

2999055



**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2002**





Registered Office The Babylon Gallery
 Babylon Bridge
 Waterside
 Ely
 Cambs CB7 4AU

Registered Charity Number 1043197

Company Number 2999055

Chairman Martin Gent

Company Secretary Nicola Adamson

Auditors Price Bailey
 Richmond House
 Broad Street
 Ely
 Cambridgeshire
 CB7 4AH

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DIRECTORS REPORT

The directors submit their report and the financial statements of the Charity for the year ended 31 March 2002.

RESULTS FOR THE YEAR

The gross income for the year totalled £257,614. The accounts show a surplus for the year of £4,106 compared to £9,438 in 2000/2001. The surplus to carry forward is £25,748.

REVIEW OF THE BUSINESS

The Company's principal activity during the year was that of the promotion and development of the arts in East Cambridgeshire.

Under the auspices of ADeC, the development of the arts in East Cambridgeshire continues to progress with grants and guarantees awarded to a wide variety of art forms in the District.

The Company has consolidated its position at its new premises and is now running a highly successful contemporary art gallery.

During this period the company purchased nearly £90,000 worth of capital equipment with grants from the National Lottery and East Cambridgeshire District Council, and launched a new equipment hire facility. In addition to its regular programme of activity, it once again promoted the Royal Shakespeare Company's touring production of "The Merchant of Venice," which for the first time broke even— thanks to sponsorship.

FUTURE DEVELOPMENTS

The Directors will be allocating the reserves that have accrued to support large-scale projects during the coming financial year, all of which have the potential to attract considerable external funding. These include a concert in Ely Cathedral that continues the three-way partnership between ADeC, Britten Sinfonia and Ely Cathedral developed during 2000-01, a pilot festival of literature and film, the launch of a three-year intergenerational project, and a major refurbishment of the Babylon Gallery to enable exhibition of digital artworks.



DIRECTORS REPORT (CONTINUED)

DIRECTORS

The directors during the year were as follows:

S. Adamson	D. Learner
A. Allen	P. Lewis (ECDC Nominee, app. May 2001)
B. Bendon (co-opted November 2001)	H. Lichterman
Cllr. S. Friend-Smith	T. Overall
M. Gent	R. Setchell (resigned March 2002)
A. O'Hanlon	A. Stewart
S Hogger (co-opted November 2001)	G. Waterhouse (resigned October 2001)

DIRECTORS' RESPONSIBILITIES

The directors acknowledge their various accounting responsibilities, in particular the requirement to maintain proper and accurate accounting records and the need to safeguard assets and take reasonable steps for the prevention and detection of fraud and other irregularities. In addition, the directors also acknowledge their responsibility for the accounts, which have been prepared from the accounting records.

The accounts are required to give a true and fair view and to comply with the Companies Act 1985. To achieve this, the directors have chosen accounting policies suitable to the business, applied them consistently and made judgements and estimates that they consider prudent and reasonable. They have applied the going concern basis of accounting, which they consider appropriate in the circumstances.

AUDITORS

A resolution to appoint Price Bailey as auditors will be put to the members at the Annual General Meeting.

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

BY ORDER OF THE BOARD

N. Adamson - Secretary
Dated 06/09/2002

AUDITOR'S REPORT TO THE MEMBERS ON THE ACCOUNTS OF



We have audited the financial statements on pages 4 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 2 the trustees, who are also the directors of ADeC for the purposes of company law are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards 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 judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company'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 as to whether the financial statements are free from material mis-statement, 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 of the charitable company's state of affairs as at 31 March 2002 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Richmond House
Broad Street
Ely
Cambs CB7 4AH

Price Bailey
Registered Auditor

16 September 2002



**STATEMENT OF ACCOUNTS
YEAR ENDED 31 MARCH 2002**

	Notes	2002	2001
INCOMING RESOURCES			
Grants: East Cambs District Council		179,995	173,618
East England Arts		7,210	7,000
Re: Equipment bank		1,208	5,415
Members subscriptions		1,638	578
Bank interest		1,118	1,582
Major projects & development groups	5	51,029	107,007
Gallery			
Goods sold & miscellaneous		1,285	578
Exhibition receipts		11,200	2,606
Equipment bank		1,018	
Miscellaneous		1,913	860
TOTAL INCOMING RESOURCES	2	<u>257,614</u>	<u>299,244</u>
RESOURCES EXPENDED			
Direct charitable expenditure:			
Grants and guarantees		29,198	29,433
Staff costs	4	51,419	37,828
Gallery costs	6	51,418	38,774
Marketing (including <i>The Guide</i>)			
information and publications		20,382	19,420
Subscriptions		4,852	4,896
Equipment bank costs	7	7,438	6,301
Major projects & development groups	5	61,016	125,489
		<u>225,723</u>	<u>262,141</u>
Management and Administration			
Staff Costs	4	11,374	10,321
Other administration costs	8	16,411	17,344
		<u>27,785</u>	<u>27,665</u>
TOTAL RESOURCES EXPENDED	3	253,508	289,806
NET INCOMING RESOURCES		4,106	9,438
FUND BALANCES			
Brought forward at 1 April 2001		21,642	12,204
Carried forward at 31 March 2002		<u>£25,748</u>	<u>£21,642</u>

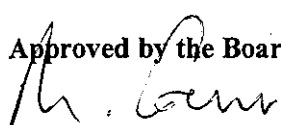
AdeC held no endowment funds at any time during the two years to 31 March 2002.



BALANCE SHEET AT 31 MARCH 2002

	Notes	2002	2001
FIXED ASSETS			
Tangible assets	9	9,837	8,070
CURRENT ASSETS			
Debtors	10	12,487	1,159
Cash at bank and in hand		<u>35,069</u>	<u>35,388</u>
		<u>47,556</u>	<u>36,547</u>
CREDITORS: amounts falling due within one year	11	<u>31,645</u>	<u>22,975</u>
TOTAL CURRENT ASSETS		<u>15,911</u>	<u>13,572</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>£25,748</u>	<u>£21,642</u>
CAPITAL AND RESERVES			
Income and expenditure account		<u>25,748</u>	<u>21,642</u>
		<u>£25,748</u>	<u>£21,642</u>

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

Approved by the Board on 17 July 2002

M. Gent – Director

The notes on pages 6 to 10 form part of these financial statements



NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

Accounting convention and standards

The financial statements are prepared under the historical cost convention in accordance with applicable statements of standard accounting practice and financial reporting standards.

Incoming Resources

Council and others Incoming Resources represents income derived by direct grants from East Cambridgeshire District, subscriptions, box office and miscellaneous sales and is stated net of value added tax.

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset over its estimated useful life as follows:

Fixtures and Fittings	15% per annum on the reducing balance
Equipment for hire	15% per annum on the reducing balance

Taxation

The Company, as a charity, is not liable for assessment to tax on its results.

Leasing and hire purchase commitments

Rentals paid under operating lease agreements are charged to income as incurred.

2. INCOMING RESOURCES

Incoming Resources and the surplus is all attributable to the principal activity of the promotion and development of the arts in East Cambridgeshire.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. TOTAL RESOURCES EXPENDED 2002 2001

This is stated after charging:-

Auditors' remuneration	2,470	1,500
Expenses paid to director	58	-
Depreciation	1,736	1,424
Operating lease payments	<u>2,325</u>	<u>1,884</u>

4. STAFF COSTS

Wages and salaries	80,089	65,226
Social security costs	4,457	5,490
Pension costs	<u>5,654</u>	<u>3,181</u>
	<u>90,200</u>	<u>73,897</u>

Apportioned

Direct charitable expenditure	51,419	37,828
Direct charitable expenditure – gallery	25,554	21,701
Management & administration	11,374	10,321
Included in project costs	<u>1,853</u>	<u>4,047</u>
	<u>90,200</u>	<u>73,897</u>

The average weekly number of employees during the year was 6 (2001, 5)

5. MAJOR PROJECTS & DEVELOPMENT GROUPS

	2002		2001	
	Income	Expenditure	Income	Expenditure
Major Projects				
RSC Merchant of Venice (2001 Taming of the Shrew)	42,063	42,524	31,551	36,632
Ely Millenium Festival Concerts	-	-	70,441	74,338
Development Groups				
Dance	1,770	2,599	516	4,693
Drama	312	2,130	313	2,800
Literature	78	940	1,278	1,936
Music	6,806	10,972	2,878	4,967
Youth	-	1,000	-	-
Miscellaneous	-	<u>851</u>	<u>30</u>	<u>123</u>
	<u>51,029</u>	<u>61,016</u>	<u>107,007</u>	<u>125,489</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	2002	2001
6. GALLERY COSTS		
Staff costs (note 4)	25,554	21,701
Exhibition costs	16,218	7,540
Marketing	789	-
Goods for resale	302	367
Light, heat and water	550	1,083
Telephone	861	1,204
Printing, postage and stationery	1,928	2,004
Recruitment and training	373	466
Insurance	401	337
Maintenance and cleaning	2,356	1,778
Moving expenses	-	888
Bank and credit sales charges	486	245
Depreciation	214	-
Miscellaneous expenses and office sundries	910	1,082
Travelling expenses	476	79
	<u>51,418</u>	<u>38,774</u>
7. EQUIPMENT BANK		
Building renovations (covered by grant received)	-	5,415
Contractor's fees	1,845	-
Recruitment and training	53	-
Marketing	1,787	-
Telephone	214	-
Rent	1,500	875
Printing, postage and stationery	651	-
Insurance	171	-
Maintenance and cleaning	157	-
Depreciation	87	-
Miscellaneous expenses and office sundries	638	11
Travelling expenses	335	-
	<u>7,438</u>	<u>6,301</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. ADMINISTRATION

Light, heat and water	234	470
Telephone	1,292	1,878
Printing, postage and stationery	2,535	2,727
Recruitment and training costs	747	1,217
Equipment rental	2,325	1,884
Insurance	602	505
Legal and professional fees	2,698	1,275
Bank and credit sales charges	958	674
Maintenance and cleaning	2,016	996
Moving expenses	-	1,966
Miscellaneous expenses and office sundries	1,098	1,783
Depreciation	1,435	1,424
Travelling expenses	<u>471</u>	<u>545</u>
	<u>16,411</u>	<u>17,344</u>

9. TANGIBLE FIXED ASSETS

	Equipment & Furniture	Equipment for hire	Equipment Store	Total
Cost				
At 1 April 2001	14,648	-	-	14,648
Expenditure	2,923	86,403	3,399	92,725
Grants received	-	(85,824)	(3,399)	(89,223)
At 31 March 2002	<u>17,571</u>	<u>579</u>	<u>-</u>	<u>18,150</u>
Depreciation				
At 1 April 2001	6,578	-	-	6,578
Charge for the year	1,649	87	-	1,736
At 31 March 2002	<u>8,227</u>	<u>87</u>	<u>-</u>	<u>8,314</u>
Net Book Values				
At 31 March 2001	8,070	-	-	8,070
At 31 March 2002	<u>9,344</u>	<u>492</u>	<u>-</u>	<u>9,836</u>

The Equipment and Furniture are used for the management and administration of the company

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. DEBTORS	2002	2001
Trade Debtors	1,154	263
Value added tax	957	-
Income tax recoverable	95	-
Grants receivable	6,737	-
Prepayments	<u>3,544</u>	<u>896</u>
	<u>12,487</u>	<u>1,159</u>
11. CREDITORS: amounts falling due in one year		
Bank overdraft	-	2,156
Other creditors	5,324	1,325
Taxes and social security	1,522	5,049
Accruals	4,514	7,370
Grants received but repayable	9,680	-
Balance of grants at 31 March 2002		
but not taken up	<u>10,605</u>	<u>7,075</u>
	<u>31,645</u>	<u>22,975</u>

12. RESTRICTED/DESIGNATED FUNDS

There are no restricted or designated funds.

13. CONSTITUTION

The Company is limited by guarantee and does not have a share capital. At 31 March 2002 there were 115 (2001: 48) individual members and 24 (2001: 29) group members.

Members' liability is limited at £1 each, in the event of the Company being wound up while they are members, or within one year after they cease to be a member, for payment of debts and liabilities contracted before they ceased to be a member.

14. TRANSACTION WITH DIRECTOR

During the year a laptop computer, no longer compatible with the current office network was sold to a director for its market value of £400