

nesa

REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2009

Company number 3768255

Charity registered number 1075812

nesa

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FOR THE YEAR ENDED 31 MARCH 2009**

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**TRUSTEES ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2009**

The Trustees are pleased to present their report together with the financial statements of the charity for the year ending 31 March 2009. 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 May 2008).

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	J Day S J Steel G M Buchanan R M Newman P B Crooke M Heffernan C James	Chair Vice-Chair
Director of operations	Lesley Featherstone	
Registered office	Writhlington School, Knobsbury Lane, Writhlington, BA3 3NQ	
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 2009**

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 of operations. The trustees, who all served throughout the year unless otherwise indicated, are set out above. The Trustees met 4 times during the year and the sub-committees of the Board met 3 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

2008/09 has been an important year for **nesa**, with the development and delivery of a series of varied, high quality projects ranging from public art in Peasedown St John to a consultation project with the people of Clandown about play and community resources in their area. **nesa** continues to focus our work around creative community development, wellbeing and the arts, and targeted work with children, young people and their families. **nesa** is also keen to advocate for and support the development of cultural inclusion in B&NES and to this end plays a key role in the B&NES Cultural Forum as an executive member.

During 2008/09 **nesa** has worked hard to prioritise the production of high quality pieces of work, publications, exhibitions and events, high spots being:

- **nesa** Artist in Residence Andrew Henon's exhibition at Maugher Fine Art in Bath during the Fringe Festival May/June 2008;
- The Ramblings exhibition of digital photography at Inventions Studios at Party in the City, May 2008;
- The art|works Community Festival in Radstock, September 2008 which was attended by over 900 people who participated in a wide variety of arts and recreational activities from dancing displays to stone carving workshops;
- The Our Side of the Story project culminated in the publication of a fascinating photographic record of the project "Start Here", and with an exhibition by the young people about their work and how they had been affected by their experience of the project. Their contributions were very moving and demonstrated that creative community projects have a significant impact on the lives of participants, with many of the young people claiming that they would continue to use photography and digital media work to help understand and shape their lives.

At the end of the year **nesa** moved out of our existing offices in Radstock taking up new office space at Writhlington School. The move places **nesa** in an excellent position to work with the school as they develop their Community Learning Campus and to engage with wider community learning and extended schools initiatives. The move also provides access to good quality spaces and resources for workshops and events and ensures that we are able to maintain our out reach work throughout B&NES.

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REPORT OF THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2009

FINANCIAL REVIEW

Results for the year

Incoming resources totalled £337,085 whilst expenditure totalled £263,958 resulting in a surplus of £73,127. 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	£10,522
Net surplus on restricted funds	£62,605

Surplus for the year ending 31 March 2009 **£73,127**

Reserves

Reserves brought forward at 1 April 2008	£ 17,548
Surplus for year ending 31 March 2009	£ 73,127

Total reserves carried forward at 31 March 2009 **£ 90,675**
(£71,261 restricted and £19,414 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 2009**

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 23 July 2009 and signed on their behalf by:

Trustee

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INDEPENDENT EXAMINER'S REPORT TO THE TRUSTESS ON THE UNAUDITED FINANCIAL STATEMENTS OF nesa

I report on the accounts of the company for the year ended 31 March 2009, which are set out on pages 6 to 11.

Respective responsibilities of the directors and reporting accountants

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 43(2) of the Charities Act 1993 (the 1993 Act) and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants in England and Wales.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- Examine the accounts under section 43 of the 1993 Act
- Follow the procedures laid down in the general directions given by the Charity Commission under section 43 (7) (b) of the 1993 Act; and
- State whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of those accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that in any material respect the requirements:
 - a. to keep accounting records in accordance with section 221 of the Companies Act 1985: and
 - b. to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charitieshave not been met; or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Mr A J Vince FCA
Independent examiner
Moore Stephens
30 Gay Street
Bath
BA1 2PA

July 2009

**ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 MARCH 2009**

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 2008) 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, subject to specific performance conditions. Other grant income is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. 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 charity operates a defined contribution pension scheme, the assets of which are held separately from those of the charity.

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.

Going Concern

There is likely to be a significant reduction in grant income for new projects and the trustees expect income to reduce significantly next year. However, costs are expected to reduce accordingly and the charity should be able to operate using its healthy cash position. The directors have therefore adopted the going concern basis of accounting.