

"LITTLE WORLD" LIMITED
(a company limited by guarantee)

OPERATING AS HORSE + BAMBOO THEATRE

**ANNUAL REPORT
AND UNAUDITED FINANCIAL STATEMENTS**

FOR

THE YEAR ENDED MARCH 31 2018



**"LITTLE WORLD" LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31 2018**

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**"LITTLE WORLD" LIMITED
ADMINISTRATIVE INFORMATION
FOR THE YEAR ENDED MARCH 31 2018**

DIRECTORS

David Agnew	
Glenda Berg	(appointed 21/03/18)
Caroline Eccles	
Lynne Farnell	
Ayesha Gavin	
Laurence Kaye	(resigned 31/05/18)
David Kreps	(resigned 19/07/17)
Anthony McClean	
Shalon Miah	(appointed 25/07/18)
Mich Noquet	(resigned 18/10/17)
Rosemary Scott	
Alexander Summers	(appointed 27/03/18)
Robert Westwell	(resigned 21/03/18)

COMPANY SECRETARY

Heather Walker

KEY STAFF

Bob Frith	Artistic Director
Esther Ferry-Kennington	Executive Director

**REGISTERED OFFICE AND
PRINCIPAL PLACE OF BUSINESS**

The Boo
679 Bacup Rd, Waterfoot, Rossendale
BB4 7HB

**ACCOUNTANTS
& INDEPENDENT EXAMINERS**

Chittenden Horley Ltd
Chartered Accountants
456 Chester Road
Old Trafford
Manchester M16 9HD

BANKERS

CAF Bank Ltd
Kings Hill, West Malling, Kent

**"LITTLE WORLD" LIMITED
TRUSTEES' AND DIRECTORS' ANNUAL REPORT
FOR THE YEAR ENDED MARCH 31 2018**

The trustees present their annual report together with the financial statements of the charity for the year ended March 31 2018 which are also prepared to meet the requirements for a directors' report and accounts for Companies act purposes.

REPORTING FRAMEWORK

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015), referred to as the Charities SORP (FRS 102).

OBJECTIVES AND ACTIVITIES

Charitable objects

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. The 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.

Aims

Organisational Vision

We will create work that reminds us all of the wonder of being alive in this endlessly fascinating and complex world. We want to reach all sections of society and communicate with people in exciting and unexpected ways, to sometimes surprise, amuse, intrigue and question but always entertain. We will be a vital part of our neighbourhood, creating a place where art and creativity are an ordinary and essential part of people's lives.

Mission Statement

We draw inspiration from our location in Pennine Lancashire and reflect our sense of place in the work that we produce. We are part of the cultural fabric of our neighbourhood. The Boo provides a sense of belonging, a place for inspiration and a welcoming environment where families can share experiences through art and theatre. Through educating and inspiring audiences we can have a lasting impact on the quality of their cultural lives and give them a sense of commitment to Horse and Bamboo Theatre and The Boo and thereby become advocates for our work and contribution to the community.

National and international tours enable us to reach new audiences and consolidate our reputation as national and international specialists in puppetry and mask. We will continue to draw inspiration from touring and reflect this back to our local audiences through the development of our work. We produce thought provoking and emotionally engaging theatre with an integrity that resonates with audiences. We support wide ranging art forms guided by the strengths and enthusiasms of the artists and audiences with whom we work. We share our skills and resources with emerging artists and support our wider community in engaging young people and families in the arts.

Activities

Horse and Bamboo was formed in 1978 by a small group of artists, musicians and performers led by the founding Artistic Director Bob Frith. Its purpose, to take visual, musical and predominantly non-verbal theatre to places largely neglected by conventional forms of theatre, playing to audiences from a wide range of backgrounds. Since then the company has been on the road as a touring puppet theatre company across Lancashire, the UK and Europe with performances aimed at young and adult audiences. In June 1983 the company became a registered charity, Little World Ltd t/a Horse and Bamboo with a Board of Trustees and Members.

The company moved into a permanent home in Waterfoot in the Rossendale Valley calling the venue "The Boo". The Boo provides a small performance space delivering a regular programme for the community, performed by visiting artists as well as the Horse and Bamboo team. The Boo is also a creative hub where artists collaborate to share and develop skills and create new shows. Increasingly, the company is reaching out into the local community to engage families and young people in the Rossendale Valley to access the creative skills the company can offer.

The company has well developed partnerships with local organisations working in the community, and is active in networks regionally and nationally in the Theatre Arts sector. The company works in close collaboration with funders to deliver shared objectives. Funders, community partners and networks are listed at Appendix H. Horse and Bamboo is governed by a Board of Trustees (Appendix G) responsible for supporting the strategic aims of the company, its financial health, the governance and the effective use of resources. The staff are responsible for the continued artistic development of the company and the delivery of the Strategic plan and Operational plan.

Public benefit

The charity has had regard to the Charity Commission guidance on public benefit and the trustees believe that all the activities of the charity deliver public benefit as set out in this report.

Contribution of volunteers –

Volunteers support the delivery of events at The Boo and contribute to marketing content and advocacy for the company in our locality.

**"LITTLE WORLD" LIMITED
TRUSTEES' AND DIRECTORS' ANNUAL REPORT
FOR THE YEAR ENDED MARCH 31 2018**

ACHIEVEMENTS AND PERFORMANCE

Introduction

2017/18 has been beyond challenging in terms of financial measures for the organisation. Across the year we have seen a total deficit of c£46k on unrestricted funds which has damaged our reserves position. The remaining reserves do not cause issues in terms of cash flow, but have obviously needed some clear evaluation and intervention from the board. A detailed financial review is given later in this report.

Baby Boo

Our Baby Boo programme is exactly designed to address barriers to participation for families with young children. Our ongoing Baby Boo programme offers opportunities for engagement in libraries and other community and early years settings in our area which offers little cultural provision and reducing local authority family support.

Our work with third sector partners across a range of diverse groups ensures that our work is offered for participation even when community members would not consider entering the theatre space. For instance, we have taken 22 workshops out to third sector partners to support either their work, or to encourage engagement with the wider programme at The Boo.

Puppet Festival

Our Puppet Festival saw a decrease in attendance in 2017 and a steep decline in earned income. Of 877 tickets available we sold only 331 and the attendance at the free festival was down by around 20%. As per the recommendations in the evaluation of the festival we are changing the Puppet Festival into Waterfoot Wakes for 2018. This festival will reduce financial risk and box office expectation, but will also seek to increase impact via the lesser budget by engaging more clearly with the town. The financial impact of these difficulties in 2017 are clearly seen in the financial impact on the organisation across the year.

Creative Case for Diversity and increased engagement with the least engaged

We have continued to work in partnership with third sector organisations to reach the broadest possible section of society with our work. Our work with Apna Rossendale has continued to grow and through funding from the Amal foundation with supported delivery of the On Paper Festival in Haslingden and commissioned a large papercut installation in the local church called Silk Road. Amal was a new funding stream from the Said Foundation and in the evaluation they clearly cited the Silk Road exhibition as "effective "social objects" as excellent prompts for discussion and conversation around values."

We were commissioned by Aawaz women's centre in Hynburn to support delivery of their Central Ward HLF project. We created, with visual artist Saba Rifat, the Heritage Tent which was exhibited in Accrington Market Hall and library for a month.

Our Baby Boo programme continues to engage families from low socio-economic backgrounds in our local area through children's centres, where they remain, libraries and Homestart. Though this work has been reduced over the last 12 months due to lack of funding we have still managed to deliver to over 700 people this year within the programme.

The Boo

This year we have delivered on our commitment to a broader programme. Our first comedy night was well attended and brought in over 50% brand new audience. We extended our music and film programming and will build this element over the coming year. Our audiences across the annual programming at The Boo increased by 13% over the period, just short of our ambitious 15% target.

Over the last 2 years we have come to understand the opportunity that film affords us and have now established a high quality cinema experience. We will programme up to date work, particularly for the 11+ age range for which at present it is not possible to financially risk an extended theatre programme.

Touring

The Moonwatcher has been created and toured this year reaching 900 people across the north of England; Rahmi, a young Pakistani girl who travelled half way around the world to be with her husband and her daughter Azrah who is struggling to find where she belongs. The Moonwatcher is their story, developed from the stories of South Asians from Haslingden who travelled to Britain. It explores how different values impact on the complex relationship of one mother and her daughter. The show was well-received and feedback from audiences, programmers and critical friends was very good. A partnership with In-Situ in Brieffield delivered some associated outreach work with Mums2Mums, a group in the local area and resulted in a sold-out show.

Our work with CHANT productions has created an e-learning package to support our pilot work with schools in Rossendale. We are now working with Museums in schools and Curious Minds to evaluate the platform and ensure it is of the best quality. It will then support the touring show in autumn and spring 2018/19.

We ran a crowdfunder of Suffragitsu, which achieved £1800 of income, but also engaged a much wider conversation about the development of the show and the subject matter. As part of the crowdfunder we delivered a #DailySuffragette across all our social media platforms. This was a short tweet about a leading, or lesser known member of the Suffrage movement along with some striking imagery from the actions and events of the era. It gained some of the best social media traction we have ever had and the resulting body of 49 suffragettes will form part of the programme for the show.

Summary

A year of challenges has proved fruitful for the organisation creatively. We are now in a good position to deliver a new NPO round in 2018-2022, with a clear, quality programme of work.

**"LITTLE WORLD" LIMITED
TRUSTEES' AND DIRECTORS' ANNUAL REPORT
FOR THE YEAR ENDED MARCH 31 2018**

FINANCIAL REVIEW

Overview

We report a deficit on unrestricted funds this year of £46,439 (2016/17 surplus - £4,083). Although total funds (restricted and unrestricted) fell by c£56k in the year, cash balances (as shown in the Statement of Cash Flows) only fell by c£37k. This is mainly attributable to the effect of depreciation (c£17k) offset by the investment in fixed assets (c£4k), and the normal movements in current assets and creditors.

The financial scenario can be broken down into three areas:

1) Though our audience at The Boo increased year it financial difference between programming budget and box office income was drastic. Some mitigating factors should also be taken into account in this area, which have been addressed during the delivery of the spring and autumn 2017 programmes. These programmes were planned when the organisation was in great turmoil and there was little capacity to ensure checks, budget and evaluation were in place.

2) Touring income has already been identified as a drastically reducing income source, but this has been particularly highlighted during the selling of Moonwatcher. The delivery of this show will be the last touring production we will produce without clear cash contribution from other sources. Due to the chicken and egg nature of funding we will also need to ensure this cash income is in place before we begin to spend on a project, or put contracts in place with either creative teams or venues

3) We have managed in this year to secure only one multi-year trust funding (Bromley Trust) and other successful bids have all been short-term and under £5k. We have drastically reduced trusts and foundations expectations to support core activities in response to this.

Due to reduced core staffing budget from 16/17 (£120k) to 17/18 (£77k) we have been able to budget in 2018/19 for relatively reliable income, which will cover core costs, and less reliable income, from trusts and foundations for example, which will cover project costs. In the case that income for those projects is not achieved they simply will not be delivered – as in the case of 679 Bacup Rd, our proposed HLF project.

This has not been possible previously as high core costs have meant that we have had to budget for unreliable income. The budget for 2018/19 is as risk averse as it is possible to be whilst still delivering our obligations and we now have a finance sub-group to take an overview of income and to plan expenditure accordingly.

During the latter part of 2017/18 financial year we have worked to reduced reliance on these income streams and our new business plan for the NPO period 2018-2022 reflects this.

Risk management

Over reliance on one source of income is undesirable and unsustainable. It is business critical to spread financial risk in order to adapt to economic, political and environmental changes that will challenge Horse and Bamboo now and in the future and to minimise the risk and disruption to the achievement of our vision and mission. This Strategic Aim provides us with a framework for fund raising and income generation and while this Aim focuses on mitigating the financial risks, other factors that will contribute to our resilience and sustainability. For example embedding Horse and Bamboo in the community and building strong partnerships; continuing to strive for artistic ambition including sharing our expertise and working in innovative ways and sharing and developing our audience through local, national and international touring. These areas are dealt with elsewhere in the Strategic Plan.

Principal funding sources

Arts Council England
Bromley Trust
Lancashire County Council
Stacksteads Countryside Park Group

Reserves

As the Board, we have set a free reserves target (unrestricted funds not invested in fixed assets or otherwise designated) of six months core operating costs (core staffing and premises costs), which equates to c£51k. At the year end the free reserves stood at £27,290, c£24k below the current target level, as a result of the deficit in the year.

FUTURE PLANS

To support its vision, mission and values, Horse and Bamboo will promote six specific aims during the Business Plan 2018-2022. The principal aims are:

1. Develop The Boo's Public Programme
2. The creation of work in-house
3. Support the professional development of artists and emerging talent
4. Deliver a programme of participatory and outreach work
5. Support the development of Children and Young People
6. Support the further development of a robust, sustainable and resilient organisation

These individual aims are discussed in more detail below and relate to the SMART objectives outlined our Business Plan.

**"LITTLE WORLD" LIMITED
TRUSTEES' AND DIRECTORS' ANNUAL REPORT
FOR THE YEAR ENDED MARCH 31 2018**

We celebrate the Creative Case for Diversity and aspire for genuine and authentic engagement with the communities and artists that surround us in our Rossendale setting. Ongoing work with South Asian communities and developing work with low-socio economic groups will underpin our approach whilst also ensuring we earn income from those who are choosing Rossendale as their new home.

We will continue to broaden The Boo's public programme, raising our profile as a cultural venue and as a warm, welcoming space in the centre of our community. Alongside this, long-term, committed artist development will frame all aspects of our work. We will offer a platform and wherever possible, resources to support the development of skills, innovation and exciting, powerful cultural activity.

We will continue to work outside the walls of The Boo, using outreach to enhance the lives of people in our neighbourhood, to enhance our profile; to offer Arts Award and artistic resources to Children and Young People throughout Rossendale.

STRUCTURE GOVERNANCE AND MANAGEMENT

Governing document

The charity is a company limited by guarantee governed by its memorandum and articles of association dated May 21 1983, as amended by special resolution(s) dated 17/07/13 and 23/10/13. It is a registered charity with the Charity Commission.

Appointment of trustees

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.

Trustee induction and training

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 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. Trustees also sign up to the Roles and Responsibilities document which sets out the relationship between the Board and the Company and how this relationship is fulfilled.

Organisation

The Board is responsible for the overall strategy, management and direction of the charity and meets as required, usually four times per year. It delegates day to day management of the charity to the senior staff team, who comprise a mixture of employed staff and freelance artistic personnel.

**"LITTLE WORLD" LIMITED
TRUSTEES' AND DIRECTORS' ANNUAL REPORT
FOR THE YEAR ENDED MARCH 31 2018**

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The trustees (who are also directors of "Little World" Limited for the purposes of company law) are responsible 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).

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

SMALL COMPANY PROVISIONS AND APPROVAL

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Approved by the Board of Trustees and signed on its behalf by:



Lynne Farnell – Director

Date: September 19 2018

**INDEPENDENT EXAMINERS REPORT
TO THE TRUSTEES OF THE "LITTLE WORLD" LIMITED
FOR THE YEAR ENDED MARCH 31 2018**

I report to the charity trustees on my examination of the accounts of the company for the year ended March 31 2018 which are set out on pages 8 to 19.

Responsibilities and basis of report

As the charity trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your company's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

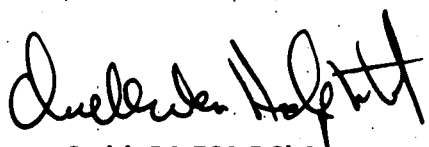
Independent examiner's statement

Since the company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of *Institute of Chartered Accountants in England and Wales* (ICAEW) which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Peter Smith BA FCA DChA

For and on behalf of:
Chittenden Horley Limited
Chartered Accountants
456 Chester Road
Old Trafford
Manchester M16 9HD

Date: 23/10/18



"LITTLE WORLD" LIMITED
STATEMENT OF FINANCIAL ACTIVITIES (including the income and expenditure account)
FOR THE YEAR ENDED MARCH 31 2018

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
INCOMING RESOURCES					
Donations	2	150,614	-	150,614	164,270
Charitable activities	3	48,986	58,109	107,095	169,022
Other trading activities	4	2,808	-	2,808	1,612
Investment income (bank interest)		23	-	23	42
TOTAL INCOME		202,431	58,109	260,540	334,946
RESOURCES EXPENDED					
Raising funds	5	16,212	-	16,212	34,694
Charitable activities	6	237,186	68,107	305,293	306,588
TOTAL EXPENDITURE		253,398	68,107	321,505	341,282
NET INCOMING/(EXPENDITURE)		(50,967)	(9,998)	(60,965)	(6,336)
TRANSFERS	13	-	-	-	-
NET INCOME/(EXPENDITURE) BEFORE TAXATION	13	(50,967)	(9,998)	(60,965)	(6,336)
TAXATION - theatre tax credit		4,528	-	4,528	9,868
NET INCOME/(EXPENDITURE) AFTER TAXATION - NET MOVEMENT IN FUNDS		(46,439)	(9,998)	(56,437)	3,532
FUND BALANCES BROUGHT FORWARD	13	344,964	134,980	479,944	476,412
FUND BALANCES CARRIED FORWARD	13	298,525	124,982	423,507	479,944

The notes on pages 11 to 19 form part of these financial statements.

"LITTLE WORLD" LIMITED
BALANCE SHEET
AS AT MARCH 31 2018

	Notes	2018 £	2018 £	2017 £	2017 £
FIXED ASSETS					
Tangible Assets	9		386,717		399,740
CURRENT ASSETS					
Stock	10	896		1,406	
Debtors	11	8,184		10,331	
Cash at Bank and in Hand		<u>42,595</u>		<u>79,684</u>	
		51,675		91,421	
CREDITORS					
Amounts falling due in one year	12	<u>14,885</u>		<u>11,217</u>	
NET CURRENT ASSETS			<u>36,790</u>		<u>80,204</u>
NET ASSETS			<u><u>423,507</u></u>		<u><u>479,944</u></u>
FUNDS					
Unrestricted	13		298,525		344,964
Restricted	13		<u>124,982</u>		<u>134,980</u>
TOTAL FUNDS			<u><u>423,507</u></u>		<u><u>479,944</u></u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

For the year ending March 31, 2018, the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies and no notice has been deposited under section 476 requiring the company to obtain an audit of its accounts for the year in question.

Directors' responsibilities

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The notes on pages 11 to 19 form part of these financial statements.

Approved by the Board and authorised for issue on: September 19 2018

And signed on their behalf by:



Lynne Farnell - Director

Company registration number 1731859

**"LITTLE WORLD" LIMITED
STATEMENT OF CASH FLOWS
AS AT MARCH 31 2018**

	notes	2018 £	2017 £
Cash used in operating activities	18	<u>(33,092)</u>	<u>4,222</u>
Cashflows from investing activities			
Interest and dividends		23	42
Purchase of tangible fixed assets		(4,020)	(4,858)
Proceeds of sale of fixed assets		-	-
Payments to acquire investments		-	-
Cash provided by/(used in) investing activities		<u>(3,997)</u>	<u>(4,816)</u>
Cashflows from financing activities			
Proceeds from new borrowings		-	-
Repayment of borrowing		-	-
Cash used in financing activities		<u>-</u>	<u>-</u>
Increase/(decrease) in cash & cash equivalents in the year		(37,089)	(594)
Cash and cash equivalents brought forward		79,684	80,278
Cash and cash equivalents carried forward		<u>42,595</u>	<u>79,684</u>
Cash and cash equivalents consist of:			
Cash at bank and in hand		42,595	79,684
		<u>42,595</u>	<u>79,684</u>

"LITTLE WORLD" LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31 2018

1 ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared: under the historic cost convention, in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued on July 16 2014; FRS102; and the Companies Act 2006. The charity constitutes a public benefit entity as defined by FRS102.

The accounts are prepared in £ sterling, the functional currency of the charity.

The charity constitutes a public benefit entity as defined by FRS102.

Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts to March 31 2017, the trustees considered whether in applying the accounting policies required by FRS102 and Charities SORP FRS102 a restatement of comparative items was required. No restatements were required.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Income recognition

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably. The following applies to particular types of income:

Grants, whether of a capital or revenue nature, are recognised when the charity has entitlement to the funds, any performance conditions have been met and it is probable that the income will be received.

Donations from individuals and other bodies (not being of the nature of a grant) are recognised when receivable.

Earned income is measured at the fair value of the consideration received or receivable for services and goods supplied, net of discounts and VAT.

Deferred income

Income is only deferred and included in creditors when:

- The income relates to a future accounting period
- A sales invoice has been raised ahead of the work being carried out and there is no contractual entitlement 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

Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

Costs of raising funds including those associated with fundraising activities, managing investments and commercial trading by the subsidiary company.

Charitable activities costs of undertaking the work of the charity.

The charity is registered for VAT and is able to recover some of the input tax charged as it relates to VATable supplies. Costs are stated net of VAT were charged and irrecoverable VAT is included as a separate charge either within direct costs or support costs as appropriate.

Allocation of support costs

Support costs are those functions which assist the work of the charity either by supporting the delivery of charitable activities or by supporting the generation of funds.

"LITTLE WORLD" LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31 2018

1 ACCOUNTING POLICIES (continued)

Pension contributions

The charity operates work place pension scheme (a defined contribution pension scheme) for its employees, and pays the minimum contributions in order to meet its legal obligations. Contributions are charged to the SoFA as they become payable

Tangible fixed assets and depreciation

Individual fixed assets costing more than £500 are capitalised at cost and are depreciated over their estimated useful lives on a straight line basis as set out below.

Depreciation rates are 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

Debtors

Trade and other debtors are recognised at the settlement amount due and prepayments are valued at the amount prepaid.

Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount.

Financial instruments

The charity has only basic financial instruments which are initially recorded at cost, and with the exception of investments (as set out above) subsequently measured at their settlement value.

"LITTLE WORLD" LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31 2018

	2018			2017		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
2 DONATIONS						
Core grants:						
Arts Council England	123,632	-	123,632	123,632	-	123,632
Lancashire County Council	24,000	-	24,000	32,000	-	32,000
Building Development						
ACE	-	-	-	-	8,338	8,338
Donations	2,982	-	2,982	300	-	300
	<u>150,614</u>	<u>-</u>	<u>150,614</u>	<u>155,932</u>	<u>8,338</u>	<u>164,270</u>
3 INCOME FROM CHARITABLE ACTIVITIES						
Project grants:						
Esmee Fairbairn - Boo Family Programme	-	-	-	-	15,000	15,000
Canal & River Trust	-	-	-	-	24,950	24,950
Rossendale Borough Council	-	3,000	3,000	-	3,000	3,000
Stacksteads Countryside Park Group	-	14,775	14,775	-	14,900	14,900
Children in Need	-	-	-	-	8,320	8,320
Heritage Lottery	-	-	-	-	6,960	6,960
Z Arts	-	2,732	2,732	-	5,315	5,315
The Bromley Trust	-	14,000	14,000	-	-	-
GFA via Chant Voices	-	5,650	5,650	-	-	-
The Santander Foundation	-	4,700	4,700	-	-	-
The Said Foundation	-	4,500	4,500	-	-	-
Aawaz Access Point	-	3,800	3,800	-	-	-
Ribble Rivers Trust	-	2,800	2,800	-	-	-
Curious Minds	-	1,500	1,500	-	-	-
Frances Astor	-	-	-	-	5,000	5,000
English Folk Dance & Song Society	-	-	-	-	4,000	4,000
LCC - Arts Lancashire	-	652	652	-	5,000	5,000
Ernest Cook Trust	-	-	-	-	2,000	2,000
Without Walls Consortium	-	-	-	-	1,875	1,875
Garrick Charitable Trust	-	-	-	-	2,500	2,500
Other grants	-	-	-	-	1,305	1,305
	-	58,109	58,109	-	100,125	100,125
Fees: performance & workshops	43,470	-	43,470	65,085	-	65,085
Related trading	5,516	-	5,516	3,812	-	3,812
	<u>48,986</u>	<u>58,109</u>	<u>107,095</u>	<u>68,897</u>	<u>100,125</u>	<u>169,022</u>
4 INCOME FROM OTHER TRADING ACTIVITIES						
Room hire	2,808	-	2,808	1,612	-	1,612
	<u>2,808</u>	<u>-</u>	<u>2,808</u>	<u>1,612</u>	<u>-</u>	<u>1,612</u>
5 COST OF RAISING FUNDS						
Staff costs	4,667	-	4,667	22,798	-	22,798
Core fees	-	-	-	-	-	-
Direct costs	11,545	-	11,545	11,396	-	11,396
Office costs	-	-	-	500	-	500
	<u>16,212</u>	<u>-</u>	<u>16,212</u>	<u>34,694</u>	<u>-</u>	<u>34,694</u>

"LITTLE WORLD" LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31 2018

6 ANALYSIS OF CHARITABLE EXPENDITURE

	2018			2017		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
As analysed below:	237,186	68,107	305,293	203,765	102,823	306,588

	2018			2017		
	Theatre & Workshops	Related Trading	Total	Theatre & Workshops	Related Trading	Total
	£	£	£	£	£	£
Direct costs:						
Staff costs	64,612	-	64,612	68,334	-	68,334
Core fees	10,825	-	10,825	11,871	-	11,871
Artists & freelance staff fees	60,435	-	60,435	68,981	-	68,981
Production/workshop costs	73,812	-	73,812	45,850	-	45,850
Grants	-	-	-	-	-	-
Travel & accommodation	8,461	-	8,461	7,261	-	7,261
Theatre & premises costs	17,634	-	17,634	22,412	-	22,412
Marketing & publicity costs	13,716	-	13,716	20,232	-	20,232
Merchandise purchases	-	24	24	-	138	138
Café costs	-	4,967	4,967	-	4,413	4,413
Depreciation	17,043	-	17,043	14,274	-	14,274
Support costs:						
Staff costs	13,321	-	13,321	20,856	-	20,856
Core fees	500	-	500	500	-	500
Staff training & related costs	395	-	395	3,065	-	3,065
Office costs	15,762	-	15,762	13,730	-	13,730
Governance costs:						
Staff costs	2,000	-	2,000	2,000	-	2,000
Core fees	440	-	440	440	-	440
Audit, accountancy & legal	1,346	-	1,346	2,231	-	2,231
	<u>300,302</u>	<u>4,991</u>	<u>305,293</u>	<u>302,037</u>	<u>4,551</u>	<u>306,588</u>

7 STAFF COSTS

	2018	2017
	£	£
a Employees		
Salaries	82,512	112,419
Employers pension contributions	443	306
Social security costs	1,645	1,263
	<u>84,600</u>	<u>113,988</u>

No employee earned more than £60,000 in either year.

"LITTLE WORLD" LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31 2018

7 STAFF COSTS (continued)

b Key management personnel

The key management of the charity comprise the trustees and senior staff (as set out on page 1) comprising employed and self employed people. The trustees do not receive any remuneration for their services

The total employee benefits of other key management were as follows:

	£	£
Total employment benefits	<u>36,485</u>	<u>66,905</u>

Payments to freelance members of the team amounted to £11,765 (2016/17 - £12,811)

c Average staff numbers

The average number of employees was as follows:-

	2018 Number	2017 Number
Direct charitable	3.9	4.9
Fundraising and publicity	0.5	0.5
Governance	0.1	0.1
	<u>4.5</u>	<u>5.5</u>

No employee earned more than £60,000 per annum

8 NET INCOMING RESOURCES BEFORE TRANSFERS

This is stated after charging/(crediting):

	£	£
Independent examination and accountancy	1,346	1,459
Depreciation of other fixed assets	17,043	14,284
Operating lease payments	780	780
Directors' remuneration & trustees expenses	<u>-</u>	<u>-</u>

9 TANGIBLE FIXED ASSETS

	Freehold Land & Buildings	Fixtures Fittings & Equipment	Vehicles	Total
Cost	£	£	£	£
As at April 1 2017	590,821	118,610	4,316	541,044
Additions	-	4,020	-	4,020
As at March 31 2018	<u>590,821</u>	<u>122,630</u>	<u>4,316</u>	<u>717,767</u>
Depreciation				
As at April 1 2017	193,383	116,308	4,316	314,007
Charge for the year	11,360	5,683	-	17,043
As at March 31 2018	<u>204,743</u>	<u>121,991</u>	<u>4,316</u>	<u>331,050</u>
Net Book Value				
As at March 31 2018	<u>386,078</u>	<u>639</u>	<u>-</u>	<u>386,717</u>
As at March 31 2017	<u>397,438</u>	<u>2,302</u>	<u>-</u>	<u>399,740</u>

"LITTLE WORLD" LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31 2018

	2018 £	2017 £
10 STOCKS		
Stock of goods for resale	<u>896</u>	<u>1,406</u>
11 DEBTORS		
Trade debtors	4,950	6,722
Income receivable	1,697	1,852
Prepayments	<u>1,537</u>	<u>1,757</u>
	<u>8,184</u>	<u>10,331</u>
12 CREDITORS falling due within one year		
Trade creditors	5,594	7,397
Other taxation and social security	999	1,712
Funds in trust - Arts Lancashire Partnership	5,000	-
Pension liability	1,322	-
Accruals	<u>1,970</u>	<u>2,108</u>
	<u>14,885</u>	<u>11,217</u>

Funds in trust - Arts Lancashire Partnership

The charity administers funds on behalf of the Arts Partnership Lancashire, which is an umbrella body of arts organisations which exists to support and promote the work of its members, offering a strategic voice for professional arts and culture in the county. Horse + Bamboo is a member organisation.

In addition to the funds in trust, Horse + Bamboo received grants of £652 in the year (2017 - £5,000).

The partnership is chaired by Esther Ferry-Kennington, Executive Director of Horse + Bamboo, who does not receive any remuneration from the partnership and took no part in the decision to award Horse + Bamboo funding.

13 STATEMENT OF FUNDS

	2016/17				31/03/2017 01/04/2017	2017/18			
	01/04/2016	Income	Expenditure	Transfers		Income	Expenditure	Transfers	31/03/2018
Unrestricted funds:									
General fund	137,598	226,483	(224,341)	-	139,740	202,431	(244,620)	-	97,551
Designated fund - building development	205,414	-	(4,250)	4,060	205,224	-	(4,250)	-	200,974
	<u>343,012</u>	<u>226,483</u>	<u>(228,591)</u>	<u>4,060</u>	<u>344,964</u>	<u>202,431</u>	<u>(248,870)</u>	<u>-</u>	<u>298,525</u>
Restricted Funds:									
Revenue fund:									
Esmee Fairbairn	-	15,000	(15,000)	-	-	-	-	-	-
Canal & River Trust	-	24,950	(24,950)	-	-	-	-	-	-
Rossendale Borough Council	-	3,000	(3,000)	-	-	3,000	(3,000)	-	-
Stacksteads Countryside Park Group	-	14,900	(14,900)	-	-	14,775	(14,775)	-	-
Children in Need	-	8,320	(6,656)	-	1,664	-	(1,664)	-	-
Heritage Lottery	-	6,960	(6,960)	-	-	-	-	-	-
Z Arts	-	5,315	(5,315)	-	-	2,732	(2,732)	-	-
The Bromley Trust	-	-	-	-	-	14,000	(4,500)	-	9,500
GFA via Chant Voices	-	-	-	-	-	5,650	(5,650)	-	-
The Santander Foundation	-	-	-	-	-	4,700	(4,700)	-	-
The Said Foundation	-	-	-	-	-	4,500	(4,500)	-	-
Aawaz Access Point	-	-	-	-	-	3,800	(3,800)	-	-
Ribble Rivers Trust	-	-	-	-	-	2,800	(2,800)	-	-
Curious Minds	-	-	-	-	-	1,500	(1,500)	-	-
Frances Astor	-	5,000	(5,000)	-	-	-	-	-	-
English Folk Dance & Song Society	-	4,000	(4,000)	-	-	-	-	-	-
LCC - Arts Lancashire	-	5,000	-	-	5,000	652	(5,652)	-	-
Ernest Cook Trust	-	2,000	-	-	2,000	-	(2,000)	-	-
Without Walls Consortium	-	1,875	-	-	1,875	-	(1,875)	-	-
Garrick Charitable Trust	-	2,500	(2,500)	-	-	-	-	-	-
Other grants	-	1,305	(1,305)	-	-	-	-	-	-
Capital grants:									
Building Development	-	8,338	(4,278)	(4,060)	-	-	-	-	-
Capital Grants Expended	133,400	-	(8,959)	-	124,441	-	(8,959)	-	115,482
	<u>133,400</u>	<u>108,463</u>	<u>(102,823)</u>	<u>(4,060)</u>	<u>134,980</u>	<u>58,109</u>	<u>(68,107)</u>	<u>-</u>	<u>124,982</u>
	<u>476,412</u>	<u>334,946</u>	<u>(331,414)</u>	<u>-</u>	<u>479,944</u>	<u>260,540</u>	<u>(316,977)</u>	<u>-</u>	<u>423,507</u>

"LITTLE WORLD" LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31 2018

14 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Total £
Fund balances at March 31 2018 are represented by:-			
Tangible fixed assets	271,235	115,482	386,717
Net assets	27,290	9,500	36,790
	<u>298,525</u>	<u>124,982</u>	<u>423,507</u>
Fund balances at March 31 2017 are represented by:-			
Tangible fixed assets	275,299	124,441	399,740
Net assets	69,665	10,539	80,204
	<u>344,964</u>	<u>134,980</u>	<u>479,944</u>

15 CONSTITUTION

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

There were 10 members at the year end (2017 - 25).

16 TAXATION

The Company is a registered charity and is entitled to claim annual exemption from UK corporation tax under sections 466 to 493 of the CTA 2010.

17 COMMITMENTS

The company had no capital commitments at the year end.

The company had the following minimum commitments under non cancellable operating lease :

	2018 £	2017 £
Amounts due;		
Within one year	780	780
Between two to five years	<u>1,170</u>	<u>1,170</u>

18 RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASHFLOW FROM OPERATING ACTIVITIES

	2018 £	2017 £
Net income/(expenditure)	(56,437)	3,532
Add back depreciation	17,043	14,284
Deduct interest income shown in investing activities	(23)	(42)
Deduct profit/add back losses on disposals of FA	-	-
Decrease/(increase) in stocks	510	(904)
Decrease/(increase) in debtors	2,147	(5,472)
Increase/(decrease) in creditors	3,668	(7,176)
Net cash generated from/(used in) operating activities	<u>(33,092)</u>	<u>4,222</u>

"LITTLE WORLD" LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31 2018

19 FINANCIAL INSTRUMENTS

The carrying amounts for each category of financial instrument is as follows:

	2018 £	2017 £
Financial assets		
that are debt instruments measured at amortised cost	<u>50,779</u>	<u>90,015</u>
Financial liabilities		
measured at amortised cost	<u>14,885</u>	<u>11,217</u>

Financial assets measured at amortised cost comprise: cash at bank and in hand; trade debtors; and prepayments.

Financial liabilities measured at amortised cost comprise: trade creditors; other taxes and social security; funds in trust and accruals.

20 RELATED PARTY TRANSACTIONS

Details of the relationship with Arts Lancashire Partnership are given in note 12.

Following an open selection process in 2016 the charity appointed Farnell Consulting Ltd as bid writers. Subsequently, Lynne Farnell, a director and majority shareholder of that company, was appointed a trustee of the Charity. She plays no part in the Board decisions relating to the Charity's relationship with Farnell Consulting Ltd.

During the year the charity paid Farnell Consulting Ltd £10,050 (2017 - £11,396) and there no amounts outstanding at the year end (2017 -nil).

Loz Kaye, a trustee, was paid £1,750 in 2016/17 for services as music director (2018 - nil). There were no amounts outstanding at either year end.

Caroline Eccles, a trustee, has been engaged by the charity to film animation work. She operates as a sole trader under the banner of Huckleberry Films. She takes no part in the decision to engage her services or in discussions/decisions concerning the charity's relationship with her. During the year the charity paid £3,000 (2017 - 250) to her for filming services. There were no amounts outstanding at the year end (2017 - none).

There are no other related party transaction is this or the previous year.

21 CONTINGENT LIABILITIES - CAPITAL GRANTS

The Arts Council of England lottery award of £149,000, received in previous years, is repayable in the event of the company being wound up. The building asset created by this grant cannot be disposed of without the prior written agreement of the grantor.

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 in line with the depreciation policy.

The capital grants expended includes £123,570 of ERDF funding for the Horse and Bamboo Theatre project awarded in 1996. If the building is used for purposes outside of those in the grant application within 20 years of the grant award then the grant may become repayable.

Further capital grants have been received in the last two year in respect of the building development project and an initial transfer was made last year to capital grants expended in respect of the expenditure in that year. The terms of these grants has now been reviewed and on completion of the project as there were no continuing restrictions they have all been transferred to unrestricted funds.

22 CONTROLLING PARTY

The charity has no controlling party. The members, who appoint the trustees, are independent of each other and no individual has a significant proportion of the voting rights.