

nesa

REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2008

Company number 3768255

Charity registered number 1075812

nesa

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FOR THE YEAR ENDED 31 MARCH 2008

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**TRUSTEES ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2008**

The Trustees are pleased to present their report together with the financial statements of the charity for the year ending 31 March 2008. The financial statements have been prepared in accordance with the accounting policies set out on page 6 and comply with the requirements of the memorandum and articles of association, the Companies Act 1985 and the Statement of Recommended Practice – Accounting and Reporting by Charities (issued March 2005).

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	J Day S J Steel G M Buchanan R M Newman P B Crooke R Wynne – Griffiths A E Smith M Heffernan C James	Chair Vice-Chair Secretary (resigned 21 December 2007) (resigned 30 April 2007). (appointed 14 December 2006). (appointed 14 December 2006).
Director	Lesley Featherstone	
Registered office	Greystones Resources Office Church Street, Radstock, Bath, BA3 3QQ	
Company registered number	3768255	
Charity registered number	1075812	
Bankers	NatWest plc, High Street, Midsomer Norton	
Accountants	Moore Stephens Chartered Accountants 30 Gay Street, Bath, BA1 2PA	

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

North East Somerset Arts was incorporated as a company limited by guarantee on 11 May 1999 and changed its name to **nesa** on 6 January 2005. The persons legally responsible for the control and management of the charity are the Trustees, who are also the Directors of the company for Companies Act purposes. The company has no share capital and no director has any interest in the capital of the company.

Appointment of Trustees

The charity may, by ordinary resolution, appoint a person who is willing to act as a trustee.

Induction and training of Trustees

Induction takes the form of firstly meeting with the Director and Chair. The inductee will then receive an induction pack containing information regarding the role of the trustee, memorandum of association, booklets of the 'Essential Trustee' and 'Directors & Secretaries Guide', the staff organisation chart, Board of Trustees details, schedule of forthcoming meetings, annual accounts, three year plan, annual report, copies of the Board minutes for the previous year and copies of all the nesa policies.

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**REPORT OF THE TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2008**

Organisation

The Trustees control the overall strategy and direction of the charitable company and make all policy decisions, whilst delegating responsibility for day-to-day management to the Director. The trustees, who all served throughout the year unless otherwise indicated are set out above. The Trustees met 5 times during the year and the sub-committees of the Board met five times during the year.

Risk management

During the year the Trustees have reviewed their assessment of the major strategic, business and operational risks to which they feel the charity may be exposed and have continued to take actions based on this assessment to ensure that appropriate measures are in place to deal with such risks.

OBJECTIVES AND ACTIVITIES

nesa was established to promote, maintain, improve and develop the arts in the community of the local government district of Bath & North East Somerset Council and the surrounding areas.

ACHIEVEMENTS AND PERFORMANCE

The principal activity of **nesa** is the development of community based arts activities in Bath and North East Somerset. **nesa** has worked towards its charitable objectives by planning and delivering a programme of arts activities throughout the area during the period. During the year the company continued to plan and deliver programmes of arts activities in Norton Radstock, Keynsham and South Bath and with young people across the district.

Chair's review: Activities and developments in the year

2007/2008 was another outstanding year for **nesa** during which the organisation further strengthened its position as a key strategic organisation within Bath & North East Somerset and the South West. Our most noteworthy successes were the development of **nesa**'s three year Business Plan 2008-11 which highlights the strong strategic and developmental direction for the organisation and the award of a three year Service Level Agreement from B&NES Arts Development. This will ensure that **nesa** plays a key role in the development of a Wellbeing and Arts Partnership which will seek to increase and improve arts & health activity across B&NES.

During 2007, we completed the 'Creative Change' community arts programme funded by Arts Council England, South West. These successful projects have informed the current 'Creative Places' programme of work in Radstock & Peasedown St John, using the arts as a tool for community cohesion. We also staged the first highly successful art**works** festival in September that demonstrated the potential for creative community development in Radstock and the Mendips as well as appointing an artist-in-residence for **nesa** across our entire programme, for the first time.

nesa's B&NES-wide partnership working strengthens our position with local communities and the cultural community and puts us at the forefront of community arts development.

The organisation is extremely grateful to all its funders and partners for their continuing support and commitment and looks forward to developing new partnerships during 2008-09.

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REPORT OF THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2007

FINANCIAL REVIEW

Results for the year

Incoming resources totalled £226,836 whilst expenditure totalled £246,945 resulting in a deficit of £20,109. The Statement of Recommended Practice – Accounting and Reporting by Charities (issued March 2005) requires that funding for assets must be recognised in the year of receipt whereas the asset value should be depreciated over an agreed number of years and in the case of **nesa** this is 5 years.

Results for the year

Net surplus on unrestricted funds	£103
Net deficit on restricted funds	£(20,212)

Deficit for the year ending 31 March 2008 £20,109

The deficit on restricted funds can be explained by the following costs:

Depreciation	£17,772
Stock write down	£2,440

Total deficit £20,212

Reserves

Reserves brought forward at 1 April 2007	£37,657
Deficit for year ending 31 March 2008	(£20,109)

Total reserves carried forward at 31 March 2008 **£17,548**
(£8,656 restricted and £8,892 unrestricted)

Reserves Policy

The trustees have reviewed the needs of **nesa** for reserves in line with the guidance issued by the Charity Commission and have adopted the following policy. They believe that the charity should hold financial reserves because:

- **nesa** has no endowment funding and is entirely dependent for income upon grant and contract funding from year to year which is inevitably subject to fluctuation; and
- **nesa** requires protection against, and the ability to continue operating despite, catastrophic or lesser but damaging events.
- Should **nesa** cease to operate, the trustees, as employers, are responsible for ensuring that the organisation has sufficient funds to cover 'closing down' costs.

The trustees believe that **nesa** should initially aim to hold the equivalent of six months' core costs (calculated and reviewed annually) or sufficient closing down costs, whichever are the greater. The trustees believe that the reserves should be built up to the desired level in stages consistent with the charity's overall financial position and its need to maintain and develop its charitable activities. The trustees plan to build up this level of reserves over the following financial years using income derived from suitable sources.

Fixed assets

Movements in fixed assets are detailed in note 8; there have been no significant changes in the year.

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**REPORT OF THE TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2007**

Statement of trustees' responsibilities

The trustees are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the trustees to prepare financial statements which give a true and fair view of the state of affairs of the charity at the end of the financial year and of its surplus or deficit for the financial year. In doing so, the trustees are required to select suitable accounting policies and then apply them consistently, make judgements and estimates that are reasonable and prudent, and prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business

The trustees 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.

Auditors

The company is exempt from the need to appoint auditors under the Companies Act 1985

Small company exemptions

The accounts have been prepared in accordance with the special provisions of part VII of the Companies Act 1985 relating to small companies.

Approved by the Trustees at their meeting on 24 July 2008 and signed on their behalf by:

Trustee

nesa

**ACCOUNTANTS' REPORT TO THE MEMBERS ON THE UNAUDITED
FINANCIAL STATEMENTS OF nesa**

We report on the accounts of the company for the year ended 31 March 2008, which are set out on pages 6 to 11.

Respective responsibilities of the directors and reporting accountants

As described on page 4 the company's directors are responsible for the preparation of the financial statements, and they consider that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

Basis of opinion

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the financial statements with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

Opinion

In our opinion:

- a) the financial statements are in accordance with the accounting records kept by the company under Section 221 of the Companies Act 1985;
- b) having regard only to, and on the basis of, the information contained in those accounting records:
 - i) the financial statements have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Act; and
 - ii) the company satisfied the conditions for the exemption from an audit of the financial statements for the year specified in section 249A(4) of the Act and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in section 249B(1).

**MOORE STEPHENS
CHARTERED ACCOUNTANTS**

Bath

nesa

**ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 MARCH 2008**

The financial statements have been prepared under the historic cost convention. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP 2005) issued in March 2005, the Financial Reporting Standards for Smaller Entities (effective January 2007) and the Companies Act 1985.

The principal accounting policies adopted in the preparation of the financial statements have remained unchanged from the previous year and are set out below.

Incoming resources

Grants received are deferred and recognised through the statement of financial activities in full when conditions for receipt are complied with.

Donation income stated is that which has either been received for the year, or which has been pledged at the year-end and has since been received.

Resources expended

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered. Certain expenditure is directly attributable to specific activities and has been included in these cost categories. Certain other costs, which are attributable to more than one activity, are apportioned across cost categories on the basis of an estimate of the proportion of time spent by staff on those activities.

Fixed assets

Individual assets costing £100 or more are capitalised at cost and are written off on a straight line basis over their expected useful lives as follows:

Computer Equipment	5 years
Musical Instruments	3 years
Office Equipment	5 years
Fixtures and Fittings	5 years
Visual Arts Equipment	5 years
Landscaping	5 years

Stocks

Stocks are valued at the lower of cost and net realisable value.

Pension Schemes

the company operates a defined contribution pension scheme, the assets of which are held separately from those of the company.

Funds structure

The charity has a number of restricted income funds to account for situations where a donor requires that the income must be spent on a particular purpose.

All other funds are unrestricted income funds.