

Company Registration Number 03407918

&Co The cultural marketing house

Financial Statements

30th September 2011

Company Limited by Guarantee

Charity Number 1063886



Armstrong Watson
Chartered Accountants & Statutory Auditors
Central House
St Paul's Street
Leeds
West Yorkshire
LS1 2TE

**&CO THE CULTURAL MARKETING HOUSE
COMPANY LIMITED BY GUARANTEE**

FINANCIAL STATEMENTS

PERIOD FROM 1ST APRIL 2010 TO 30TH SEPTEMBER 2011

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&CO THE CULTURAL MARKETING HOUSE COMPANY LIMITED BY GUARANTEE

TRUSTEES' ANNUAL REPORT

PERIOD FROM 1ST APRIL 2010 TO 30TH SEPTEMBER 2011

The Trustees, who are also directors for the purposes of company law, present their report and the financial statements of the charity for the period from 1st April 2010 to 30th September 2011

REFERENCE AND ADMINISTRATIVE DETAILS

Registered charity name	&Co The cultural marketing house
Charity registration number	1063886
Company registration number	03407918
Registered office	Studio 23/24 46 The Calls Leeds LS2 7EY

THE TRUSTEES

The Trustees who served the charity during the period were as follows

Clive Lawrence
Professor Chris Bailey
Robert Gibson
Daniel Bates
Helen Dobson
Murray Anderson-Wallace (Chair)
Madani Younis
Abbigail Wright
Judith Hartley (Appointed 4th November 2010)

Madani Younis resigned as a Trustee on 31st May 2012
Judith Hartley resigned as a Trustee on 2nd November 2011

Secretary Alison Edbury (Until 27 April 2012)

Auditor Armstrong Watson
Chartered Accountants
& Statutory Auditors
Central House
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Leeds
West Yorkshire
LS1 2TE

&CO THE CULTURAL MARKETING HOUSE COMPANY LIMITED BY GUARANTEE

TRUSTEES' ANNUAL REPORT *(continued)*

PERIOD FROM 1ST APRIL 2010 TO 30TH SEPTEMBER 2011

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

&Co The cultural marketing house is a Company Limited by Guarantee and is governed by its Memorandum and Articles of Association dated 18 July 1997. This document was amended on 20 December 2001 and 31 January 2002. &Co The cultural marketing house is also registered as a charity with the Charity Commission (charity number 1063886).

Any organisation can become a member of the company, providing they operate an arts facility or undertake artistic exhibitions or performances within the sub-regions of Yorkshire. Each organisation must submit a membership application and pay a subscription fee that is set by the charity.

The liability of Members is limited, each of whom agree to contribute £10 in the event of the charity winding up.

Appointment of Trustees

As set out in the Articles of Association, the minimum number of Trustees is 3 and the maximum is 16. There are 10 places on the Board reserved for &Co The cultural marketing house members with the remaining 6 places open to Cooptees.

Trustee Induction and Training

New Trustees undergo an Induction Day, which comprises a detailed overview of the company and their duties as Trustees. This includes content of the Memorandum and Articles of Association, organisational structure, decision making processes, the Business Plan, copies of recent management accounts and Financial Statements. All Trustees participate in the Annual Corporate Development Day. This forms part of the Company's strategic planning process and includes all senior staff members. Trustees are considered to be ambassadors for &Co The cultural marketing house, holding high the company's corporate values and championing its charitable aims.

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TRUSTEES' ANNUAL REPORT *(continued)*

PERIOD FROM 1ST APRIL 2010 TO 30TH SEPTEMBER 2011

Organisation

The Board of Trustees administers the charity. The Board meets quarterly and will sometimes organise conference calls to discuss business matters and make key strategic decisions. In this period and the previous year, the Finance Sub-Committee which meets quarterly has also taken on board responsibility for personnel matters. Membership of the Finance Sub-Committee comprises current Trustees. From time to time, the Trustees will contribute to Working Groups which are time limited and task focused.

The Board delegated day-to-day operational and financial decisions to the Chief Executive, Alison Edbury. The terms of this delegation are approved by the Trustees.

Related Parties

The Charity has a close relationship with its membership organisations and the Board Membership is designed to be reflective of the client base which the Company serves. Some Trustees are executive officers at these organisations.

The company wholly owned to 30 September 2011, Info Display Limited (Registered company number 04392827) Info Display Limited was previously called A Y Creative Services Limited and operates an offline distribution service from its depot in Thorne, South Yorkshire. On 30 September 2011 the subsidiary was sold to Northern Ballet Theatre Limited and therefore no consolidated accounts have been prepared for the 2011 period.

Risk Management

The Trustees have a risk management strategy which comprises

- An annual review of the risks the company may face,
- Considerations of those risks at quarterly meetings of the Finance Sub-committee, and
- The implementation of procedures designed to minimise any potential impact on the company should those risks materialise.

Grant Making Policy

During this period, there was no grant making activity performed by &Co The cultural marketing house.

&CO THE CULTURAL MARKETING HOUSE COMPANY LIMITED BY GUARANTEE

TRUSTEES' ANNUAL REPORT *(continued)*

PERIOD FROM 1ST APRIL 2010 TO 30TH SEPTEMBER 2011

OBJECTIVES AND ACTIVITIES

Public Interest Benefit

Our purposes and activities undertaken for the public benefit are focused on encouraging public participation and engagement in arts and cultural activity.

The objectives of the charity are

"To promote any charitable purpose for the area for the public benefit of the community of Yorkshire and surrounding area (the area of benefit) by providing charitable organisations operating within the area of benefit with

- 1 advice, training and information, and,
- 2 other assistance appropriate to their needs to enable such organisations to carry out their charitable work more effectively for the benefit of the community"

Through a programme of strategic and tactical activity, we support the cultural sector in engaging audiences - both as attendees and participants - in arts and cultural activity

The Trustees are aware of and have complied with the duty in section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charities Commission

Our mission is "To work collaboratively with the cultural sector to grow and nurture audiences"

The strategies that we employ in the furtherance of our charitable objects are to,

- 1 Champion audience development
 - a) By understanding and responding to the marketing needs of audience-based organisations
 - b) By being knowledgeable about audiences and their different needs
- 2 Increase awareness of cultural provision in Yorkshire
- 3 Embrace and promote diversity in the cultural sector
- 4 Support cultural agencies and organisations in developing a robust and sustainable infrastructure
- 5 Ensure long term survivability for &Co The cultural marketing house

We turn these strategies into the following activities Membership, Research and Marketing Consultancy and On and Offline Distribution

&CO THE CULTURAL MARKETING HOUSE COMPANY LIMITED BY GUARANTEE

TRUSTEES' ANNUAL REPORT *(continued)*

PERIOD FROM 1ST APRIL 2010 TO 30TH SEPTEMBER 2011

ACHIEVEMENTS AND PERFORMANCE

The core activity of the charity focused on supporting cultural organisations with audience development knowledge, specialist advice, and practical tools to support best practice in engaging audiences

To support this, we delivered

- A programme of bespoke support for membership organisations
- A programme of professional development
- Area Profile and Arts Audiences Insight reports
- London 2012 Cultural Olympiad dissemination project
- Benchmarking projects - House Lights, Beyond Boundaries and Audience Influencers" www.digYorkshire.com

There were 10 new members recruited during 2010/11 Beverley Folk Festival, Blaize, Forced Entertainment, Leeds Parish Church, Sheffield Industrial Museums Trust, The Hepworth, Yorkshire Dales National Park Authority, York Concerts, Scarborough Open Air Theatre

Our regular programme of Industry Briefings, CEO Symposium and annual conference included

22 June 2010 Aim High Building your sustainability hosted by Hull City Hall, Hull

16 September 2010 Refocus How do we measure value in relation to our audiences' experiences? hosted by The Blue Room, Leeds

4 November 2010 Data is Essential hosted by the National Centre for Early Music, York

27 January 2011 New Year New You Time to review your marketing tactics, hosted by the Crucible Theatre, Sheffield

10 March 2011 Are We There Yet? Becoming the tourist's destination, annual conference hosted by Northern Ballet Theatre

Our training programme for the period included a major partnership project commissioned by Audiences UK and Arts Council England, 'Bringing Data and Segmentation to Life' This national training programme delivered four free interactive workshops in Birmingham, Bristol, Leeds and London for Local Authority staff It was designed to support Local Authority Arts Officers with an in-depth understanding of audience data and segmentation, in particular developing practical approaches to engage the Arts Audiences Insight target segments "Dinner and a show" and "Family and community focused"

We delivered a total of 240 Area Profile and Arts Audiences Insight reports to arts and cultural organisations nationally over the course of the year

Significant projects delivered during 2011/12 included 'London 2012 Cultural Olympiad Dissemination Project' This project was designed to develop a collaborative communications research and media project to track, model and tell the story of cultural legacy for 2012 in four regions We worked with Creative Programmers in England, Ireland, Scotland, Wales and Northern Ireland to produce a publication that captured the stories and profiles for the legacy programmes and the Creative Programmers' network The publications were distributed nationally through the Creative Programmers' network and at key London 2012 Cultural Olympiad PR events

House Lights performing arts benchmarking research project reported its findings in October

&CO THE CULTURAL MARKETING HOUSE COMPANY LIMITED BY GUARANTEE

TRUSTEES' ANNUAL REPORT *(continued)*

PERIOD FROM 1ST APRIL 2010 TO 30TH SEPTEMBER 2011

2010 New partners to join House Lights during 2010/11 included The Civic (Barnsley), Hull Truck Theatre, Lawrence Batley Theatre (Huddersfield) and Leeds Grand Theatre. Key findings were as follows

- 309,370 unique booking households booked across all House Lights theatres in 2009/2010 (compared to 247,451 for 2008/2009 House Lights participants)
- Looking at just those venues who participated in both 2008/2009 and 2009/2010 House Lights the number of booking households has increased by 5% from 253,434 to 267,262
- In total House Lights theatres sold 2,005,918 tickets in 2009/2010 (compared to 1,649,783 in 2008/2009)

'Beyond Boundaries' was commissioned by Lincolnshire County Council to support the Local Authority with market intelligence regarding the crossover of catchments of libraries in Lincolnshire and surrounding Local Authority Areas. &Co analysed 53 data sets showing the borrowers in the last 12 months from 14 libraries near the 'North' boundary (Lincolnshire / North East Lincolnshire), 27 libraries near the 'South' boundary (Lincolnshire, Rutland, Peterborough and Cambridgeshire), six 'Heartlands' libraries (Lincolnshire and Cambridgeshire) and four mobile libraries (Lincolnshire, Peterborough, Rutland and Cambridgeshire)

'Audience Influencers' leadership development programme was funded by the Cultural Leadership Programme Meeting the Challenge Fund. The programme aimed to establish a cohort of exemplary 'audience focused' leaders with the competencies, skills and vision to develop and sustain exemplary '21st century audience focused arts organisations'. &Co worked with The Civic (Barnsley), Eureka! (Halifax), Kala Sangam (Bradford), Northern Ballet Theatre (Leeds), Hull Truck Theatre, Phoenix Dance Theatre (Leeds) and Sheffield Theatres and Susanne Burns acted as Lead Consultant. As part of the diagnostic phase of the project, &Co benchmarked the partner organisations against one another to assess what the key leadership challenges were for each organisation. The areas analysed included audiences, brand, finance and resources, governance, programming and diversity. From this analysis, a bespoke programme of development and support was devised for each partner to be delivered over a 12 month period.

Visits to www.digyorkshire.com, Yorkshire's online what's on guide, increased by 43% compared to previous year and visits to the site increased by 35% compared to previous year. The portal, digyorkshire.com was also franchised to Audiences Central to support www.scenecentral.co.uk and to Audiences UK to support www.anightlessordinary.org.uk, a national campaign to promote theatre-going to under 26 year olds.

FINANCIAL REVIEW

The results report a net deficit across all funds of £143,832 in the period ended 30 September 2011 which is broken down into a net deficit of £63,938 unrestricted funds and £79,894 restricted funds. This compared to an overall deficit of £34,065 in the year ended 31 March 2010.

The company has a closing balance at 30 September 2011 of restricted funds £17,542 (positive balance) and £3,742 (negative balance). The main reason for the deficit in the 2011 period is that the company had to deal with the re-organisation costs of scaling down the company such as terminating leases and staff redundancy costs.

The company sold its profitable trading subsidiary on 30 September 2011 and the gains from this sale are reflected in the statement of financial activities for the 2011 period. All gains were spent on charitable purposes.

&CO THE CULTURAL MARKETING HOUSE COMPANY LIMITED BY GUARANTEE

TRUSTEES' ANNUAL REPORT *(continued)*

PERIOD FROM 1ST APRIL 2010 TO 30TH SEPTEMBER 2011

RESERVES POLICY

The Trustees are responsible for managing the level of reserves (that is those funds which are freely available) that the company ought to have. With the company ceasing to be active in May 2012, the Trustees and Chief Executive were successful in applying for mitigation funding from the Arts Council which has helped the company through the winding down period of closing the charity and also maintain an overall positive level of reserves. There have been regular Trustee meetings during the closure period which have monitored the reserves movements of the charity.

PLANS FOR FUTURE PERIODS

In Autumn 2010, following the spending review and the cuts to Arts Council England, &Co was informed of the new funding scheme planned by Arts Council England which would have an effect on all existing Regularly Funded Organisations, including &Co. In the light of this, the leadership team and Board consulted with Arts Council England and prepared an application to become a new National Portfolio Organisation. Unfortunately, &Co was informed on 3 March 2011 that the organisation had not been successful in its application to receive national portfolio funding. Arts Council England reported that

"We thought your application had the potential to make a contribution to our mission of Achieving great art for everyone. At the second stage of assessment, we came to the view nationally that National Portfolio funding is not the most appropriate way of supporting specialist audience development agencies, although we do value their contribution. Consequently, we will explore other options with agencies (and/or other organisations) to develop audiences in England."

Cluny Macpherson, Regional Director, Arts Council England

As a result of this decision the Trustees after a series of meetings which incorporated legal advice and consultation with funding bodies took the decision to close the charity and not appeal against the decision. The closure of the company is being carefully managed by the Chief Executive and the Trustees.

The Charity ceased to be active as at 31 May 2012 and a new Community Interest Company is being formed, which has the potential to take on any remaining assets. Should the decision be taken not to transfer the assets to the Community Interest Company, the existing provisions within the Company's Articles of Association on winding up will apply.

RESPONSIBILITIES OF THE TRUSTEES

The Trustees (who are also the directors of &Co The cultural marketing house 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

**&CO THE CULTURAL MARKETING HOUSE
COMPANY LIMITED BY GUARANTEE**

TRUSTEES' ANNUAL REPORT *(continued)*

PERIOD FROM 1ST APRIL 2010 TO 30TH SEPTEMBER 2011

select suitable accounting policies and then apply them consistently,

observe the methods and principles in the Charities SORP,

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 proper 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. The Trustees 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

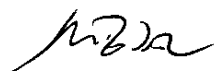
In so far as the Trustees are aware

there is no relevant audit information of which the charitable company's auditor is unaware, and

the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

Registered office.
Studio 23/24
46 The Calls
Leeds
LS2 7EY

Signed on behalf of the Trustees



HELEN DOBSON
TRUSTEE

25/11/2012

&CO THE CULTURAL MARKETING HOUSE COMPANY LIMITED BY GUARANTEE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF &CO THE CULTURAL MARKETING HOUSE

PERIOD FROM 1ST APRIL 2010 TO 30TH SEPTEMBER 2011

We have audited the financial statements of &Co The cultural marketing house for the period from 1st April 2010 to 30th September 2011 which comprises the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with chapter 3 of section 16 of the Companies Act 2006. 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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 TRUSTEES AND AUDITORS

As explained more fully in the Trustees' Responsibilities Statement set out on pages 7 to 8, the Trustees (who are also the directors of &Co The cultural marketing house for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

**&CO THE CULTURAL MARKETING HOUSE
COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF &CO THE
CULTURAL MARKETING HOUSE *(continued)***

PERIOD FROM 1ST APRIL 2010 TO 30TH SEPTEMBER 2011

OPINION

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 30th September 2011 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with Companies Act 2006

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- the charitable company has not kept adequate accounting records or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of Trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime.

LEEDS

25/7/2012

SIMON PALMER
(Senior Statutory Auditor)
For and on behalf of
ARMSTRONG WATSON
Chartered Accountants
& Statutory Auditors

**&CO THE CULTURAL MARKETING HOUSE
COMPANY LIMITED BY GUARANTEE**

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME AND
EXPENDITURE ACCOUNT)**

PERIOD FROM 1ST APRIL 2010 TO 30TH SEPTEMBER 2011

		Unrestricted Funds £	Restricted Funds £	Total Funds Period from 1 Apr 10 to 30 Sep 11 £	Total Funds Year to 31 Mar 10 £
	Note				
INCOMING RESOURCES					
Incoming resources from generating funds					
Voluntary income	2	252,937	32,812	285,749	171,772
Investment income	3	77	–	77	227
Incoming resources from charitable activities	4	367,795	89,474	457,269	515,465
TOTAL INCOMING RESOURCES		620,809	122,286	743,095	687,464
RESOURCES EXPENDED					
Charitable activities	5/6	(797,033)	(191,829)	(988,862)	(715,198)
Governance costs	7	(22,899)	(10,351)	(33,250)	(6,331)
TOTAL RESOURCES EXPENDED		(819,932)	(202,180)	(1,022,112)	(721,529)
NET OUTGOING RESOURCES FOR THE PERIOD					
	8	(199,123)	(79,894)	(279,017)	(34,065)
Realised gains on disposal of investment assets		135,185	–	135,185	–
NET MOVEMENT IN FUNDS/NET EXPENDITURE FOR THE PERIOD		(63,938)	(79,894)	(143,832)	(34,065)
RECONCILIATION OF FUNDS					
Total funds brought forward		60,196	97,436	157,632	191,695
TOTAL FUNDS CARRIED FORWARD		(3,742)	17,542	13,800	157,630

The Statement of Financial Activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared

All of the above amounts relate to continuing activities

The notes on pages 13 to 20 form part of these financial statements

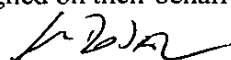
**&CO THE CULTURAL MARKETING HOUSE
COMPANY LIMITED BY GUARANTEE**
Company Registration Number 03407918

BALANCE SHEET

30TH SEPTEMBER 2011

	Note	30 Sep 11 £	£	31 Mar 10 £	£
FIXED ASSETS					
Tangible assets	10		1		103,251
Investments	11		-		100
			<u>1</u>		<u>103,351</u>
CURRENT ASSETS					
Debtors	12	150,932		164,928	
Cash at bank		<u>16,042</u>		<u>35,711</u>	
		166,974		200,639	
CREDITORS: Amounts falling due within one year	13	<u>(153,175)</u>		<u>(146,360)</u>	
NET CURRENT ASSETS			13,799		54,279
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>13,800</u>		<u>157,630</u>
NET ASSETS			<u>13,800</u>		<u>157,630</u>
FUNDS					
Restricted income funds	15		17,542		97,432
Unrestricted income funds	16		<u>(3,742)</u>		<u>60,198</u>
TOTAL FUNDS			<u>13,800</u>		<u>157,630</u>

These financial statements were approved by the Board of Trustees on the *25 July 2012* and are signed on their behalf by


HELEN DOBSON

Company Registration Number 03407918

The notes on pages 13 to 20 form part of these financial statements.

&CO THE CULTURAL MARKETING HOUSE COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1ST APRIL 2010 TO 30TH SEPTEMBER 2011

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, except for investments which are included at market value, and in accordance with applicable United Kingdom accounting standards, the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005 (SORP 2005) and the Companies Act 2006, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Although the financial statements have been prepared under historical cost convention this has been modified to include the revaluation of fixed assets

Resources expended

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity

All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis, e.g. estimated usage or estimated staff time

Fixed assets

All fixed assets are initially recorded at cost

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Computer Equipment	-	25-33% per annum
Fixtures & Fittings	-	25-33% per annum
Website Development	-	25-33% per annum

There has been a write down of fixed assets as shown and explained more fully in the fixed asset note of the financial statements to reflect the current valuation of these assets

&CO THE CULTURAL MARKETING HOUSE COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1ST APRIL 2010 TO 30TH SEPTEMBER 2011

1. ACCOUNTING POLICIES *(continued)*

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

Pension costs

The charity operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the charity. The annual contributions payable are charged to the statement of financial activities.

Incoming resources

Voluntary income including donations, gifts and legacies and grants that provide core funding or are of a goodwill nature are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Income from commercial trading activities is recognised as earned (as the related goods and services are provided).

Investment income is recognised on a receivable basis.

Grants in respect of income are credited to the financial activities as incoming resources or carried forward as restricted funds in respect of future costs or overheads.

Grants payable

Grants payable are accounted for as and when they become due to be paid.

Fund accounting

Restricted funds are to be used for specified purposes laid down by the donor. Expenditure for those purposes is charged to the fund, together with a fair allocation of overheads and support costs.

Unrestricted funds are donations and other incoming resources received or generated for expenditure on the general objectives of the charity.

Designated funds are unrestricted funds which have been designated for specific purposes by the Trustees.

Further explanation of the nature and purpose of each fund is included in the notes to the accounts.

Going concern

The financial statements have been prepared on the going concern basis as although the company has ceased to trade at 31 May 2012 the net break up values are estimated to equate to the going concern values.

**&CO THE CULTURAL MARKETING HOUSE
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1ST APRIL 2010 TO 30TH SEPTEMBER 2011

2. VOLUNTARY INCOME

	Unrestricted Funds £	Restricted Funds £	Total Funds 2011 £	Total Funds 2010 £
Grants receivable				
Arts Council England Core Grant	252,937	—	252,937	171,772
Arts Council England Mitigation Funding	—	32,812	32,812	—
	<u>252,937</u>	<u>32,812</u>	<u>285,749</u>	<u>171,772</u>

3. INVESTMENT INCOME

	Unrestricted Funds £	Total Funds 2011 £	Total Funds 2010 £
Bank interest receivable	<u>77</u>	<u>77</u>	<u>227</u>

4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Total Funds 2011 £	Total Funds 2010 £
Arts Council	—	89,474	89,474	180,651
Other project income	57,396	—	57,396	21,594
Consultancy	201,597	—	201,597	170,189
Conferences	5,315	—	5,315	3,950
Commission	—	—	—	8,283
Subscriptions	66,327	—	66,327	43,700
DigYorkshire.com	21,153	—	21,153	27,130
Labels and distribution	9,157	—	9,157	6,048
Yorkshire Forward	—	—	—	12,930
Training	6,850	—	6,850	6,190
PICNIC	—	—	—	1,800
Donations	—	—	—	33,000
	<u>367,795</u>	<u>89,474</u>	<u>457,269</u>	<u>515,465</u>

5. COSTS OF CHARITABLE ACTIVITIES BY FUND TYPE

	Unrestricted Funds £	Restricted Funds £	Total Funds 2011 £	Total Funds 2010 £
Charitable activities costs	<u>797,033</u>	<u>191,829</u>	<u>988,862</u>	<u>715,198</u>

**&CO THE CULTURAL MARKETING HOUSE
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NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1ST APRIL 2010 TO 30TH SEPTEMBER 2011

6. COSTS OF CHARITABLE ACTIVITIES BY ACTIVITY TYPE

	Activities undertaken directly £	Total Funds 2011 £	Total Funds 2010 £
Charitable activities costs	<u>988,862</u>	<u>988,862</u>	<u>715,198</u>

7. GOVERNANCE COSTS

	Unrestricted Funds £	Restricted Funds £	Total Funds 2011 £	Total Funds 2010 £
Audit fees	9,549	–	9,549	4,727
Legal fees	12,731	8,851	21,582	–
Costs of trustees' meetings	619	1,500	2,119	1,604
	<u>22,899</u>	<u>10,351</u>	<u>33,250</u>	<u>6,331</u>

8. NET OUTGOING RESOURCES FOR THE PERIOD

This is stated after charging

	Period from 1 Apr 10 to 30 Sep 11 £	Year to 31 Mar 10 £
Staff pension contributions	7,368	9,644
Depreciation	123,215	30,459
Auditors' remuneration - audit of the financial statements	<u>9,549</u>	<u>4,727</u>

9. STAFF COSTS AND EMOLUMENTS

Total staff costs were as follows:

	Period from 1 Apr 10 to 30 Sep 11 £	Year to 31 Mar 10 £
Wages and salaries	491,118	346,087
Social security costs	43,012	33,740
Other pension costs	7,368	9,644
	<u>541,498</u>	<u>389,471</u>

&CO THE CULTURAL MARKETING HOUSE COMPANY LIMITED BY GUARANTEE

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PERIOD FROM 1ST APRIL 2010 TO 30TH SEPTEMBER 2011

9. STAFF COSTS AND EMOLUMENTS *(continued)*

Particulars of employees:

The average number of employees during the period, calculated on the basis of full-time equivalents, was as follows

	Period from 1 Apr 10 to 30 Sep 11 No	Year to 31 Mar 10 No
Number of administrative staff	10	14
Number of management staff	3	3
	<u>13</u>	<u>17</u>

No employee received remuneration of more than £60,000 during the period (2010 - Nil)

10. TANGIBLE FIXED ASSETS

	Computer Equipment £	Fixtures & Fittings £	Website costs £	Total £
COST OR VALUATION				
At 1st April 2010	11,963	74,655	65,376	151,994
Additions	18,455	240	17,745	36,440
Disposals	(4,331)	(61,620)	–	(65,951)
At 30th September 2011	<u>26,087</u>	<u>13,275</u>	<u>83,121</u>	<u>122,483</u>
DEPRECIATION				
At 1st April 2010	2,054	33,443	13,246	48,743
Charge for the period	11,041	21,217	37,257	69,515
On disposals	(1,807)	(47,669)	–	(49,476)
Revaluation adjustment	14,799	6,284	32,617	53,700
At 30th September 2011	<u>26,087</u>	<u>13,275</u>	<u>83,120</u>	<u>122,482</u>
NET BOOK VALUE				
At 30th September 2011	<u>–</u>	<u>–</u>	<u>1</u>	<u>1</u>
At 31st March 2010	<u>9,909</u>	<u>41,212</u>	<u>52,130</u>	<u>103,251</u>

The tangible assets have at 30 September 2011 been revalued down to the values at which they are likely to be transferred to a Community Interest Company. The assets are likely to be transferred at a value of £1. Therefore extra depreciation has been charged in the income and expenditure accounts on these assets in the period ended 30 September 2011 as shown by the revaluation adjustment above.

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NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1ST APRIL 2010 TO 30TH SEPTEMBER 2011

11. INVESTMENTS

Investment in subsidiary

	30 Sep 11 £	31 Mar 10 £
Investment in subsidiary at cost	-	100
	<u> </u>	<u> </u>

The investment above was in the trading subsidiary company, Info Display Limited which was incorporated in the United Kingdom and sold on 30 September 2011 and reflected in our statement of financial activities. No consolidated accounts are being prepared for the 2011 year as a result of the sale of the subsidiary. The company owned the entire issued share capital of 100 ordinary shares of £1 each.

Analysis of investments at 30th September 2011 between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds Period from 1 Apr 10 to 30 Sep 11 £	Total Funds Year to 31 Mar 10 £
Other investments				
Other Investments	-	-	-	100
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

12. DEBTORS

	30 Sep 11 £	31 Mar 10 £
Trade debtors	11,983	92,815
Other debtors	82,709	-
Prepayments	56,240	72,113
	<u>150,932</u>	<u>164,928</u>

13. CREDITORS: Amounts falling due within one year

	30 Sep 11 £	31 Mar 10 £
Trade creditors	30,190	69,383
Amounts owed to group undertakings	-	11,967
PAYE and social security	1,694	15,377
Accruals	121,291	49,633
	<u>153,175</u>	<u>146,360</u>

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14. COMMITMENTS UNDER OPERATING LEASES

At 30 September 2011 the charity had annual commitments under non-cancellable operating leases as set out below

	30 Sep 11		31 Mar 10	
	Land and buildings £	Other items £	Land and buildings £	Other items £
Operating leases which expire:				
Within 1 year	-	14,348	31,065	1,408
Within 2 to 5 years	-	-	-	235
	<u>-</u>	<u>14,348</u>	<u>31,065</u>	<u>1,643</u>

15. RESTRICTED INCOME FUNDS

	Balance at 1 Apr 2010 £	Incoming resources £	Outgoing resources £	Balance at 30 Sep 2011 £
Restricted Fund	<u>97,436</u>	<u>122,286</u>	<u>(202,180)</u>	<u>17,542</u>

16. UNRESTRICTED INCOME FUNDS

	Balance at 1 Apr 2010 £	Incoming resources £	Outgoing resources £	Balance at 30 Sep 2011 £
General Funds	<u>60,196</u>	<u>755,994</u>	<u>(819,932)</u>	<u>(3,742)</u>

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Net current assets £	Total £
Restricted Income Funds:		
Restricted Fund	17,542	17,542
Unrestricted Income Funds	<u>(3,742)</u>	<u>(3,742)</u>
Total Funds	<u>13,800</u>	<u>13,800</u>

&CO THE CULTURAL MARKETING HOUSE COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1ST APRIL 2010 TO 30TH SEPTEMBER 2011

18. RELATED PARTY TRANSACTIONS

The charity was up to 30 September 2011 the parent company of Info Display Limited, a trading company. During the period the charity sold goods to the value of £53,298 (2010 £33,468) to Info Display Limited. Also provided in the accounts is a gift aid donation of £Nil (2010 £33,000) from Info Display Limited to &Co The cultural marketing house. The charity also made purchases of £742 (2010 £Nil) from Info Display Limited in the period ended 30 September 2011.

The company wholly owned to 30 September 2011, Info Display Limited which was previously called A Y Creative Services Limited. On 30 September 2011 the subsidiary was sold to Northern Ballet Theatre Limited.

Professor Christopher Bailey, a Trustee of this charity was also a director of Northern Ballet Theatre Limited in the year ended 31 March 2010 and period ended 30 September 2011. Professor Christopher Bailey resigned as a director of Northern Ballet Theatre Limited on 12 August 2011. Clive Lawrence, a Trustee of this charity, was also a director of Info Display Limited in the year ended 31 March 2010 and year ended 30 September 2011.

The charity received income of £3,395 (2010 £3,190) and made expenditure of £2,371 (2010 £Nil) from Northern Ballet Limited in the period ended 30 September 2011.

The charity made expenditure of £1,750 (2010 £250) from Partners In Development Limited and Robert Gibson, a Trustee of this charity was a director of this company until 26 September 2011.

Two Trustees were reimbursed for directly incurred travel expenses totalling £167 (2010 £228).

None of the Trustees received any remuneration via the charitable company.

As at 30 September 2011 Info Display Limited owed a net balance of £Nil to &Co The cultural marketing house (2010 £55,418).

19. COMPANY LIMITED BY GUARANTEE

The company is limited by guarantee and, therefore, does not have share capital. In the event of the company being wound up, a maximum contribution of £10 would be collectible from every member of the company at the date of winding up or from anyone who was a member during the preceding year. At 30 September 2011 there were 76 members (2010 73).