2010

The subscribers to the Memorandum of Association and other persons elected by the directors shall, with their agreement, be admitted to membership of the company. The maximum number of members is unlimited.

The first directors were the subscribers to the Memorandum of Association. The directors shall have power at any time, and from time to time, to appoint any member to be a director subject to their agreement. The minimum number of directors is five, the maximum is fifteen.

#### **Trustee Induction and Training**

Prospective new trustees are interviewed by the Chairman and Artistic Director, prior to attending at least one meeting of the Board as guests. After being elected and appointed by the Board, new trustees complete the relevant forms for the Charity Commissioners and Companies House, plus conflict of interests and skills audit, and acknowledge their responsibilities.

#### **Organisational Structure**

The organisation is governed by a Board of eleven directors/trustees, who operate on a voluntary basis (i.e. without remuneration) who come from a variety of backgrounds, careers and walks of life, but who are unified by a mutual support for the company's mission, aims and objectives. In addition to the Annual General Meeting, the Board meets every two months.

There are two main salaried employees - an Artistic Director (who is also the Company Secretary) and an Administrator, both of whom report to the Board. In addition there is a General Assistant (part-time) and a Youth Music Projects Coordinator, also part-time, whose post is funded directly from the Youth Music Action Zone grant.

# **HEREFORD ARTS IN ACTION LIMITED**

## **DIRECTORS' REPORT**

**31 MARCH 2010**

### **Risk Management**

The directors have assessed the risks to which the charity is exposed, in particular those related to the operations and the finances of the company. We are satisfied that systems are in place to mitigate exposure to the major risks, and have recently completed the annual review. No major risks were identified.

Long term illness of key staff - The company continues to monitor the possibility of key-employee sickness and accident cover.

Public and Employer's liability - The company's current insurance arrangements provide satisfactory protection.

Loss of property, premises and resources - Again current insurance cover is satisfactory. With regard to vital data held on computer, a back up is made weekly on an external drive and stored off the premises.

Loss of grant and other funds - The organisation has a strategy for the avoidance of deficits, and a reserves and contingencies policy (see below) in force.

### **Objectives and Activities**

The Charity is established to promote, maintain and advance the education of the public in the arts generally and more particularly the arts of music and singing, dance, drama, mime, poetry, literature, graphic arts, sculpture, craft and design.

The Charity's mission, aims and objectives in detail are as follows:

Mission: To initiate and maintain fresh creative participatory processes in music, sound and associated arts, in response to increasing local and universal needs for aesthetic, spiritual, cultural, social and individual fulfilment.

Aim: To liberate the creative potential of people of all ages, abilities and financial means, in all parts of Herefordshire and the surrounding region, through sound and music.

Strategic Aims:

- To become a Key Regional Organization within the Arts Council of England West Midlands area.
- To achieve the long-term survival and development of The Music Pool.
- To play a crucial role in the proposed large-scale artistic and cultural development of Herefordshire and The Courtyard.

## **HEREFORD ARTS IN ACTION LIMITED**

### **DIRECTORS' REPORT**

**31 MARCH 2010**

#### Objectives

1. Exploration of the most effective ways in which music-making can challenge social exclusion and contribute to community renewal.
2. Focus on those with the least opportunity to make music.
3. Initiation of work that is in collaboration with and responsive to a diverse range of other art forms.
4. Consolidation and development of an active and interactive network of partnerships, including fostering and maintaining good relationships with funding bodies.
5. Provision of high quality professional development opportunities for musicians, other artists, teachers, youth workers, and other community leaders, and participants.
6. Commissioning of work which reflects the region's heritage and its contemporary urban and rural environments, and which respects and enhances those environments.
7. Work with local, national and international artists.
8. Establishment and maintenance of a team of artists who will help develop our policies and programme.
9. Effective documentation and evaluation of project work with appropriate attention to any follow-up activity.
10. Maintenance of consistently high standards of artistic, management and financial practice.

The trustees have considered carefully the Charity Commission's guidance on public benefit. The provision of the services as described above provides a benefit to all in the local community and further afield.

#### **Achievements and Performance**

The organisation has continued to expand its work in a number of key areas.

Pre-school: work has continued in a variety of pre-school settings, nurseries, playgroups and family centres, with a greater emphasis on adult training and leaving a legacy of increased activity, funded from a number of sources. We are also happy to report on the strengthening of partnerships with Children's Centres and Herefordshire EYES, which will lead to increased activity.

Schools work: the organisation continues to work in the county's primary and secondary schools, providing projects that support, enhance and/or complement statutory curriculum provision. We have also been responding to an increased level of demand for specialised provision - to children with educational and behavioural difficulties, in special schools, pupil referral units and standard schools. Due to the change in the nature of our partnership with the Herefordshire Music Service, we continue to pursue relationships with schools, but with the work funded in the main by direct contributions from client schools, from within their own budgets. An exception to this is in the area of externally funded special educational projects, such as The Stonemason's Tale (partnership with Hereford Cathedral) and The Gathering Wave (partnership with Three Choirs Festival).

## **HEREFORD ARTS IN ACTION LIMITED**

### **DIRECTORS' REPORT**

**31 MARCH 2010**

Children and Youth: with funders including Youth Music (via the Youth Music Action Zone programme), the Arts Council England West Midlands, West Mercia Constabulary and the Youth Opportunities Fund, we have continued to work in a variety of youth settings, often in partnership with youth-related organisations such as statutory and voluntary youth services, local authority social services, and careers, health and educational services.

Adults: we provide opportunities for adults to be trained in community music practice, and operate participatory activities for older and retired people. We also operate a music information, contacts and advice service for the county, available on the internet. Preparations for the Gathering Wave 2012, the large scale community singing project, are now in hand and making good progress, with an anticipated final performance in July 2012.

Special needs: we continued to work with people of all ages, with a variety of special needs, with several partner & client agencies, including SCOPE, the Drake Music Project & MIND. The next integrated dance & music project, Jigsaw 2011, will again benefit from live music contributions from our artists. There remain plans to expand our special needs provision in the future. The Yam Jams project, working with adults with learning disabilities continues to expand and looks likely to generate a second centre of activity in Leominster, North Herefordshire.

#### **Financial review**

Details of the financial position of the Charity are set out in the following accounts which have been prepared in accordance with the Statement of Recommended Practice - Accounting by Charities.

#### **Results for the year**

The Statement of Financial Activities summarises the incoming resources and funds expended and these are analysed between unrestricted and restricted funds. Unrestricted funds are expendable at the discretion of the directors and members in furtherance of the objectives of the Charity.

For the year ended 31 March 2010, net outgoing resources amounted to £10,929 (2009: net incoming resources amounted to £1,046). Net assets amounted to £94,308 (2009: £105,237).

Due to the current economic climate it was not possible to make a contribution to the contingencies monies as set out in the reserves and contingencies policy.

#### **Fundraising**

Once again, the organisation was funded by a number of sources, chiefly grants and income generating activities. This was the second year of a two year local authority grant.

Overall, the proportion of grant & donation funding was down to some 53% of total funding. However, this was compensated for with a significant increase in earned income (fees from clients, sales etc.) up to 47% of total funding – an increase of 11% on the previous year.

**HEREFORD ARTS IN ACTION LIMITED**

**DIRECTORS' REPORT**

**31 MARCH 2010**

**Reserves & contingencies policy**

- The finances of The Music Pool shall be operated so as to set aside a minimum of 5% of total income, as shown in the accounts.
- The Music Pool management will aim to run the finances in such a way as to enable the organisation to operate for six months without further funding.
- A separate, interest earning savings account shall be set up to hold the contingencies monies. This account cannot be accessed without specific approval from the board of trustees.
- The contingency fund should be shown on the balance sheet.
- The contingency fund should not be shown in cash flow projections, as it is not readily available cash.
- The management is responsible for implementing the contingency policy, which will give the management the flexibility to plan and to achieve the building up of the fund as soon as possible.
- The Board will review the progress of the policy periodically.


**Plans for the future**

The organisation continues its work and makes the most of opportunities to expand its operations and consolidate its place within the various sectors in which it operates. In particular, we continue to expand our work with people with disabilities, children of pre-school age, older and retired people, and our singing work with children and young people.

In order to pursue these aims, new sources of funding are continually being investigated and relationships with existing funders are being carefully maintained.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime in Part 15 of the Companies Act 2006.

**On behalf of the board**



**Robert Neville Strawson  
Secretary**

15 November 2010  
The Music Pool  
The Courtyard Centre for the Arts  
Edgar Street  
Hereford  
HR4 9JR

**HEREFORD ARTS IN ACTION LIMITED**

**31 MARCH 2010**

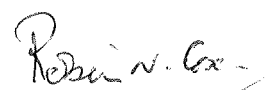
**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare statutory financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

15 November 2010

  
Robin Cox (Chairman) - Director

**HEREFORD ARTS IN ACTION LIMITED**

**INDEPENDENT AUDITORS' REPORT**

**YEAR ENDED 31 MARCH 2010**

**To the members of**

**Hereford Arts In Action Limited**

We have audited the financial statements of Hereford Arts In Action Limited on pages 11 to 20. These comprise the Profit and Loss Account, Balance Sheet and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the charity's members, as a body, in accordance with s495 of the Companies Act 2006. 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 an 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 our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

As described in the Statement of Directors' Responsibilities, the charity's directors are responsible for the preparation of the financial statements and for being satisfied they give a true and fair view .

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and have been prepared in accordance with the Companies Act 2006.

We also report to you whether in our opinion the information given in the Trustees' Annual Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charity has not kept adequate accounting records, if the charity's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if disclosures of trustees' remuneration specified by law are not made.

**HEREFORD ARTS IN ACTION LIMITED**

**INDEPENDENT AUDITORS' REPORT**

**YEAR ENDED 31 MARCH 2010**

**To the members of**

**Hereford Arts In Action Limited**

(continued)

**Basis of audit opinion**

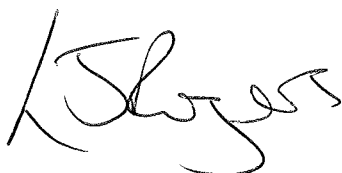
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity'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 that the financial statements are free from material misstatement, 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 on financial statements**

In our opinion the financial statements:

- the financial statements give a true and fair view of the state of the charity's affairs as at 31 March 2010 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the financial statements have been prepared in accordance with the Companies Act 2006, and
- the information given in the Trustees' Annual Report is consistent with the financial statements.



Lewis Rogers (Senior statutory auditor)  
for, and on behalf of, Young & Co, Statutory Auditors  
Bewell House, Bewell Street, Hereford, HR4 0BA

Date 15 November 2010

**HEREFORD ARTS IN ACTION LIMITED**

**STATEMENT OF FINANCIAL ACTIVITIES**

**YEAR ENDED 31 MARCH 2010**

	<u>Note</u>	<u>Unrestricted</u> <u>Fund</u> £	<u>Restricted</u> <u>Fund</u> £	<u>2010</u> <u>Total</u> <u>Funds</u> £	<u>2009</u> <u>Total</u> <u>Funds</u> £
<b>INCOMING RESOURCES</b>					
<b>Incoming resources from generated funds</b>					
<b>Voluntary income</b>					
Grants and donations	2	-	108,758	108,758	143,543
<b>Activities for generating funds</b>					
Musical services, ticket sales and sundry income		3,621	133,154	136,775	93,083
Investment income	3	49	-	49	1,646
<b>Total incoming resources</b>		<u>3,670</u>	<u>241,913</u>	<u>245,582</u>	<u>238,272</u>
<b>RESOURCES EXPENDED</b>					
<b>Charitable activities</b>					
Pre-school	4	-	44,351	44,351	30,358
In school	4	-	27,791	27,791	41,149
Children and youth	4	-	91,300	91,300	86,005
Adult	4	2,357	29,450	31,807	25,704
Special needs	4	-	59,466	59,466	52,326
<b>Governance costs</b>	5	100	1,696	1,796	1,684
<b>Total resources expended</b>	7	<u>2,457</u>	<u>254,054</u>	<u>256,511</u>	<u>237,226</u>
Net incoming (outgoing) resources		1,212	(12,141)	(10,929)	1,046
<b>Reconciliation of Funds</b>					
Total funds brought forward		32,470	72,767	105,237	104,191
<b>Total Funds carried forward</b>		<u>33,682</u>	<u>60,626</u>	<u>94,308</u>	<u>105,237</u>

The statement of financial activities included all gains and losses recognised in the year. All incoming resources and resources expended derive from continuing activities.

The notes on pages 14 to 20 form part of these financial statements.

**HEREFORD ARTS IN ACTION LIMITED**

**BALANCE SHEET**

**AT 31 MARCH 2010**

	<b><u>Note</u></b>	<b><u>Unrestricted</u></b> <b><u>Fund</u></b> <b><u>£</u></b>	<b><u>Restricted</u></b> <b><u>Fund</u></b> <b><u>£</u></b>	<b><u>2010</u></b> <b><u>Total</u></b> <b><u>Funds</u></b> <b><u>£</u></b>	<b><u>2009</u></b> <b><u>Total</u></b> <b><u>Funds</u></b> <b><u>£</u></b>
<b>Fixed assets</b>					
Tangible assets	9	8,593	-	8,593	10,577
Investments	10	24,639	48,806	73,445	81,663
		<u>33,232</u>	<u>48,806</u>	<u>82,038</u>	<u>92,240</u>
<b>Current assets</b>					
Debtors	11	-	13,779	13,779	16,235
Cash at bank		550	-	550	446
		<u>550</u>	<u>13,779</u>	<u>14,329</u>	<u>16,681</u>
<b>Creditors:</b> Amounts falling due within one year	12	<u>(100)</u>	<u>(1,959)</u>	<u>(2,059)</u>	<u>(3,684)</u>
<b>Net current assets</b>		<u>450</u>	<u>11,820</u>	<u>12,270</u>	<u>12,997</u>
<b>Net Assets</b>		<u>£ 33,682</u>	<u>£ 60,626</u>	<u>£ 94,308</u>	<u>£ 105,237</u>

**HEREFORD ARTS IN ACTION LIMITED**

**BALANCE SHEET**

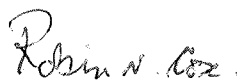
**AT 31 MARCH 2010**

(continued)

			<u>2009</u>	
<u>Note</u>	<u>Unrestricted</u> <u>Fund</u> <u>£</u>	<u>Restricted</u> <u>Fund</u> <u>£</u>	<u>Total</u> <u>Funds</u> <u>£</u>	<u>Total</u> <u>Funds</u> <u>£</u>
<b><u>Net Assets (page 12)</u></b>	<u>£ 33,682</u>	<u>£ 60,626</u>	<u>£ 94,308</u>	<u>£ 105,237</u>
<b>The funds of the charity</b>				
Restricted income funds	13	-	60,626	72,767
Unrestricted income funds	13	33,682	33,682	32,470
		<u>£ 33,682</u>	<u>£ 94,308</u>	<u>£ 105,237</u>

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Approved by the Board of Directors on 15 November 2010 and signed on its behalf by:



Robin Cox (Chairman) - Director

The notes on pages 14 to 20 form part of these financial statements.

## HEREFORD ARTS IN ACTION LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

AT 31 MARCH 2010

#### 1. Principal accounting policies

##### **Basis of accounting**

The financial statements have been prepared under the historical cost accounting rules and in accordance with the Companies Act 2006, the Charities Act 1993 and the Financial Reporting Standard for Smaller Entities (effective April 2008) and follow the recommendations in Accounting and Reporting by Charities Statement of Recommended Practice issued in March 2005.

##### **Incoming resources**

All incoming resources are included in the Statement Of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Grants are recognised once all conditions for their receipt have been met.

##### **Resources expended**

All expenditure is accounted for on an accruals bases and has been classified under headings that aggregate all costs related to the category.

##### **Allocation of overhead and support costs**

Overhead and support costs have been allocated between the charitable activities and governance. The allocation of overhead and support costs is analysed in note 5.

##### **Costs of Generating Funds**

The costs of generating funds consist of Artist fees, materials and travel.

##### **Charitable activities**

Costs of charitable activities include an apportionment of overhead and supports costs as shown in note 4.

##### **Governance costs**

Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice. These costs included costs related to statutory audit.

##### **Depreciation**

Depreciation on tangible fixed assets is charged so as to write off their full cost or valuation, less estimated residual values, over their expected useful lives at the following rates:

Musical equipment	-	15% of written down value per annum
Office equipment	-	10%/15% of written down value per annum
Computer equipment	-	33% of written down value per annum

##### **Corporation Tax**

Hereford Arts in Action Limited is a registered charity and as such is not generally liable to corporation tax.

**HEREFORD ARTS IN ACTION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**AT 31 MARCH 2010**

(continued)

**1. Principal accounting policies (continued)**

**Fund-raising, publicity and administration costs**

Fund-raising, publicity and administration costs comprise direct costs together with applicable overheads.

**Activities**

All activities are classed as continuing. No activities have been acquired or discontinued in the last two years.

**Restricted funds**

Income with any specific restriction as to use forms part of the restricted fund.

**Unrestricted funds**

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.

**2. Grants income**

	<b><u>2010</u></b>			<b><u>2009</u></b>		
	<b><u>Unrestricted</u></b>	<b><u>Restricted</u></b>	<b>%</b>	<b><u>Unrestricted</u></b>	<b><u>Restricted</u></b>	
	<b>£</b>	<b>£</b>		<b>£</b>	<b>£</b>	
Herefordshire Council	-	15,100	14	-	12,250	9
Herefordshire Council Children's Services - School Grant	-	4,260	4	-	15,000	10
Arts Council England - West Midlands	-	40,900	38	-	32,000	22
National Foundation for Youth Music (YMAZ Youth Music Programme)	-	8,080	7	-	21,195	15
Herefordshire Early Years Development and Child Care Partnership	-	-		-	-	
Herefordshire Children's Fund	-	3,276	3	-	3,278	2
PRS Foundation	-	1,500	1	-	1,500	1
Eveson Charitable Trust	-	11,000	10	-	10,500	7
Youth Music	-	-		-	15,000	10
National Lottery Fund	-	-		-	7,750	5
Lankelly Chase Foundation	-	-		-	10,000	7
Beckett Bulmer Trust	-	1,000	1	-	-	
Elmley Foundation	-	-		-	2,000	1
CME Twiston Davies	-	3,007	3	-	-	
P F Charitable Trust	-	-		-	500	0
Youth Bank	-	4,600	4	-	-	
West Mercia Police Authority	-	8,600	8	-	-	
Youth Opportunities Fund	-	4,500	4	-	5,140	4
The Sage Gateshead	-	-		-	6,500	5
Sundry donations and sponsorship	-	2,935	3	-	930	1
	<b>-</b>	<b>108,758</b>	<b>100</b>	<b>-</b>	<b>143,543</b>	<b>100</b>

**HEREFORD ARTS IN ACTION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**AT 31 MARCH 2010**

(continued)

**3. Investment income**

Interest on cash deposits	<u>49</u>	-	<u>1,646</u>	-
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**4. Analysis of charitable expenditure**

	<u>Pre</u> <u>School</u> £	<u>In</u> <u>School</u> £	<u>Children</u> <u>and youth</u> £	<u>Adults</u> £	<u>Special</u> <u>Needs</u> £	<u>2010</u> <u>Total</u> £
Artists' fees	29,903	17,445	39,722	15,991	38,500	141,561
Newroots management salaries	-	-	18,327	-	-	18,327
Venue hire	-	-	1,509	977	1,265	3,751
Project materials	145	40	576	1,475	483	2,719
Travel and accommodation	60	1,115	1,516	386	59	3,136
Documentation	-	-		388	100	488
Marketing and publicity	-	-	430	1,420	-	1,850
Catering	-	314.60	11	635	123	1,084
Other expenses	120	27	135	407	2	691
	<u>30,228</u>	<u>18,942</u>	<u>62,227</u>	<u>21,679</u>	<u>40,530</u>	<u>173,606</u>
Support costs	14,123	8,850	29,073	10,128	18,936	81,109
	<u>44,351</u>	<u>27,791</u>	<u>91,300</u>	<u>31,807</u>	<u>59,466</u>	<u>254,715</u>
Unrestricted	-	-	-	2,357	-	2,357
Restricted	44,351	27,791	91,300	29,450	59,466	252,358
	<u>44,351</u>	<u>27,791</u>	<u>91,300</u>	<u>31,807</u>	<u>59,466</u>	<u>254,715</u>
	<u>17%</u>	<u>11%</u>	<u>36%</u>	<u>12%</u>	<u>23%</u>	<u>100%</u>

**Analysis of support for charitable expenditure**

Grants provided						
Arts Council	10,800	10,350	-	6,075	8,100	35,325
Herefordshire Council	-	-	-	12,250	-	12,250
Hereford Children's Fund	2,179	-	-	-	-	2,179
Herefordshire LEA	-	4,260	-	-	-	4,260
Youth Music Action Zone	-	-	29,275	-	-	29,275
Trusts & donations	-	4,260	18,600	1,500	12,832	37,192
Workshop participants	-	84	-	854	4,315	5,253
Musical Services Fees	11,115	8,062	31,157	7,105	34,464	91,903
Other sales	-	15	441	4,281	410	5,147
	<u>24,094</u>	<u>27,031</u>	<u>79,472</u>	<u>32,065</u>	<u>60,121</u>	<u>222,784</u>
	<u>11%</u>	<u>12%</u>	<u>36%</u>	<u>14%</u>	<u>27%</u>	<u>100%</u>

**HEREFORD ARTS IN ACTION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**AT 31 MARCH 2010**

(continued)

**5. Allocation of support costs and overheads**

The breakdown of support costs and how these are allocated between governance and charitable activities is shown in the table below.

<b>Cost Type</b>	<b>Total Allocated</b>	<b>Governance</b>	<b>Charitable Activities</b>
Salaries and NIC	66,550	-	66,550
Office costs	12,281	-	12,281
Audit fees	1,796	1,796	-
Depreciation	2,278	-	2,278
	<u>82,905</u>	<u>1,796</u>	<u>81,109</u>

<b>Basis of apportionment</b>	<b>Charitable</b>		<b>Governance</b>	
	<b><u>Unrestricted</u></b>	<b><u>Restricted</u></b>	<b><u>Unrestricted</u></b>	<b><u>Restricted</u></b>
Staff time	-	66,550	-	-
Related to charitable activities	-	12,281	-	-
Governance	-	-	100	1,696
Related to charitable activities	2,278	-	-	-
	<u>2,278</u>	<u>78,831</u>	<u>100</u>	<u>1,696</u>

The total support cost attributable to charitable activities is then apportioned pro rata to direct project costs incurred as shown in the table below.

Pre-school	14,123
In school	8,850
Children and youth	29,073
Adult	10,128
Special Needs	18,936
	<u>81,109</u>

**HEREFORD ARTS IN ACTION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**AT 31 MARCH 2010**

(continued)

<b>6. Analysis of staff costs</b>	<b><u>2010</u></b>	<b><u>2009</u></b>
	<b>£</b>	<b>£</b>
Salaries and wages	66,550	58,574
Social Security Costs (NIC)	5,871	5,742
	<u>72,421</u>	<u>64,316</u>

No employees had emoluments in excess of £60,000 (2009: £Nil).

**Staff numbers**

The average number of employees including directors analysed by function was:

Directors	11	11
Employees working on charitable activities	4	4
	<u>15</u>	<u>15</u>

**Trustees' emoluments**

All members of the Board of Trustees act in an unpaid capacity and do not receive reimbursement of expenses (2009: £Nil).

<b>7. Total resources expended</b>	<b>£</b>	<b>£</b>
This is stated after charging:-		
Depreciation	2,278	2,992
Auditors remuneration	1,796	1,668
Operating leases: Office rent payable	<u>1,590</u>	<u>1,590</u>

**8. Tax on profit on ordinary activities**

As a Charity, Hereford Arts In Action Limited is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or S256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the Charity.

**HEREFORD ARTS IN ACTION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**AT 31 MARCH 2010**

(continued)

**9. Tangible fixed assets**

	<b><u>Musical equipment</u></b>	<b><u>Office equipment</u></b>	<b><u>Total</u></b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>			
At 1 April 2009	10,311	23,224	33,535
Additions	192	102	294
Disposals	-	-	-
At 31 March 2010	<u>10,503</u>	<u>23,326</u>	<u>33,829</u>
<b>Depreciation</b>			
At 1 April 2009	6,314	16,644	22,958
Charge for the year	622	1,656	2,278
Disposals	-	-	-
At 31 March 2010	<u>6,936</u>	<u>18,300</u>	<u>25,236</u>
<b>Net book amount</b>			
At 31 March 2010	<u>£ 3,567</u>	<u>£ 5,026</u>	<u>£ 8,593</u>
At 1 April 2009	<u>£ 3,997</u>	<u>£ 6,580</u>	<u>£ 10,577</u>

**10. Investments**

	<b><u>2010</u></b>	<b><u>2009</u></b>
	<b>£</b>	<b>£</b>
Money Master Account	47,257	47,224
Deposit Account	<u>26,189</u>	<u>34,439</u>
	<u>73,445</u>	<u>81,663</u>

**11. Debtors**

Trade debtors	<u>13,779</u>	<u>16,235</u>
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**HEREFORD ARTS IN ACTION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**AT 31 MARCH 2010**

(continued)

**12. Creditors: Amounts falling due within one year**

	<b><u>2010</u></b>	<b><u>2009</u></b>
	£	£
Trade creditors	325	2,016
Accruals	1,734	1,668
	<u>2,059</u>	<u>3,684</u>

**13. Movement in Funds**

	<b>At 1 April 2009</b>	<b>Incoming resources</b>	<b>Resources expended</b>	<b>At 31 March 2010</b>
	£	£	£	£
Restricted income fund	72,767	241,913	(254,054)	60,626
Unrestricted income fund	32,470	3,670	(2,457)	33,682
	<u>105,237</u>	<u>245,582</u>	<u>(256,511)</u>	<u>94,308</u>

**14. Guarantee**

Every member of the company undertakes to contribute to the assets of the company in the event of it being wound up during the time that he or she is a member or within one year afterwards for a payment of the debts and liabilities of the company contracted before he or she ceases to be a member, and of the costs, charges and expenses of winding up the same and for the adjustment of the rights of contributors amongst themselves, such amount as may be required not exceeding, in the case of any member, the sum of £1.

# Young & Co.

**CHARTERED ACCOUNTANTS AND REGISTERED AUDITORS**

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