

**PHOTO ARTS 2000
T/A THE CULTURE COMPANY**

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2007**

COMPANY REGISTRATION NUMBER 3061782

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**PHOTO ARTS 2000
T/A THE CULTURE COMPANY**

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**PHOTO ARTS 2000
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Directors and trustees

T J Gustafson
D H G Lascelles
R Watts
B Sowarn
C Bailey

Company Secretary

N Stephenson

Registered Office

Unit 5, Aire Street Workshops
35 Aire Street
Leeds
LS1 4UH

Bankers

Yorkshire Bank Plc
40 New Street
Huddersfield

Auditors

Sochall Smith Limited
Chartered Accountants and Registered Auditors
3 Park Square
Leeds
LS1 2NE

Registered Charity Number

1055987

Registered Company Number

3061782

**PHOTO ARTS 2000
T/A THE CULTURE COMPANY**

**REPORT OF THE DIRECTORS AND TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2007**

The trustees are pleased to present their Annual Report together with the audited financial statements for the year ended 31 March 2007

Reference and administrative details

These details are set out on page one

Directors and trustees

The directors of the charitable company (the charity) are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees

The trustees serving at the date of this report are set out on page 1 and served during the year except for T J Gustafson who was appointed on 7 July 2006, B Sowarn who was appointed on 14 June 2007 and C Bailey who was appointed on 28 October 2007 P K Brookes served until his resignation on 14 June 2007 and D S Boyes until his resignation on 18 December 2006

Structure, Governance and Management

The Board, assisted by senior management, is responsible for formulating the strategy and policies for the company as a whole including the approval of budgets and the exercising of financial controls through regular financial reporting

Governing Document

Photo Arts 2000 is a company limited by guarantee governed by its Memorandum and Articles of Association dated 1995 and amended to allow for current governance arrangements on 4 March 2005 It is registered as a charity with the Charity Commission Anyone over the age of 18 can become a member of the Company each of who agree to contribute £1 in the event of the charity winding up

Appointment of trustees

The company is governed by its Board of Directors, which comprises not less than three and not more than twenty five persons Members are elected by and from membership at the Annual General Meeting The Board may co-opt additional members provided that the maximum size of the Board specified is not exceeded When considering co-opting trustees, the Board examines its requirements for any specialist skills needed

Trustee induction and training

New trustees undergo an orientation meeting to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision making processes, the business plan and recent financial performance of the charity

Organisation

The Board of Directors administers the charity The Board meets quarterly The Director is appointed by the trustees to manage the day to day operations of the charity To facilitate effective operations, the Director has delegated authority, within terms of delegation approved by the trustees, for operational matters including finance, employment and artistic activities

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Related parties

The charity has a close relationship with Arts Council England which makes a contribution to the core activities of the organisation

Risk management

The trustees are currently developing a risk management strategy which comprises

- an annual review of the risks the charity may face
- the establishment of systems and procedures to mitigate those risks identified in the plan,
- the implementation of procedures designed to minimise any potential impact on the charity should those risks materialise

Reserves

At the moment the Company has no reserves but it is its medium term aim to eliminate its remaining deficit and to build some reserves. The reserves policy is outlined in the Articles of Association. Any surplus of the company shall be applied solely to creating a general reserve for the continuation and development of the company.

Funds in Deficit

This year the company had to write off an irrecoverable debt of £31,039, which was the remaining amount after the recovery of £8,000 through legal action, leaving an overall deficit of £18,163 for the year. We fully expect this to be significantly reduced in the year 2007/08.

Objectives and activities

The objects of the charity are to promote and advance education by the encouragement of the arts, particularly in the fields of photography and digital media. Its current mission statement is

To develop partnerships between the arts and other sectors which open up strategic opportunities and resources for artists' commissions, public participation and educational work within an international context, particularly through being involved with large scale cultural programmes

The Culture Company aims to achieve these objectives by

- Developing programmes of high quality and innovation and to encourage creative risk taking through the development of high quality engaging work and educational programmes
- Providing creative opportunities for artists to develop through supported commissioning programmes
- Contributing to the quality of life of the region through the presentation of exciting, challenging and accessible programmes
- Representing and celebrating diversity
- Being financially stable

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**REPORT OF THE DIRECTORS AND TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2007**

Achievements and performance

What we do

The Culture Company is an independent cultural commissioning agency with a particular focus on contemporary visual and media arts. It aims to increase the awareness of the cultural, social and commercial value of the arts through the development of a range of cross sector partnership models and undertakes a variety of arts development programmes which are of public benefit.

Our beneficiaries

The general public particularly those with an interest in contemporary arts. It is our intention to use our programme to extend that interest.

Artists through opportunities to make and present new work to the public and to support them to extend and explore their own practice.

The Yorkshire region by commissioning work of significant quality and interest within a local, regional and national context.

Artistic Programme 2006/07

The Company agreed that the main focus of the year would be to start the process of developing a new range of programme strands and to look at company development. Consequently a successful application was submitted to Arts Council England in the autumn 2006 to support research and development and organisational development.

Yorkshire Photography and New Media Commissions

In the first part of 2006/07 we delivered 'Secrets and Lights'. It took longer than expected to raise sufficient funds to run the regional commissioning programme to match the £25,000 raised from the Arts Council. Eventually we received £20,000 from the Esmée Fairbairn Foundation, £11,250 from Yorkshire Forward and £15,500 of in-kind support. Ten artists were commissioned from over 30 submissions: Joe Gilmore and Mark Fell/Casey Orr and Andy Edwards/Andy Wood/James Rose/Pippa Hale/Emma Bolland/Artist House.

The following extract from the artists' brief explains its objectives:

"Secrets and Light asks artists to respond to the historical places, secret corners, quirky stones, social history and architectural spaces to create works that will catch our eye and bring our attention to significant places or questions. In the next 5 – 10 years the area can expect to experience great change. Many of the new companies setting up there are based round the new creative industries of our time, design, mobile and digital technologies, gaming, architecture. We are looking to commission proposals that show how some of these technologies can and are used by artists in public sites. Can the Holbeck Urban Village become an experimental workshop for 21st century creativity? Can artists contribute to the vitality and attractiveness of the area by creating projects which create intrigue and magic, ask questions, raise expectations, reveal secrets, interpret histories and make meaningful connections between people and place?"

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**REPORT OF THE DIRECTORS AND TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2007**

Although this was a project in its own right we agreed to programme it to coincide with the launch of a consultative programme asking people for their reaction to the future of Holbeck called 'What Kind of Place' in Leeds. The report on that concluded the work was able to respond creatively in a variety of ways

- The poetic qualities of the Dark Arches environment (Here I Remain)
- Digital media experiments (Manifold)
- The presence of canal boats (Light Boat)
- Stories of the everyday working lives which are attached to old buildings (Yarn)
- Bringing to attention the diversity and richness of lives of 'ordinary' residents in and around the area (Don't Look Here)
- Highlighting the sheep myth at Temple Mill (Anecdote: an Urban Rescore)
- Architectonic potential of a key junction (Architecture for Strangers)

Extracts from final report written by MUD (Multi-cultural Urban Design) consultants to the Holbeck Urban Village team

Secrets and Light gave an essential added dimension to the development process by

- *putting the potential of process-based art work on the agenda at an early stage*
- *demonstrating and bringing to the fore the creative element of the mix, which has made a real change to the current vision for the area's future*
- *attracting creative sector people to the area and event*
- *playing a key role in the marketing of the event – media were strongly attracted by S + L*
- *showing how aspects of the layers of history in HUV (other than the historic fabric) could become part of future development*
- *foregrounding the question of the presence of usually excluded people – migrants, local working families etc – in the vision for the area's future*

Secrets and Light was also a major draw for people and the media to 'What Kind of Place' and showed the major role that the arts has to play in marketing and promotion of any area

The achievement was that it juxtaposed a highly creative project with the development process at a critical point and showed how the arts can change the nature of a place, not merely by the usual permanent additions to the renewed public realm

Melt

The delivery, development and improvement of 'Melt' continued to be a big part of our programme. 'Melt' is run from our dedicated Sheffield office led by Lucy Wurstin and two Melt specific staff. The main achievements were

- Plans for the revised 2006/07 programme were endorsed by the Melt Management Group in May 2006
- The 2006 programme was launched in June, attended by over 250 people. 92 people attended the three 'inspiration' sessions
- During the three month call for 'summary proposals' 243 enquiries were received, 47 one to one advice sessions were held and over 1000 people are now signed up for the Melt Newsletter
- 87 'summary' Melt proposals were submitted of which 17 were short listed and awarded Melt Pilot awards of £1000 to further develop their proposals
- 16 full proposals were submitted to the 2006/07 panel meeting and five awards were selected for support to the value of £250,000

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Selected commissions.

'Earth Heart' – Steve Manthorp & David Squire (DESQ) 'Earth Heart' is a serious game that promotes Healthy Lifestyles in primary students. Through exciting and engaging collaborative and competitive play it also addresses KS2 targets across the National Curriculum. The game enables pupils to earn sun and water credits to nurture a virtual island and to cultivate unique flora and fauna for their island paradise.

'Inside the Game' From Player to Producer – Jacob Habgood & SUMO Digital 'Inside the Game' is a video game set inside a fantasy studio where the player is taught the craft of game development from the games characters. The 'game' is an immersive creative adventure, which teaches serious games development skills which can be used to make games in the 'real world' which can be shared by the community of players.

'Call of the Wild' – Alex Amsel & Andrew Crawshaw, Tuna Technologies 'Call of the Wild' is a totally microphone controlled videogame that lets players evoke emotional responses and bizarre behaviour from fantasy creatures by making animal calls made into a microphone. The research and development involves unique exploration of sound control sensitivity and develops an innovative game for gamers and non gamers alike.

'The Hive 'where bees make honey'' – Phil Shankland 'The Hive' links the physical and virtual worlds through the use of mobile tagging by allowing single shot photo capture on mobile phones of 'bee tags' – special printed tags that can be found in coffee shops, bars, venues. Members receive rewards in the form of 'honey points' for topping up 'The Hive' with their latest recommendations and can set fun tasks for other members. Share the honey.

'Animoodle' – Kathy Loizou (Showcomotion Children's Media Conference) and Matt Gould (Soda) 'Animoodle' is a new concept that allows children's drawings to come alive using a mixture of simple animation and simulated physics that combine to create a fantastically entertaining hybrid between drawings, puppets and toys. In 'Animoodle' children create characters and objects using an online interface based on Soda's Moovl software, which imbues freehand drawings with simulated physics. The best creations rising from this ecology of user generated content are used to populate a live television format.

Architecture Week 2006

In June 2006 we shared management and delivery for Architecture Week 2006 and programmed two additional events 'Sacred Space' and 'Architecture and New Technologies'.

Opera North new cross art form commission

We were engaged by Opera North to develop a new commission to mark the 400th anniversary of the first opera, 'Orfeo' and we commissioned The Brothers Quay to produce a new cross art form commission to open in the autumn of 2007.

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Research and development

Skyline (2007-09): developers and new developments

We began work on researching individuals and companies who might be interested in commissioning new work or cultural animation as part of commercial developments, particularly those art and architectural collaborations which foreground digital technologies

Appreciate (2007 – 09): pilot showcase for regional artists and makers

We began work on *Appreciate*, a programme that would create new opportunities for applied artists through the development of an art market for the 21C consumer, taking the work of promising emerging art/design/craft makers to new audiences by creating 'lifestyle' animation of new development spaces (Commercial and residential)

0898 – 10 years after Photo 98: a celebration of lens based and new media work in the region

We researched the appetite for celebrations and commissions with regional partners to mark 10 years on from Photo 98

Organisational development

We have begun to look at specific areas of company development that needed to be addressed as we evolve, including the appropriate structure for the company, charitable status, board development and premises. The aim is to find the appropriate model that reflects and best develops the potential to retain the highest quality creative activity at the heart of all we do, while realising the longer term potential for support and development by diversifying beyond the valuable investment we receive from Arts Council England

We also need to address any changes we make to the company direction and structure in marketing the new direction and format

Future Plans 2007-08

Our aims are as follows

- The delivery of the third phase of the 'Melt' innovation programme (through to March 2008) and the exploration of ways to extend it beyond its current South Yorkshire remit and focus
- The production and delivery of the Quay Brothers new commission for Opera North
- Board development and expansion of membership
- To develop the ideas researched in 2006-07
- Make improvement to the company infrastructure and development based on the findings of the research and consultancy programme
- Continue to work to recover the deficit/debt
- Develop new marketing materials for the company which clearly identify and state our unique selling points

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**REPORT OF THE DIRECTORS AND TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2007**

Statement of Directors' and Trustees 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 affairs of the company at the end of the year and of the profit and loss for the year then ended

In preparing those financial statements, the directors are required to select suitable accounting policies as described herein and then apply them on a consistent basis, making judgments and estimates that are prudent and reasonable. The directors must also prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Financial Review of 2006/2007

The total incoming resources were £492,517 (2006 - £525,805). Total expenditure was £510,680 (2006 - £494,300), leaving a net deficit of £18,163 (2006 surplus £31,505). The principal reason for the deficit in the current year is the write off of an irrecoverable debt of £31,039.

The company's direct charitable expenditure has as usual been the promotion, advancement and co-ordination of arts costing £477,991 excluding the debt referred to above. Details are given in the accounts. The company's assets are held expressly to enable these and other activities compatible with the company's published objectives to be carried out.

The principal grant in the period was £40,420 from the Arts Council of England.

Restricted funds are created when monies are received either for particular areas or purposes.

The company's financial position is considered adequate to fulfil its future project obligations.

The overdraft has been reviewed by Yorkshire Bank, and remains at £50,000.

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**REPORT OF THE DIRECTORS AND TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2007**

Auditors

A resolution to reappoint Sochall Smith Limited as auditors will be proposed at the forthcoming annual general meeting

Small Company Provisions

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

By order of the directors



**Nicola Stephenson
Secretary**

11 January 2008

**PHOTO ARTS 2000
T/A THE CULTURE COMPANY**

**AUDITORS' REPORT TO THE MEMBERS OF PHOTO ARTS 2000
FOR THE YEAR ENDED 31 MARCH 2007**

We have audited the financial statements of Photo Arts 2000 for the year ended 31 March 2007 which comprise the Statement of Financial Activities, the Balance Sheet and related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company'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 company's members those matters we are required to state to them in an auditors' 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities, the directors (who also act as trustees for the charitable activities of Photo Arts 2000) are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 if, in our opinion, the directors' report is not consistent with the financial statements, if the company 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 directors' remuneration and transactions with the company is not disclosed.

We read the Report of the Directors 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 judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the 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 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.

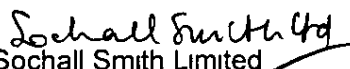
PHOTO ARTS 2000
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AUDITORS' REPORT TO THE MEMBERS OF PHOTO ARTS 2000
FOR THE YEAR ENDED 31 MARCH 2007

Opinion

In our opinion the financial statements

- Give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the state of the company's affairs at 31 March 2007 and of its deficit for the year then ended, and
- Have been properly prepared in accordance with the Companies Act 1985, and
- the information in the Directors' Report is consistent with the financial statements


Sochall Smith Limited
Chartered Accountants and Registered Auditors
3 Park Square
Leeds
West Yorkshire
LS1 2NE

21 January 2008

**PHOTO ARTS 2000
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**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2007**

| | Notes | Unrestricted Funds 2007 £ | Restricted Funds 2007 £ | Total 2007 £ | Total 2006 £ |
|--|---------------|------------------------------------|----------------------------------|--------------------|--------------------|
| Incoming Resources | | | | | |
| Incoming resources from generated funds | | | | | |
| Voluntary income | | | | | |
| Grants receivable | 2a | 40420 | - | 40420 | 39900 |
| Investment income | 3 | 3629 | - | 3629 | 687 |
| Incoming resources from charitable activities | 2b | 22326 | 426142 | 448468 | 485218 |
| Total incoming resources | 14 | 66375 | 426142 | 492517 | 525805 |
| Resources expended | | | | | |
| Costs of generating funds | | | | | |
| Charitable Activities | | 83139 | 425891 | 509030 | 492800 |
| Governance costs | | 1650 | - | 1650 | 1500 |
| Total resources expended | 4 | 84789 | 425891 | 510680 | 494300 |
| Net incoming resources before transfers | 7 | (18414) | 251 | (18163) | 31505 |
| Gross transfers between funds | 14 | (282) | 282 | - | - |
| Net Movement in Funds | 13 | (18696) | 533 | (18163) | 31505 |
| Reconciliation of funds | | | | | |
| Total funds brought forward | | (22797) | (128) | (22925) | (54430) |
| Total funds carried forward | 13, 14 | (41493) | 405 | (41088) | (22925) |
| | | ===== | ===== | ===== | ===== |

All of the above results are derived from continuing activities. All recognised gains and losses for the financial year are included above.

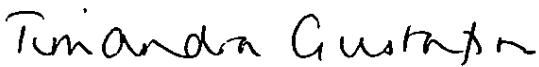
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**BALANCE SHEET
AS AT 31 MARCH 2007**

| | Notes | £ | 2007 £ | £ | 2006 £ |
|---|-------|---------------|-------------------------|---------------|-------------------------|
| Fixed Assets | | | | | |
| Tangible assets | 9 | | - | | 2657 |
| Current Assets | | | | | |
| Debtors | 10 | 30040 | | 127978 | |
| Cash at bank | | 141586 | | - | |
| Cash in hand | | 257 | | 920 | |
| Total current assets | | <u>171883</u> | | <u>128898</u> | |
| Creditors' Amounts falling due within one year | 11 | <u>212971</u> | | <u>154480</u> | |
| Net Current Liabilities | | | (41088) | | (25582) |
| Total assets less current liabilities | | | <u>(41088)</u> ===== | | <u>(22925)</u> ===== |
| The Funds of the charity | | | | | |
| Unrestricted income funds | | | (41493) | | (22797) |
| Restricted income funds | 14 | | 405 | | (128) |
| Total charity funds | 13 | | <u>(41088)</u> ===== | | <u>(22925)</u> ===== |

These accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985

These financial statements were approved by the directors on 11 January 2008 and are signed on their behalf by


Timandra Gustafson


Christopher Bailey

**PHOTO ARTS 2000
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2007**

1 Accounting Policies

a) Accounting Convention

The financial statements are prepared under the historical cost convention, in accordance with the Statement of Recommended Practice 2005 for Charities and the Charities Act 1993

b) Tangible Fixed Assets

Tangible fixed assets are stated at cost less depreciation

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

| | |
|------------------|-----------------------|
| Office equipment | 33 1/3% straight line |
|------------------|-----------------------|

c) Grants

Revenue and capital grants are credited to the statement of financial activities where the charity's legal entitlement is clear and there is reasonable certainty of receipt.

d) Allocation of Expenditure

Due to the nature of the charity's activities, the distinction between administration and service activities cannot be precisely measured because much of the work undertaken by the administrative staff is directly related to the various promotion and encouragement of arts programmes

For accounting purposes expenditure is allocated as follows

Charitable activities

Direct costs include expenditure in respect of promotion and advancement of art programmes, and publicity directed towards raising the profiles of photography and digital imagery and bringing it to as large and as broad an audience as possible, including related payroll, office and other costs

Support costs include expenditure incurred in administering the charity

Governance costs

These costs include those which provide the infrastructure for the charity to operate and the information required for public accountability

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2007**

1 Accounting Policies – continued

e) Funds

Restricted funds are produced for income which is received for use on a specific project. All other income is classified as unrestricted.

Transfers between the funds are made only when a project has been completed and there are surpluses available which are not due to be returned to the original funders. Alternatively if a restricted fund is in deficit and this is not expected to be recoverable in the forthcoming period a transfer may be made from the unrestricted fund or a completed fund where surpluses are available.

f) Going Concern

The company meets its day to day working capital requirements through an overdraft facility, amounting to £50,000 which is repayable on demand. The company expects to be able to operate within this facility.

Significant funding has been successfully secured for the forthcoming year and beyond. The directors are confident that the company is viable and have therefore prepared the financial statements on a going concern basis.

g) Income from charitable activities

Income is shown gross and is accounted for on the basis of legal entitlement and reasonable certainty that it will be received.

h) Expenditure

Expenditure is shown gross and is accounted for on the basis of the charity's legal or constructive obligation to meet such cost.

i) Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

j) Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2007**

2 Incoming resources

During the year income was received from the following organisations

| a) Grants receivable | 2007 | 2006 |
|-------------------------|-------------|-------------|
| | £ | £ |
| Arts Council of England | 40420 | 39900 |
| | ===== | ===== |

b) Incoming resources from Charitable Activities

| | 2007 | 2006 |
|------------------------------|-------------|-------------|
| | £ | £ |
| Melt | 380851 | 214263 |
| Secrets & Lights | 36642 | 21608 |
| Architecture Week | 17124 | 8776 |
| Sacred Space | 4500 | - |
| L' Orfeo | 2250 | - |
| Artistic Programme | 4149 | - |
| Anglo Irish | 750 | - |
| Sundry | 2202 | - |
| Creative Keys | - | 230150 |
| Kirklees MC | - | 7076 |
| Opera North | - | 1500 |
| BBC | - | 1178 |
| Screen Yorkshire | - | 500 |
| Leeds School of Architecture | - | 167 |
| | 448468 | 485218 |
| | ===== | ===== |

3 Investment Income

| | 2007 | 2006 |
|---------------|-------------|-------------|
| | £ | £ |
| Bank interest | 3629 | 687 |
| | ===== | ===== |

**PHOTO ARTS 2000
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2007**

4 Analysis of Total Resources Expended

| | Staff Costs £ | Other Costs £ | Depreciation £ | Total 2007 £ | Total 2006 £ |
|---------------------------|------------------------------|------------------------------|---------------------------|-----------------------------|-----------------------------|
| Costs of generating funds | | | | | |
| Charitable activities | | | | | |
| Direct costs | 137323 | 354834 | 2126 | 494283 | 477805 |
| Support costs | 8406 | 5810 | 531 | 14747 | 14995 |
| Governance costs | - | 1650 | - | 1650 | 1500 |
| Total resources expended | <u>145729</u> ===== | <u>362294</u> ===== | <u>2657</u> ===== | <u>510680</u> ===== | <u>494300</u> ===== |

5 Other Costs

| | Direct Costs £ | Support costs £ | 2007 Total £ | 2006 £ |
|---------------------------------------|-------------------------------|--------------------------------|-----------------------------|-------------------|
| Melt | 257035 | - | 257035 | 148952 |
| Photography and New Media Commissions | 30107 | - | 30107 | 11608 |
| Architecture week | 16311 | - | 16311 | 6314 |
| Kirklees Galleries | 858 | - | 858 | 2045 |
| L' Orfeo | 1114 | - | 1114 | - |
| Artistic Programme | 4149 | - | 4149 | - |
| Sacred Space | 4095 | - | 4095 | - |
| BBC Installation | - | - | - | 1207 |
| Opera North | - | - | - | 150 |
| Creative Keys | - | - | - | 204530 |
| Rent and rates | 2419 | 1210 | 3629 | 5848 |
| Insurance | 453 | 226 | 679 | 817 |
| Light and heat | 272 | 136 | 408 | 448 |
| Conference, travel and subsistence | 99 | 50 | 149 | 38 |
| Telephone and postage | 1179 | 590 | 1769 | 3197 |
| Printing and stationery | 134 | 67 | 201 | 440 |
| Computer costs | - | - | - | 918 |
| Equipment repairs and renewals | 97 | 49 | 146 | 250 |
| Training costs | 115 | 57 | 172 | 277 |
| Hospitality | 241 | 120 | 361 | 128 |
| Carried forward | <u>318678</u> | <u>2505</u> | <u>321183</u> | <u>387167</u> |

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2007**

| 5 | Other Costs – continued | Direct Costs | Support Costs | 2007 Total | 2006 Total |
|---|------------------------------|-----------------|------------------|---------------|---------------|
| | Brought forward | 318678 | 2505 | 321183 | 387167 |
| | Legal & professional fees | 2388 | 1194 | 3582 | - |
| | Subscriptions & publications | 45 | 23 | 68 | - |
| | Audit fees | - | 1650 | 1650 | 1500 |
| | Book keeping & accountancy | 2577 | 1289 | 3866 | 4910 |
| | Bank charges & interest | - | 749 | 749 | 645 |
| | Sundry expenses | 107 | 50 | 157 | (67) |
| | Bad debt | 31039 | - | 31039 | - |
| | | <u>354834</u> | <u>7460</u> | <u>362294</u> | <u>394155</u> |

6 Staff Costs (including directors)

| | 2007 £ | 2006 £ |
|-----------------------|------------------------|-----------------------|
| Wages and salaries | 128531 | 84790 |
| Social security costs | 13578 | 9108 |
| Pension contributions | 3620 | 3591 |
| | <u>145729</u> ===== | <u>97489</u> ===== |

The average number of employees, analysed by function was

| | Number | Number |
|--|-------------------|-------------------|
| Promotion and co-ordination of arts events | 4 | 2 |
| Management and administration | 1 | 1 |
| | <u>5</u> ===== | <u>3</u> ===== |

No director has received any remuneration for their services during the year, nor had they any beneficial interests in any contract with the company during the year

No expenses have been incurred by the directors, which have been reimbursed by the company

There were no employees with emoluments above £50,000

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**NOTES TO THE FINANCIAL STATEMENTS
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7 Net Incoming Resources before transfers

| | 2007 | 2006 |
|--|-------------|-------------|
| | £ | £ |
| Net movement in funds is arrived at after charging | | |
| Depreciation – tangible fixed assets | 2657 | 2656 |
| Operating leases – land and building | 2540 | 5207 |
| Auditors' remuneration | 1650 | 1500 |
| Accountancy and other services | 3866 | 4910 |
| | ===== | ===== |

8 Taxation on Ordinary Activities

The company is a registered charity and under the provision of the Income and Corporation Taxes Act 1988 is exempt from taxation. H M Revenue and Customs have indicated that the sale of prints or any other copy of work exhibited at various events and exhibitions would give rise to a corporation tax charge on any profits made.

There was no such income during the year.

9 Tangible Fixed Assets

| | Office Equipment £ | Total 2007 £ | Total 2006 £ |
|--------------------------------------|-----------------------------------|-----------------------------|-----------------------------|
| Cost | | | |
| At 1 April 2006 and at 31 March 2007 | 42147 | 42147 | 42147 |
| | ===== | ===== | ===== |
| Depreciation | | | |
| At 1 April 2006 | 39490 | 39490 | 36834 |
| Charge for year | 2657 | 2657 | 2656 |
| At 31 March 2007 | 42147 | 42147 | 39490 |
| | ===== | ===== | ===== |
| Net Book Value | | | |
| As at 31 March 2007 | - | - | |
| | ===== | ===== | |
| As at 31 March 2006 | 2657 | 2657 | |
| | ===== | ===== | |

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| | | | |
|----|---------------------|-------------------|-------------------|
| 10 | Debtors | 2007 £ | 2006 £ |
| | Due within one year | | |
| | Trade Debtors | 26137 | 123821 |
| | Prepayments | 344 | 518 |
| | Other debtors | 3559 | 3639 |
| | | <u>30040</u> | <u>127978</u> |
| | | ===== | ===== |
| 11 | Creditors | 2007 £ | 2006 £ |
| | Due within one year | | |
| | Bank overdraft | 1269 | 8049 |
| | Trade creditors | 28746 | 13578 |
| | Accruals | 182956 | 132853 |
| | | <u>212971</u> | <u>154480</u> |
| | | ===== | ===== |

Bank overdraft facilities are secured by a mortgage debenture giving a fixed and floating charge over the company assets

12 Analysis of Net Assets Between Funds

| | Tangible Fixed Assets £ | Current Assets £ | Current Liabilities £ | Total £ |
|--------------------|-------------------------------|------------------------|-----------------------------|----------------|
| Restricted funds | - | 167980 | (167575) | 405 |
| Unrestricted funds | - | 3903 | (45396) | (41493) |
| | <u>-</u> | <u>171883</u> | <u>(212971)</u> | <u>(41088)</u> |
| | ===== | ===== | ===== | ===== |

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13 Reconciliation of Movement in Reserves

| | 2007 £ | 2006 £ |
|---|-------------------------|--------------------------|
| Opening reserves | (22925) | (54,430) |
| (Deficit)/Surplus on unrestricted funds | (18696) | 40448 |
| Surplus/(Deficit) on restricted funds | 533 | (8943) |
| Closing reserves | <u>(41088)</u> ===== | <u>(22,925)</u> ===== |

14 Restricted Funds Movement

| | Balance at 1 April 2006 £ | Incoming Resources £ | Outgoing Resources £ | Transfer (to)/from Unrestricted Funds £ | Balance at 31 March 2007 £ |
|--------------------|------------------------------------|----------------------------|----------------------------|---|-------------------------------------|
| Melt | 154 | 380851 | (381005) | - | - |
| Creative Keys | (282) | - | - | 282 | - |
| Sacred Space | - | 4500 | (4095) | - | 405 |
| Secrets & Lights | - | 36642 | (36642) | - | - |
| Artistic Programme | - | 4149 | (4149) | - | - |
| | <u>(128)</u> ===== | <u>426142</u> ===== | <u>(425891)</u> ===== | <u>282</u> ===== | <u>405</u> ===== |

Incoming resources have been received from the following main donors

Funds for Melt were received from Screen Yorkshire

Funds for Secrets & Lights were received from the Esmée Fairbairn Foundation

Deficit on Creative Keys has been transferred to Unrestricted funds

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15 Financial Commitments

At 31 March 2007 the company had commitments under non cancellable operating leases as follows

| | Land and Buildings | |
|-----------------|---------------------------|-------------|
| | 2007 | 2006 |
| | £ | £ |
| Expiry date | | |
| Within one year | 2480 | 1560 |
| | ===== | ===== |

16 Related Parties

17 Pension Costs

During the year £3620 (2006 - £3591) was paid by the company in respect of employer contributions into employee personal pension funds At the year end £nil (2006 - £nil) was payable by the company