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**LITTLE WORLD LIMITED**  
(A company limited by guarantee)

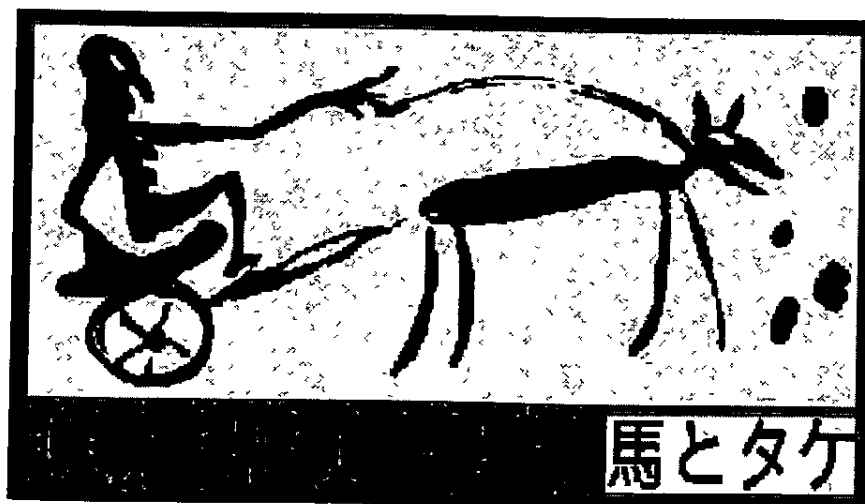
**TRADING AS HORSE + BAMBOO THEATRE**

**ANNUAL REPORT**

**AND**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2008**



COMPANY NUMBER

1731859

CHARITY NUMBER

292326

**LITTLE WORLD LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2008**

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**"LITTLE WORLD" LIMITED**

**COMPANY INFORMATION**

**FOR THE YEAR ENDED 31 MARCH 2008**

**DIRECTORS**

Bill Griffiths  
Sally Martin  
Adam Bennett  
Patricia Brindle  
Lawrence Forshaw  
John Hyatt  
Andy Squire

Chair  
vice Chair

**OBSERVERS**

John Bishop  
Cllr June Forshaw  
Roddy Gauld  
Elaine Roberts  
Cllr R Wilkinson

Rossendale Borough Council  
ACE  
Lancashire Arts Development Service  
Lancashire County Council

**PEOPLE**

Bob Frith  
Helen Jackson  
Alison Duddle  
Esther Ferry-Kennington  
Ali Wardle  
Jonny Quick  
Emma Porter

Artistic Director  
Chief Executive  
Associate Director  
Company Administrator  
Marketing Manager  
Technical Manager  
Admin and Accounts

**COMPANY SECRETARY**

Helen Jackson

**REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS**

H + B Centre, 679 Bacup Road  
Waterfoot, Rossendale, BB4 7HB

**AUDITORS**

Chittenden Horley Limited  
Chartered Accountants and Registered Auditors  
456 Chester Road, Old Trafford,  
Manchester, M16 9HD

**BANKERS**

Lloyds TSB Bank PLC  
Church St, Blackburn

**"LITTLE WORLD" LIMITED**  
**TRUSTEES AND DIRECTORS REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2008**

The Directors, who are the Trustees of the charity, present their annual report and the audited financial statements for the year ended March 31 2008.

Little World Limited operates under the name of Horse + Bamboo Theatre (H + B).

**STATUS AND ADMINISTRATION**

The Company is a registered charity and a company limited by guarantee and is governed by its Memorandum and Articles of Association.

**CHARITABLE OBJECTIVES AND PRINCIPAL ACTIVITIES**

Its charitable objectives are the promotion of public education and the encouragement of the arts through the visual and performance arts. It achieves its charitable objectives through its principal activities. Horse + Bamboo exists to pursue excellence in visual theatre and related activities. In particular the Company seeks to take innovative theatre to sections of the community normally denied access to live performance by reason of location, level of physical, sensory or learning ability, ethnic background or social status.

**PUBLIC BENEFIT**

The Company's primary focus is the creation, production and touring of visual theatre shows nationally and internationally to attract wide-ranging audiences

Its three-pronged community programmes are its secondary focus the annual puppet festival, a community-based project (currently Valley of Stone), and launched in September 2007 – The Boo – Rossendale's only professional arts centre. The Boo is a centre of excellence focused on a regular programme of events both for the family and for adult audiences. It has a special identity in emphasising non-verbal theatre events. It is also a distinctive centre, efficient but not overly corporate in identity, welcoming and quirky, responsive to the needs of the local community but promoting an individual and distinctive vision.

More generally, the Company contributes to the Creative Economy agenda in Rossendale with a place on Rossendale's Regeneration Board and heads up its cultural economy sub-group.

**DIRECTORS AND TRUSTEES RECRUITMENT AND APPOINTMENT**

The Directors who served during the year together with any changes are listed on page one of the annual report.

The Board of Directors is known as the Committee of Management. The Directors are appointed by the members in General Meeting. The Committee of Management may appoint directors to fill casual vacancies, but those so appointed hold office until the next Annual General Meeting.

In line with new Racial Equality and Disability policies, the Company is actively seeking to recruit further Trustees.

The observers listed on page one are invited to attend Board meetings in order to enable funders and partners to be kept informed of the charity's activities, but take no part in the decision making process.

**"LITTLE WORLD" LIMITED**  
**TRUSTEES AND DIRECTORS REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2008**

**TRAINING AND INDUCTION OF NEW DIRECTORS**

A proper induction and training programme is vital as part of the process of ensuring that Trustees can become valuable and effective members of the H + B board as quickly as possible. H + B follows the Charity Commission Guidance, by providing an induction programme that is suitable for the new Trustee and the size and nature of the H + B organisation as follows

- introductions to senior management and staff
- providing them with relevant information on H + B, for example business plans, annual accounts, the core governing document
- visits to see performances and meet with performers
- meetings with existing Trustees and other board members
- an assessment of any training required by the new trustee.
- introductions to our professional advisers

All new Trustees joining the H + B are required to attend relevant training courses. The induction process marks the beginning of an on-going process of Trustee training and development, to ensure that Trustees can continue to make an effective contribution to H + B.

**DIRECTORS RESPONSIBILITIES**

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of the Company and of the surplus or deficit of the Company for that period. In preparing those financial statements the Directors have:-

- selected suitable accounting policies and applied them consistently
- made judgements and estimates that are reasonable and prudent
- stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- prepared the financial statements on the going concern basis.

The Directors are responsible for keeping 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 1985. They are also responsible for safeguarding the assets of the Company and hence for taking steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware

- there is no relevant audit information of which the company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

**ANNUAL REVIEW: SUMMARY**

A critically acclaimed show, VEIL, the launch of The Boo as a regular performance space, and a restructured office team at Horse + Bamboo are the highlights of 07/08. Award-winning In The Shadow Of Trees went out again on a small tour (again to full houses and a very good reception), and the commissioning of artists for the Valley of Stone project got underway. During the summer of 2007, Storm In A Teacup also completed a successful (both artistically and financially) tour of small venues across the north and midlands. Our £75,000 technical upgrade of the premises progressed well and towards the end of the year ACE confirmed we would continue as an RFO (with a 2.7% annual incremental increase) for the next 3 years.

**"LITTLE WORLD" LIMITED**  
**TRUSTEES AND DIRECTORS REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2008**

**VEIL**

VEIL went out on a 19 venue English tour at the end of February 2008, launching at LBT in Huddersfield and taking in, amongst others, The Lowry, The Crucible, and The Corn Exchange. "Visually ravishing theatre", "their collective artistry is awesome" were among the comments in The Stage's review by Kevin Berry. His conclusion was "Veil is a huge step forward for visual theatre". The show is touring again in February and March 2009.

The year started with the second rejection of H+B's G4A funding bid for VEIL. Subsequently, two successful funding bids were submitted a research and development strand (£18,000) followed by a production and touring application (£78,000). Receiving funding eventually was gratifying, although these delays made project management – both artistically and generally – challenging. Artists, for example, had to accept other work rather than risk committing to a project whose funding was not yet secure.

VEIL was a collaborative production

1. Initially with Artistic Director, Bob Frith, working with a group of Muslim women to help him develop the script.
2. At the production stage, under the direction of the Artistic Director, Film Director, Enk Knudsen, Music Director, Loz Kaye, and Stage Designer Katherina Rhadeva worked closely.
3. The cast brought new people to H+B, from wide-ranging backgrounds including Spain and Kurdistan.

The show toured mostly to venues for one-night bookings: a gruelling challenge for all the cast although perhaps particularly for the Technical Manager. Their ability not only to meet this test but to achieve artistic excellence (evidenced from the reviews) and to play to mainly full houses is a measure of the Company's overall cohesion and integrity.

**LAUNCH OF THE BOO**

A £75,000 technical upgrade of the premises enabled us to launch our own regular performance space. The upgrade was largely funded by ACE G4A (£61,719) plus match funding mainly from The Tempest Trust and Lancashire County Council.

The Boo (H+B's artists' long standing nickname for the building) is a centre of excellence focused on a regular programme of events both for the family and for adult audiences. It has a special identity in emphasising non-verbal theatre events. It is also a distinctive centre, efficient but not overly corporate in identity; welcoming and quirky, responsive to the needs of the local community but promoting an individual and distinctive vision.

The first two seasons – September-December 2007 and January-March 2008 have been a huge success and attracted capacity audiences, including quite a few people new to the world of the theatre, with a post code analysis showing a wide distribution of codes.

We're delighted with this successful audience development and will continue to encourage attendance by people unused to the theatre by using innovative marketing approaches (which include running promotional events in supermarket foyers) and affordable ticket prices (£3, £4, and £6.50 for adult shows).

Currently The Boo has no specific funding and is surviving in the short-term on a very taut balance of seed corn funding from Bacup Neighbourhood Forum (£750), a couple of subsidised shows from Spot On Rural Touring, and the provision of a free show by companies we have mentored. We will not compromise our aim of attracting new audiences by increasing ticket prices. Long term funding is being sought for The Boo as a professional and innovative arts centre where the audience and volunteer network is strongly rooted in low income families and those unused to attending arts events.


**ANNUAL PUPPET FESTIVAL**

£3,000 from the Ragdoll Foundation enabled us to carry out a substantial amount of outreach work in nurseries and children's centres in the week leading up to the weekend puppet festival in 2007. Ragdoll funding also provided subsidised tickets for low income families. The festival itself was well attended, with capacity audiences for all shows apart from the opening one. It brought families from wide-ranging backgrounds and professional puppeteers together in glorious sunshine for a weekend of professional puppetry for families and young children. Mentioned in all the broadsheets and attracting people from across the NW, it brought extensive good publicity to Rossendale.

**"LITTLE WORLD" LIMITED**  
**TRUSTEES AND DIRECTORS REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2008**

**TEAM WORK**

H+B fosters a wide ranging mix of talents, hard-work, enthusiasm, and fun in its team. We recognise that.

 Creativity is central to what we do, whether it's devising a show, developing financial and organisational solutions, or fulfilling the potential of our existing resources.

 We are a holistic group, recognising each person's contribution, identifying the links between us, and continuing to develop our awareness of how everything affects all the Company's work.

 Training and development, thinking time, being outward looking, welcoming new ideas and Board development are all critical to H+B's long term vitality

 Clear structured frameworks are vital to achieving our aims.

**FUTURE PLANS**

**SUMMARY**

Touring. to intersperse the development, production, rehearsal and touring of mid-scale and smaller shows to bring our unique work to a diverse audience.

Community to continue The Boo, the annual Puppet Festival, and one other community project.

**IMPLEMENTATION: TOURING**

1. VEIL is our show aimed at medium-sized theatre spaces in mid-scale venues. We are booking its early spring 2009 tour now. We will be reviving Company of Angels to tour on this scale in 2010.
2. Little Leap Forward, subject to the approval of Barefoot Books, will be a co-production with Manchester Royal Exchange in early summer of 2009, opening with 3 weeks in the Studio which will then tour to similar-sized venues in England. This tour is being provisionally booked now.
3. In The Shadow of Trees will be at Bury Met for 2 weeks in December 2008. We value this new local link and will be working with the Met to develop an innovative marketing campaign.
4. We are developing proposals for international touring for VEIL in the Middle East and to take In the Shadow of Trees and Little Leap Forward to the US.

**IMPLEMENTATION: COMMUNITY**

1. To find a long-term funder(s) for The Boo.
2. Valley of Stone – 5 artists have been commissioned to each produce a piece of art in response to Rossendale's history of quarrying and its geology. There will be an exhibition of the work at The Boo in December 2008. They will each also work on a small-scale community project. We will work with at least 1 of the artists in 2009 to develop, produce, and tour a small-scale show related to Valley of Stone.
3. Puppet Festival – in the absence of any dedicated external funding, the Puppet Festival will go ahead in 2008. For future years, funding will be sought.

## **"LITTLE WORLD" LIMITED**

### **TRUSTEES AND DIRECTORS REPORT**

**FOR THE YEAR ENDED 31 MARCH 2008**

#### **IMPLEMENTATION: STAFFING AND GENERAL**

1. By the end of March 2008 we had a new office team in place. Quickness to learn, creativity, communication skills, enthusiasm, sheer hard work have overcome the gaps in their experience of the professional arts world and have been augmented by specific training. We hope to be able to establish a salary structure which will go some way to rewarding this commitment and increasing experience, albeit within the stringent confines of arts funding.
2. It is becoming patently and increasingly obvious that the Company needs to develop alternative income streams, partnership working, and sponsorship links to supplement the reducing supply of grant funding (whether G4A or other). Accordingly we are
  - a. Working in association with PLACES to deliver a long term programme of creative workshops within the premises whose focus will be on reviving the creativity of professionals (teachers, architects, structural engineers, designers).
  - b. Promoting the building as a venue for conferences and meetings.
  - c. Increasing sales of refreshments and merchandise at The Boo events, whilst maintaining our special all-inclusive welcoming atmosphere.
  - d. Developing our on-line shop and, more generally, developing our use of digital media to promote the Company, its shows, and reach new audiences.
  - e. Increasing our local and regional profile through a range of networks such as the East Lancs Chamber of Commerce, Rossendale's Regeneration Board and its Cultural Sub committee, through the Valley @ Work network, the Tourism Steering Group, and Creative Lancashire's Network Steering Group. Nationally we are members of the Independent Theatre Council.
  - f. Hiring out the pPod to festival organisers.

#### **FINANCIAL REVIEW**

The 2007/8 year started with a rejection of the funding application for the Company's new touring show, VEIL, with the cessation of funding from one of the two local authorities, and with all the uncertainties over the continuation of its status as a RFO. Financially, then, a difficult year.

A successful funding application for VEIL was made resulting in an overall award of £96,000 from ACE through Grants for the Arts. The Company's status as a Regularly Funded Organisation was renewed with a 2.7% year on year increase for the next three years. By the year end, there was careful optimism.

The Company has implemented plans to widen its income sources, particularly from greater use of the building's creativity, and during the coming year will be launching a major new e-commerce initiative. There will always be a need for core funding and the prospect of cuts in local authority funding for the arts is a serious threat to our finely balanced financial situation.

The company had net out going resources on unrestricted funds for the year of £25,299. Total incoming resources increased by 35% compared to the previous year. Most of this increase related to the income related to the refurbishment project.

The company anticipated and budgeted for deficit in the year. The Board consider that it has been the right priority to invest in the programme, launch The Boo, and improve the organisational arrangements, and this has required the commitment of reserves.

The balance sheet remains secure with net current assets exceeding £60k and a similar sum at the bank. The refurbishment project is the reason why the book value of fixed assets has increased by more than £21,000.



**"LITTLE WORLD" LIMITED**  
**TRUSTEES AND DIRECTORS REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2008**

**RISK REVIEW**

The Directors have identified the charity's risks as below and have instigated appropriate measures to manage them.

Category	Heading
Artistic	Failure to retain services of key creative post holders and artists Challenge of maintaining awareness of digital media developments Ensuring independent peer review of activities Communicating arts vision and focus to funders
Premises	Long term maintenance Health and safety Security
Administration	Compliance with all laws and regulations Reliable and robust IT systems Staff continuity
Financial	High reliance on two funders (ACE and LCC) Modest reserves and short-term financial pressures impeding strategic focus
Governance	Board development and succession Stimulation of membership and community involvement

**RESERVES POLICY**

The Directors intend to rebuild the level of unrestricted reserves, not invested in fixed assets, to approximately three to six months operating costs (£80k - £160k). The Directors believe that this would be a sufficient buffer against short-term problems arising from changes in the funding regime and to allow the Company to develop artistically. As at March 31 2008 the free reserves stood at £41,834, below the bottom end of the desired range.

During 2008/9 a subsidiary will be set up (as a Community Interest Company (CIC)) whose sole purpose will be to generate income for the parent company, which it is hoped will over time increase the Company's reserves

The directors are committed to building reserves and have approved a budget for 2008/9 with a modest surplus.

**FUNDS AND CHANGES IN FIXED ASSETS**

The funds held by the company are detailed in note 13 and fixed assets changes in note 9 to the accounts.

**AUDITORS**

The auditors, Chittenden Horley Limited, have indicated their willingness to accept re-appointment under section 384(1) of the Companies Act 1985.

**SMALL COMPANY PROVISIONS**

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

ON BEHALF OF THE BOARD

Director



Date

July 17 2008

**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF "LITTLE WORLD" LIMITED  
FOR THE YEAR ENDED 31 MARCH 2008**

We have audited the financial statements of "Little World" Ltd for the year ended March 31 2008, which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2005).

This report is made solely to the charity's 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 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 trustees and auditors**

The trustees' (who are also the directors of "Little World" Ltd for the purposes of company law) responsibilities for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 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 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 trustees' remuneration and other transactions is not disclosed.

We read the Trustees' Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

**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 judgements 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 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**

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities of the state of the charity's affairs as at March 31 2008 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Trustees' Annual Report is consistent with the financial statements

*Cuthbert H. Ltd*

Chartered Accountants and  
Registered Auditors  
456 Chester Road  
Old Trafford  
Manchester M16 9HD

Date - *July 17 2008*



**"LITTLE WORLD" LIMITED**

**STATEMENT OF FINANCIAL ACTIVITY (Including Income and Expenditure Account)  
FOR THE YEAR ENDED MARCH 31 2008**

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2008 £	Total 2007 £
<b>INCOMING RESOURCES</b>					
<b>Incoming resources from generated funds</b>					
Voluntary income	2	154,207	1,000	155,207	148,123
Investment income		2,520	-	2,520	1,678
<b>Incoming resources from charitable activities</b>					
Project grants	3	-	137,426	137,426	25,390
Fees from performance and workshops		37,895	-	37,895	72,992
Related trading		103	-	103	1,617
Other incoming resources		525	-	525	478
Disposal of fixed assets		-	4,936	4,936	
<b>TOTAL INCOMING RESOURCES</b>		<u>195,250</u>	<u>143,362</u>	<u>338,612</u>	<u>250,278</u>
<b>RESOURCES EXPENDED</b>					
<b>Costs of generating funds</b>					
Cost of generating voluntary income	4	4,500	-	4,500	4,500
<b>Charitable activities</b>					
Theatres, performance and workshops	5	205,502	102,223	307,725	251,694
Related trading	5	3,436	-	3,436	176
<b>Governance costs</b>	6	9,637	-	9,637	8,458
<b>TOTAL EXPENDITURE</b>		<u>223,075</u>	<u>102,223</u>	<u>325,298</u>	<u>264,828</u>
<b>NET INCOMING/(OUTGOING) RESOURCES (net expenditure for the period)</b>		(27,825)	41,139	13,314	(14,550)
<b>TRANSFERS</b>		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET INCOMING/(OUTGOING) RESOURCES AFTER TRANSFERS</b>		(27,825)	41,139	13,314	(14,550)
<b>FUND BALANCES BROUGHT FORWARD</b>		158,969	190,906	349,875	364,425
<b>FUND BALANCES CARRIED FORWARD</b>		<u>131,144</u>	<u>232,045</u>	<u>363,189</u>	<u>349,875</u>

The Company had no recognised gains or losses other than those shown above

The notes on pages 11 to 17 form part of these financial statements

**"LITTLE WORLD" LIMITED**  
**BALANCE SHEET**  
**FOR THE YEAR ENDED MARCH 31 2008**

	Notes	2008 £	2008 £	2007 £	2007 £
<b>FIXED ASSETS</b>					
Tangible Assets	9		304,340		283,287
<b>CURRENT ASSETS</b>					
Stock	10	2,844		4,380	
Debtors	11	16,422		8,601	
Cash at Bank and in Hand		<u>66,907</u>		<u>74,537</u>	
		86,173		87,518	
<b>CREDITORS</b>					
Amounts falling due in one year	12	<u>27,334</u>		<u>20,930</u>	
<b>NET CURRENT ASSETS / (LIABILITIES)</b>			<u>58,839</u>		<u>66,588</u>
<b>NET ASSETS</b>			<u>363,179</u>		<u>349,875</u>
<b>FUNDS</b>					
Unrestricted	13		131,134		158,969
Restricted	13		<u>232,045</u>		<u>190,906</u>
<b>TOTAL FUNDS</b>			<u>363,179</u>		<u>349,875</u>

These financial statements have been prepared in accordance with the special provisions for small companies under part VII of the Companies Act 1985 and the Financial Reporting Standard for Small Entities (January 2005)

The notes on pages 11 to 17 form part of these financial statements

Approved by the Trustees on - July 17 2008

And signed on their behalf by -



DIRECTOR

## **"LITTLE WORLD" LIMITED**

### **NOTES TO THE ACCOUNTS FOR THE YEAR ENDED MARCH 31 2008**

#### **1 ACCOUNTING POLICIES**

The principal accounting policies adopted in the preparation of the financial statements are set out below

##### **Basis of preparation**

The accounts have been prepared under the historic cost convention and comply with the Statement of Recommended Practice "Accounting and Reporting by Charities, (issued in March 2005), and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

##### **Fund accounting**

General funds are available at the discretion of the Directors in furtherance of the general objectives of the Company

Restricted funds are funds subject to specific restrictive conditions imposed by funders or by the purpose of the grant Details of the balances on restricted funds at the year end are set out in note 12 to the accounts

##### **Donations and grants**

Income from donations and grants, including capital grants and donations, is included in incoming resources when these are receivable, except in the following circumstances, when the income is deferred and included in creditors

- The income relates to a future accounting period
- A sales invoice has been raised ahead of the work being carried out and the Trust is not contractually entitled to the income until the work has been done
- Not all the terms and conditions of the grant have been met, including the incurring of expenditure and the grant conditions are such that unspent grant must be refunded

Where conditions are imposed which restrict the use of the income to a specific purpose then it is included in incoming resources under restricted funds when it is due

Grants received in respect of capital expenditure, which may be repayable in certain circumstances, are treated as restricted funds and included in incoming resources in the year of receipt They are released to unrestricted funds, in so far as any restrictions have been met, by means of a transfer each year to match the depreciation charged

##### **Performance, workshop and project fees**

Income receivable and charges for performances, workshops and ancillary trading are accounted for in the period in which the performances or workshops take place

##### **Expenditure**

Resources expended are accounted for on an accruals basis Expenditure is classified under the principal categories of cost of generating funds and charitable expenditure, rather than the type of expense The cost headings comprise expenditure, including staff costs, directly attributable to the activity Where costs cannot be directly attributed they are allocated to activities on a basis consistent with the use of resources

Charitable expenditure not incurred directly on activities is included in support costs, unless it is directly attributable to the management and administration of the charity This principal is applied to the central overheads of the charity All costs associated with restricted funds are charged as direct costs of the projects

##### **Depreciation and fixed assets**

Depreciation is provided on the cost of tangible fixed assets in order to write off the cost after taking account of scrap values over the expected useful lives as follows -

Freehold building – structure	2% straight line
Freehold building - lift & services	5% straight line
Motor vehicles	25% straight line
Fixtures, fittings & equipment	10%, 20% and 33 1/3% straight line

Single assets purchases, not forming part of a related series of transactions, costing less than £500 are not capitalised, but are written off as a revenue expense in the year of acquisition

**"LITTLE WORLD" LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31 2008**

**2 VOLUNTARY INCOME**

	Unrestricted	Restricted	Total 2008	Total 2007
	£	£	£	£
Core grants				
ACE North West	122,500	-	122,500	119,200
Rossendale Borough Council		-	-	6,000
Lancashire County Council	23,435	-	23,435	22,923
Donations	372	1,000	1,372	-
Donated assets	5,360	-	5,360	-
Donated equipment not capitalised	2,540	-	2,540	-
	<u>154,207</u>	<u>1,000</u>	<u>155,207</u>	<u>148,123</u>

**3 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES**

	Unrestricted	Restricted	Total 2008	Total 2007
	£	£	£	£
<b>Project grants.</b>				
ACE North West - National Touring grant	-	78,000	78,000	-
ACE North West - Story Garden Project	-	-	-	5,638
ACE North West - pPod in Cumbria	-	-	-	4,580
ACE North West - Creative Partnerships	-	-	-	12,548
<b>Refurbishment Grants</b>				
ACE North West	-	41,508	41,508	-
Lancashire County Council	-	3,330	3,330	-
Tempest Trust	-	6,000	6,000	-
<b>Other grants</b>				
Ragdoll - Puppet festival	-	3,000	3,000	-
Various for the Boo	-	1,338	1,338	-
Groundwork Pennine - Valley of stone	-	2,250	2,250	-
Rossendale Borough Council	-	2,000	2,000	-
Other	-	-	-	2,624
	<u>-</u>	<u>137,426</u>	<u>137,426</u>	<u>25,390</u>

**"LITTLE WORLD" LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31 2008**

**4 COST OF GENERATING FUNDS**

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Staff costs	2,000	2,000
Core fees	2,000	2,000
Office costs	500	500
	<u>4,500</u>	<u>4,500</u>

**5 ANALYSIS OF CHARITABLE EXPENDITURE**

	<b>THEATRE &amp; WORKSHOPS</b>	<b>RELATED TRADING</b>	<b>TOTAL 2008</b>	<b>TOTAL Restated 2007</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Direct costs.</b>				
Staff costs	52,909	-	52,909	39,124
Core fees	50,216	-	50,216	49,938
Artists & freelance staff fees	79,743	-	79,743	72,617
Production/workshop costs	17,162	-	17,162	5,739
Travel & accommodation	9,411	-	9,411	7,907
Motor costs	1,866	-	1,866	1,735
Theatre & premises costs	21,721	-	21,721	21,864
Marketing & publicity costs	9,670	-	9,670	4,466
Merchandise purchases & write down	-	3,446	3,446	176
Depreciation	22,689	-	22,689	16,481
<b>Support costs.</b>				
Staff costs	25,851	-	25,851	16,802
Staff recruitment & training	2,643	-	2,643	
Accountancy	3,040	-	3,040	5,000
Office costs	10,804	-	10,804	10,021
	<u>307,725</u>	<u>3,446</u>	<u>311,171</u>	<u>251,870</u>
 <i>Year ended March 31 2007</i>	 <u>251,694</u>	 <u>176</u>	 <u>251,870</u>	

**6 GOVERNANCE COSTS**

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
<b>Direct costs</b>		
Staff costs	2,314	1,428
Core fees	1,572	2,295
Theatre & premises costs	1,143	1,151
Audit, accountancy & legal	2,838	2,163
Depreciation	1,174	867
Office costs	596	554
	<u>9,637</u>	<u>8,458</u>

**"LITTLE WORLD" LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31 2008**

**7 STAFF COSTS**

	2008 £	2007 £
Salaries	74,200	57,354
Social security costs	6,874	4,876
	<u>81,074</u>	<u>62,230</u>

The average number of employees was as follows -

	Number	Number
Direct charitable	4	34
Fundraising and publicity	0	0
Governance	01	01
	<u>4.1</u>	<u>35</u>

No employee earned more than £60,000 per annum

**8 NET INCOMING RESOURCES BEFORE TRANSFERS**

This is stated after charging/(crediting)

	£	£
Auditors remuneration -		
Audit fees	2,288	1,713
Accountancy fees	550	450
Depreciation of other fixed assets	23,864	17,348
Directors' remuneration & trustees expenses	-	-
	<u>-</u>	<u>-</u>

**9 TANGIBLE FIXED ASSETS**

	Freehold Land & Buildings	Motor Vehicles	Fixtures Fittings & Equipment	Total
<b>Cost</b>	£	£	£	£
As at April 1 2007	377,340	41,776	78,743	497,859
Additions	-	-	44,917	44,917
Disposals	-	(41,776)	(17,280)	(59,056)
As at March 31 2008	<u>377,340</u>	<u>-</u>	<u>106,380</u>	<u>483,720</u>
<b>Depreciation</b>				
As at April 1 2007	102,022	41,776	70,774	214,572
Charge for the year	8,592	-	15,272	23,864
Disposals	-	(41,776)	(17,280)	(59,056)
As at March 31 2008	<u>110,614</u>	<u>-</u>	<u>68,766</u>	<u>179,380</u>
<b>Net Book Value</b>				
As at March 31 2008	<u>266,726</u>	<u>-</u>	<u>37,614</u>	<u>304,340</u>
As at March 31 2007	<u>275,318</u>	<u>-</u>	<u>7,969</u>	<u>283,287</u>



**"LITTLE WORLD" LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31 2008**

	2008 £	2007 £
<b>10 STOCKS</b>		
Stock of goods for resale	<u>2,844</u>	<u>4,380</u>

**11 TRADE DEBTORS**

Trade debtors	8,609	6,044
Income receivable	4,822	-
Prepayments	<u>2,991</u>	<u>2,557</u>
	<u>16,422</u>	<u>8,601</u>

**12 CREDITORS falling due within one year**

Trade creditors	7,490	5,497
Other taxation and social security	3,126	4,097
Accruals	7,977	5,575
Income and grants in advance	<u>8,741</u>	<u>5,761</u>
	<u>27,334</u>	<u>20,930</u>

**13 STATEMENT OF FUNDS**

	Balance 1/4/07 £	Income £	Expenditure £	Transfers £	Balance 31/3/08 £
<b>Unrestricted funds</b>					
General fund	<u>158,969</u>	195,250	(223,075)	-	<u>131,144</u>
	<u>158,969</u>	195,250	(223,075)	-	<u>131,144</u>
<b>Restricted Funds</b>					
<b>Revenue fund</b>					
ACE North West - National Touring grant	-	78,000	(71,000)	-	7,000
Refurbishment Grants	-	50,838	(6,483)	(39,557)	4,798
Other grants	-	8,588	(8,588)	-	-
Restricted donation re Deep Time project	-	1,000	-	-	1,000
Proceeds of sale of motor vehicle	-	4,936	-	(4,936)	-
<b>Capital grants</b>					
Capital grant received	1,807	-	-	4,936	6,743
Capital Grants Expended	<u>189,099</u>	-	(16,152)	39,557	<u>212,504</u>
	<u>190,906</u>	143,362	(102,223)	-	<u>232,045</u>
<b>Total Funds</b>	<u>349,875</u>	338,612	(325,298)	-	<u>363,189</u>

ACE North West - National Touring grant      Grant received in advance towards the future touring costs of Veil

Capital grant received      Money received to purchase fixed assets and the proceeds of the sale of funded assets which must be applied towards future purchases or agreed transport costs

**"LITTLE WORLD" LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31 2008**

**13 STATEMENT OF FUNDS (continued)**

Capital grants expended                      Restricted grants used to purchase fixed assets where there are continuing restrictions, but against which the related depreciation is charged

**14 ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted Funds £	Restricted Funds £	Total £
Fund balances at March 31 2008 are represented by -			
Tangible fixed assets	91,836	212,504	304,340
Current assets	66,632	19,541	86,173
Current liabilities	(27,334)	-	(27,334)
	<u>131,134</u>	<u>232,045</u>	<u>363,179</u>

**15 CONSTITUTION**

The Company is limited by guarantee and does not have a share capital. In the event of the Company being wound up the members are committed to contributing £1 each.

There were 8 members at the year end (2007 - 8)

**16 TAXATION**

The Company is a registered charity and is entitled to claim annual exemption from UK corporation tax under s505 of the ICTA 1988.

**17 COMMITMENTS**

The company had no capital commitments at the year end.

The company had annual operating lease commitments as follows

	2008	2007
Within one year	Nil	Nil
Two to five years	330	330
Over five years	Nil	Nil

**19 TRANSACTIONS WITH DIRECTORS**

There are no other transactions with Directors in the year which require to be disclosed in these accounts, either under the FRSSE or the SoRP.

**"LITTLE WORLD" LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31 2008**

**20 CONTINGENT LIABILITIES - CAPITAL GRANTS**

ACE capital grants totalling £201,508 may be repayable in the event of the grant aided assets being sold or the company being wound up. These assets should not be disposed of without ACE's prior written consent.

Similarly £123,570 of ERDF funding was provided in 1996 for the Horse and Bamboo Theatre project. The grantor required that the building be used for purposes specified in the grant application until 2016 or the grant may become repayable.

These liabilities are not expected to crystallise and therefore the grants have been taken to a restricted reserve and are released to the general fund to match the depreciation of the grant funded assets.