

Charity Number: 1081007
Company Number: 3949494

RURAL ARTS NORTH YORKSHIRE

(A company limited by guarantee)

**Report of the Trustees and
Financial Statements**

FOR THE YEAR ENDED 31 MARCH 2016

CONTENTS

	Page
Reference and Administrative Information	-
Chief Executives Annual Report	1
Trustees' Report (including Directors' Report)	2-4
Independent Examiner's Report	5-6
Statement of Financial Activities (including Income and Expenditure Account)	7
Balance Sheet	8-9
Notes to the Financial Statements	10-26

RURAL ARTS NORTH YORKSHIRE

REFERENCE AND ADMINISTRATIVE INFORMATION *for the year ended 31 March 2016*

Council of Management

Mr G Baragwanath	*	Chair from 16 September 2015
Mr A Dalton	*	Treasurer from 16 September 2015
Mrs C Harper	*	Appointed 17 June 2015
Mrs B Jopling	*	Appointed 16 December 2015
Mr D Lloyd Williams	*	
Mrs D Pollard	*	
Mr M Shakespeare	*	
Mr O Bliss	**	Arts Council England
Mrs L Bradshaw	*	Resigned 16 September 2015
Mr R Hutchings	*	Chair to 16 September 2015, Resigned 8 March 2016
Miss J Smith	*	Vice Chair to 16 June 2016, Resigned 16 June 2016

* These members of the Council of Management are directors of the charitable company for the purposes of Company law. They are also Trustees for the purposes of Charity law.

**These members are appointed to the Council of Management in an advisory capacity and are not Trustees for the purposes of Charity law.

Company Secretary

Mrs A Holt Appointed 6 July 2015
Mrs J McVay Resigned 6 July 2015

Arts Director

Mrs A Hall

Company Registered Number

3949494 (England and Wales)

Charity Registered Number

1081007

Registered Office

The Old Courthouse
4 Westgate
Thirsk
North Yorkshire
YO7 1QS

Independent Examiner

Geoff Iles
Iles Accountancy Services Ltd
Office 1, Old Bank Chambers
37 Market Place
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YO7 1HA

Bankers

Lloyds, Thirsk Branch
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Thirsk
North Yorkshire
YO7 1HB

Bankers

CAF Bank
10 St Bride Street
London
EC4A 4AD

Solicitors

Jacksons
Innovation House
Yarm Road
Stockton on Tees
TS18 3TN

ANNUAL REPORT 2015-2016

Introduction

Rural Arts is a charity that was established in 1992 in response to the lack of cultural provision in rural North Yorkshire, working with rural communities across the region and supporting them to put on cultural events and participatory arts activities in their local community. In 1997 we established ON Tour, one of the first national rural touring schemes, and in the year 2000 we purchased our venue, the Old Courthouse in Thirsk. Recent capital investment by the Arts Council England (ACE) has supported our digital infrastructure and audience development by linking a new website to a bespoke database and CRM system.

Our Mission

We enable access to, engagement with and participation in high quality, professional, visual and performing arts for rural communities. We do this by:

1. Touring professional performing arts to local community venues
2. Curating exhibitions to showcase new artists' work
3. Delivering a programme of creative workshops
4. Offering internships and apprenticeships
5. Developing partnerships with local schools and businesses
6. Providing a creative hub via our Courthouse venue in Thirsk

We have a particular focus on supporting people whose everyday circumstances stop them from accessing the arts.

We deliver three main streams of activity in order to achieve this:

ON Tour Brings the highest quality professional performances to rural communities across North Yorkshire and the Tees Valley, venues range from small remote and older style village halls that barely seat 50 to new and well-equipped facilities offering 200 seats. ON Tour currently offers a programme of live events, including children's shows, music, dance and drama, across two seasons, running September to January and February to June.

'Get Creative' our outreach and educational programme delivers participatory arts activities to the most rurally isolated within our region. It provides social interaction between isolated communities, groups and individuals, and wellbeing and accessible learning pathways to the young, elderly, disabled and socially excluded. In 15-16 we continued to embed strong links with agencies and organisations who support those with physical and mental health issues, armed service families, female ex-offenders etc. Our outreach project activities were funded from a range of commissioning bodies including schools and local authorities.

The Courthouse Thirsk Is a community creative hub and our HQ, which provides public access to an exhibition space, café, dedicated performance space and arts workshop. The Courthouse provides an annual creative programme of theatre, exhibitions and participatory workshops for the local community and hosts a successful art club for children and young people. Events in 15-16 included the touring exhibition 'Forest of

Possibilities' and new National Theatre Live performances.

Headline Achievements 2015-16

Community Learning

Rural Arts has participated, for the second year running, in the delivery of a large-scale community-learning project, which funded participatory arts workshops with hard to reach people in Hambleton, Ryedale and Harrogate. Our target groups this year were older people, people with mental health difficulties and men. Through this funding from NYCC, we have developed our creative 'Taste of Art' sessions to deliver more than 50 sessions between September 2015 and July 2016. The groups that we worked with included a group with Alzheimer's, (Harrogate), a group of bereaved men and women (Harrogate), a group of vulnerable women (Northallerton), two groups of mental health service users, (Harrogate and Northallerton), a community group at Aislaby and Middleton Village Hall, and a group of mainly older people from the Thirsk and surrounding areas. All objectives for the project were met and we have just been informed that we will be awarded a new contract for the year 2016-2017.

Innovation -Combatting Loneliness and isolation

Initially we received an extension of the Innovation funding until December 2015 and following the successful completion of this we were awarded additional funding up until the end of July 2016. During the lifetime of the project we have worked with the Meadowfield Extra Care Scheme in Thirsk, Kirk House Day Centre in Northallerton and Springhill Extra Care Scheme in Easingwold. At Meadowfield we put on a pantomime in January, which was hugely successful and raised people's spirits for the New Year. At the other venues we delivered a programme based on using iPads, which has been well received. Our experienced tutor and facilitator for this project is Claire Ford, who is an expert in the field of working with older people and those with dementia. Our target for the contract was to engage with 30 new participants and we have over delivered on this target.

Stitched Together

We worked together with Army Welfare to secured major funding from the Arts Council England, Stronger Communities and Army Covenant for this two-year partnership project. Delivery of the project with Army families at Catterick, Dishforth and Alanbrooke Barracks started on 27 April 2016 and 31 women have had support from tutored sessions and weekly meetings to learn textiles skills and in the first term they have made bags, pictures and cushions using freehand machine embroidery and applique. The first phase finished at the end of July. In the next phase, starting in September new groups will join the programme and learn these skills. All the participants will exhibit their work at Rural Arts from 8-10 Dec.

We have recruited 3 civilian volunteers with textile skills and they are coming to the sessions regularly to help the women with the project. In September a number of trips are planned to inspire and engage the groups with textiles in larger cultural contexts and in the New Year we will recruit another artist to work with the groups to help them produce a work for display at the Green Howards Museum next summer.

Young Roots

This project was successfully delivered between January and November 2015, drawing together a partnership between us, North Yorkshire County Records Office, Thirsk Museum and Thirsk Community Care. The project engaged 17 young people aged between

11 and 16 years, with connections to the local military base Alanbrooke Barracks at Topcliffe, supporting them to learn about: local archives, research skills, new creative skills, local military history, working as a team and contributing to an exhibition and made a film. In addition, 8 members of the Norby Luncheon Club participated in reminiscence activity with the young people.

The Film was shown at the Ritz to the partners and participants at a private showing in November.

Sowerby Art

This project, completed at the end of 2015, was funded by Mulberry Homes, Hambleton District Council and the Arts Council England. Rural Arts delivered the community engagement element through a series of workshops which enabled local people to develop their understanding of sustainability and their appreciation of public art. The workshops led to an artwork display on site hoardings at Sowerby Gateway. We worked with 10 local community groups and delivered 13 arts workshops.

Get Creative 'EnGAGE'

This project, aimed at reducing the social isolation faced by people with dementia, ran between April 2015 and the end of March 2016. During the lifetime of the project forty creative sessions were delivered to 42 people with dementia and their carers, in Thirsk, Richmond, Stokesley, Easingwold and Northallerton. These themed sessions were a mixture of creative crafts and work with iPads and achieved some successful outcomes, including improvements in mood and behaviour and improvements in wellbeing. The second main component of the project was delivery of a one-day training course for carers and professional health workers based on the national 'iPad enGAGE' model which has been developed with support from Arts Council England. This course focuses on technology inclusion for individuals with dementia through looking at relevant apps that touch on sensory stimulation and creativity on iPads.

Courthouse Programme

Children's Holiday Activities: 'Small Draw for Big Draw' family October half term activities were held at The Courthouse as part of the Family Arts Festival. A link was developed between NYCC County records department and an Archive Maps exhibition specifically featuring the Thirsk area. Activities included mapmaking and the production of individual Curiosity Boxes.

Saturday Art Club: Art Club has continued to be popular, with Claire Ford now regularly running the sessions and offering increasingly more challenging and engaging creative activities, for example a session in sensory installation in the summer term. Other activities included a visit to MIMA with a workshop based on the current Louise Bourgeois exhibition. In September we started a new After School Art Club for children aged 8 to 16 from 4 to 5.30pm and this has also proved very popular.

Fresh: In February we launched our new initiative 'Fresh'. Emerging performers are given the opportunity to perform at the Courthouse in Thirsk at a pay what you think event and it takes place once a month. Poet Vanessa Kissule performed a selection of her work and over 40 people attended this first event; this performance was very well received and the initiative has demonstrated it's financial stability through the donations on the night.

Audience feedback: *'Totally refreshing to see a vibrant spoken word show in Thirsk'*.

ON Tour

Brings the highest quality professional performances to rural communities across North Yorkshire and the Tees Valley, venues range from small remote and older style village halls that barely seat 50 to new and well-equipped facilities offering 200 seats. ON Tour currently offers a programme of live events, including children's shows, music, dance and drama, across two seasons, running September to January and February to June. Across the years 15-16 we promoted 58 shows in 40 different venues. Throughout 15-16 we concluded the final year of our three-year ACE strategic touring grant project- the Create Tour. Two iterations of the project, which engages young people as promoters and performers took place during Autumn 2015 and Spring 2016.

Fresh: During the summer of 2015 performance programme four pay what you think events took place. Initially the initiative worked well with developing audiences, however due to the size and appetite of our local audience the programme could not sustain its audience. Theatre performances proved a lot more successful than emerging artists as audience members had more knowledge around what to expect and therefore are more willing to buy or reserve a ticket. Rural Arts will continue to support emerging artists however this will be a smaller part of our programme. The courthouse programme going forward will focus on better-known companies touring to the venue that can draw sizable audiences.

ON Tour

Performance Programme: ON Tour programmed 58 shows from April 2015 to March 2016. Companies included: Phoenix Dance Theatre performing *Refined* and West Yorkshire Playhouse touring the critically acclaimed performance *Beryl* to sell-outs audiences. The range of performances companies working with the scheme continued to expand; thanks to our development work with promoters a greater amount of dance was highlighted as part of the scheme. During Autumn 2015 Sonia Sabri Dance Company toured to two venues and showcased kathak dance, a form of Indian classical dancing.

Ryedale Creative Economy Commission: ON Tour received funding from Ryedale District Council to provide professional marketing training for promoters and develop relationships between venues and businesses. Six businesses took part, highlights included: Gilling East Village Hall, Holy Moly & The Crackers, The Fairfax Arms in Gilling created a pre-dinner offer and Ryedale Brewing Company provided a bar for the evening. Pickering Friends Meeting House, The Harmonettes, Elizabeth Bootham's Tea Room in Pickering sold stock at the sold out event and promoted the show to their customers.

Two promoter-training events took place with industry professional training delivered by Head of Communications from Stephen Joseph Theatre and showcase performances from Ragged Edge Productions and Louise Jordan. The project outcome boosted £1,664 total community income generated from direct sales.

Create Tour: During the year 15-16 we delivered the seventh and eighth iterations of the Create Tour project, taking place in Selby and East Cleveland. Phoenix Dance Theatre

delivered the final dance project as part of the three-year programme. Jazz North partnered with ON Tour to support jazz singer Lindsay Hannon to create a music focused performance with a group of young people. 35 young people participated and performed an opening act to a total audience of 429 people.

Craven District Council Funding: The District Council provided a grant to continue to progress our work in the Craven area. 10 performances took place through the region with four venues booking performances at the full fee. Four new venues have also signed up to join the scheme including two primary schools and two village halls.

Creative Case North Project: Through consultations with young people in a school setting and a rural, predominately older village hall audience in an active district of North Yorkshire, ON Tour received direct feedback about how we can increase diversity in our work. Performance company Ragged Edge Productions showcased The Chef Show, which was the stimulus for discussion, the piece centres around an Indian family who own a restaurant in a rural, primarily white community. Promoters unanimously agreed that they thought the performance was high quality and that they would book the show. Showcasing proved to have the greatest impact in challenging promoters' perceptions and giving them more confidence in taking risks.

Future Developments

Arts Council Strategic Touring Grant & Esmee Fairbairn Foundation

Match Funding Success: ON Tour was delighted to be successful with a further ACE strategic touring grant to continue the Create Tour project, working exclusively with culturally diverse performance companies. Delivery partners include Kali Theatre, RJC Dance, Tamasha Theatre and Tara Arts. The project has also been successful with gaining match funding from the Esmee Fairbairn Foundation. In Autumn 2016 the project will begin with the appointment of a new, dedicated staff member- the Youth Development Officer. This role will support the development of the project in Ryedale, East Cleveland and Richmondshire.

Gallery

The Courthouse programmed the following exhibitions in 15-16:

- 'Forest of Possibilities', part of the Art Unpacked series featuring seven artists from around the globe.
- Kezy Feaster – Kezy is an artist from Pickering and produces quirky and colourful paintings of coastal towns like Whitby and Robin Hood's Bay. Her work proved popular with gallery customers.
- 'Fresh' featured work from 13 regional new graduates and covered several mediums including photography, ceramics and painting. It marked the launch of a new initiative to provide emerging talent an exhibiting opportunity on an annual basis.
- 'Impressions' showcased an eclectic mix of beautiful work by Yorkshire based printmakers. Exhibitors included Hester Cox, Janis Goodman and Laney Birkhead.

Future Developments

Marketing Activity

Outlined below are Rural Arts' strategies and activities in relation to engaging customers, patrons and visitors via both digital and traditional marketing.

Online: Rural Arts continues to use a variety of platforms in order to engage customers and potential customers through digital technologies. This includes the Rural Arts website, social media platforms, a blog and various listings websites (Welcome to Yorkshire etc.) In 15-16 we revamping our website with Stockton-based web developers, SAYU.

Social Media: Rural Arts use several social media profiles to engage, communicate and to build trust and presence with online audiences. These profiles include Facebook, Twitter, Flickr, YouTube and more recently Pinterest.

Social Media is used to share content regarding current and upcoming events, to interact with customers, to build audiences and engage with wider cultural debate.

Staffing

Several staff changes were implemented throughout 2015-16;

Janice McVay retired at the end of July and Angela Holt took over the role of Courthouse Manager.

New members of staff included:

Joseph Hennessy - ON Tour intern

Jade Graham – Gallery Intern

Trustees

The following trustees left Rural Arts:

Roy Hutchings

Lesley Bradshaw

New Trustee appointments:

Bev Jopling

Christine Harper

TRUSTEES' REPORT

for the year ended 31 March 2016

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the financial statements of Rural Arts North Yorkshire (the company) for the year ended 31 March 2016. The Trustees confirm that the annual report and financial statements of the company comply with the current statutory requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

Since the company qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The principal aims of the charity are as follows:-

- (a) The promotion of rural arts in all their forms in the United Kingdom and primarily in the area of North Yorkshire.

Public benefit

The organisation enables access to, engagement with and participation in high quality, professional visual and performing arts for rural communities through:

- (i) Touring professional performing arts to local community venues;
- (ii) Curating exhibitions to showcase new artist's work;
- (iii) Delivering a programme of creative workshops;
- (iv) Offering internships and apprenticeships;
- (v) Developing partnerships with local schools and businesses; and
- (vi) Providing a creative hub via our Courthouse venue in Thirsk.

We have a particular focus on supporting people whose everyday circumstances stop them from accessing the arts.

In setting objectives and planning for activities, the trustees have given careful consideration to the general guidance published by the Charity Commission relating to public benefit.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Rural Arts North Yorkshire is a company limited by guarantee governed by its Memorandum and Articles of Association dated 31st March 2010 and amended to allow the company to work outside the boundaries of North Yorkshire on 10th December 2003. It is registered as a charity with the Charity Commission.

TRUSTEES' REPORT

for the year ended 31 March 2016

Structure

The Board of Trustees administers the charity through the Council of Management. The board meets regularly throughout the year.

An Arts 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 programme related activity.

Brenda Thiede continues as Patron for her long standing contribution to the organisation.

Appointment, induction and training of new trustees

Trustees are appointed by invitation of the members of the Council of Management.

New trustees undergo an orientation day 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 the recent financial performance of the Charity. During the induction day the new trustees meet key employees and other trustees. Trustees are encouraged to attend appropriate external training events where these will support their role as a trustee.

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Reserves policy

The Council of Management has established the policy, whereby unrestricted funds which have not been designated for a specific use should be maintained at a value of three to six months expenditure. This level of general reserves would finance operations in the event of short term funding gaps and finance immediate obligations should Rural Arts lose its funding, or alternatively in the event that the organisation should need to close.

During the year to 31 March 2016, the general free reserves stand at £25,414 and it is the trustees' aims to build on general reserves in future years by further developing income generating activities to support our grant dependency and to ensure a high level of astute financial management is maintained. The trading subsidiary company Rural Arts Trading Limited will allow Rural Arts to expand its trading capacity and bring additional income into the charity to increase the free reserves.

TRUSTEES' RESPONSIBILITIES STATEMENT

The Trustees (who are also directors of Rural Arts North Yorkshire for the purposes of company law) are responsible for preparing the Trustees' 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. Under company law the Trustees must not approve the financial statements unless they are satisfied that they 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:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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. They 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 preparing this report, the Trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

The report was approved by the Trustees on 15th September 2016 and signed on their behalf by:



Mr G Baragwanath
Chair of Trustees



Mr A Dalton
Treasurer & Trustee

Independent Examiner's Report to the Trustees of Rural Arts North Yorkshire

I report on the financial statements of the charity for the year ended 31 March 2016 which are set out on pages 7 to 21.

This report is made solely to the charity's Trustees, as a body, in accordance with section 145 of the Charities Act 2011 and regulations made under section 154 of that Act. My work has been undertaken so that I might state to the charity's Trustees those matters I am required to state to them in an Independent Examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's Trustees as a body, for my work or for this report.

Respective responsibilities of Trustees and Examiner

The Trustees, who are also directors of the company for the purposes of company law, are responsible for the preparation of the financial statements. The Trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the Act) and that an independent examination is needed.

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

- examine the financial statements under section 145 of the Act;
- follow the procedures laid down in the General Directions given by the Charity Commission under section 145(5)(b) of the 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 the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, 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 financial statements 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:
- to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - to prepare the financial statements which accord with the accounting records and 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 Charities

have not been met; or

- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

Signed:



Dated: 10th October 2016

Mr Geoff Iles

Iles Accountancy Services
Ltd
Office 1
Old Bank Chambers
37 Market Place
Thirsk
North Yorkshire
YO7 1HA

RURAL ARTS NORTH YORKSHIRE

STATEMENT OF FINANCIAL ACTIVITIES (incorporating the income and expenditure account) for the year ended 31 March 2016

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Income and endowments from:					
Donations and legacies	2	3,984	-	3,984	20,831
Charitable activities	3	37,710	349,120	386,830	246,941
Other trading activities	4	4,187	-	4,187	15,245
Other	5	980	10,739	11,719	6,314
Total income and endowments		46,861	359,859	406,720	289,331
Expenditure on:					
Raising funds	6	4,212	8,202	12,414	12,577
Charitable activities	7	90,097	220,465	310,562	286,669
Governance Costs	9				945
Total expenditure		94,309	228,667	322,976	300,191
Net income / (expenditure)		(47,448)	131,192	83,744	(10,860)
Transfers between funds	21	429,149	(429,149)	-	-
Net movement in funds		381,701	(297,957)	83,744	(10,860)
Reconciliation of funds:					
Total funds at 1 April 2015	21	10,950	297,957	308,907	319,767
Total funds at 31 March 2016	21	392,651	-	392,651	308,907

The notes on pages 10 to 21 form part of these financial statements.

The statement of financial activities includes all gains and losses recognised during the year.

RURAL ARTS NORTH YORKSHIRE

REGISTERED NUMBER: 3949494

BALANCE SHEET

as at 31 March 2016

	Note	£	2016 £	£	2015 £
Fixed assets					
Tangible assets	15		632,976		544,132
Investments	16		10		10
			<u>632,986</u>		<u>544,142</u>
Current assets					
Debtors	17	24,979		41,906	
Cash at bank and in hand		16,635		25,717	
		<u>41,614</u>		<u>67,623</u>	
Creditors: amounts falling due within one year	18	(61,338)		(115,001)	
Net current assets			<u>(19,724)</u>		<u>(47,378)</u>
Total assets less current liabilities			<u>613,262</u>		<u>496,764</u>
Creditors: amounts falling due after more than one year	19		<u>(220,611)</u>		<u>(187,857)</u>
Net assets			<u><u>392,651</u></u>		<u><u>308,907</u></u>
Charity funds					
Restricted funds	21		-		297,957
Unrestricted funds - general	21		392,651		10,950
Total charity funds			<u><u>392,651</u></u>		<u><u>308,907</u></u>

BALANCE SHEET (continued)
as at 31 March 2016

The Trustees consider that the charity is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the charity to obtain an audit for the year in question in accordance with section 476 of the Act.

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and for preparing financial statements which give a true and fair view of the state of affairs of the charity as at 31 December 2015 and of its net resources expended for the year in accordance with the requirements of sections 394 and 395 of the Act and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charity.

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Trustees on 15th September 2016 and signed on their behalf, by:



Mr G Baragwanath
Chair of Trustees



Mr A Dalton
Treasurer & Trustee

The notes on pages 10 to 21 form part of these financial statements.

1 Accounting policies

(a) General information and basis of preparation of financial statements

The charity is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are on page 2 of these financial statements.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issues on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

The charity adopted SORP (FRS 102) in the current year and an explanation of how transition to SORP (FRS 102) has affected the reported financial position and performance is given in note 25.

The financial statements do not include a statement of cash flows because the charitable company, as a small reporting entity, is exempt from the requirement to prepare such a statement under SORP (FRS 102).

(b) Funds

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1 Accounting policies (continued)

(c) Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained, then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Investment income is earned through holding assets for investment purposes such as shares. It includes dividends and interest. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend income is recognised as the charity's right to receive payment is established.

Other income includes income such as gains on disposals of tangible fixed assets.

(d) Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

(e) Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative and payroll costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings they have been allocated to expenditure on charitable activities on a basis consistent with use of the resources.

The analysis of these costs is included in note 6.

1 Accounting policies (continued)***(f) Tangible fixed assets and depreciation***

Tangible fixed assets are stated at cost less accumulated depreciation. Costs includes costs directly attributable to making the asset capable of operating as intended. Assets costing less than £200 are not capitalised.

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

Freehold Land and Buildings	- 2% on cost per annum
IT Equipment	- 25% on cost per annum
Motor	- 25% on cost per annum
Other equipment - Other	- 25% on cost per annum
- Kiln	- 5% on cost per annum

(g) Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transactions costs. Subsequently, they are measured at fair value with changes recognised in 'net gains/(losses) on investment' in the SoFA if the shares are publicly traded or their fair value can otherwise be measured reliably.

(h) Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

(i) Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

2 Income from donations and legacies

	2016 £	2015 £
Donations	147	91
Gift Aid by Subsidiary	3,837	20,740
	<u>3,984</u>	<u>20,831</u>

Income from donations and legacies was £3,984 (2015: £20,831) of which £Nil (2015: £Nil) was attributable to restricted and £3,984 (2015: £20,831) was attributable to unrestricted funds.

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2016

3 Income from charitable activities

		2016 £	2015 £
Arts Council England (Yorkshire)		37,755	30,800
On Tour/Create Tour	3.1	113,976	112,405
ACE Capital Grant 2015		131,192	-
Local authorities		-	5,000
Army Covenant		2,708	19,144
Your Consortium - Community Learning		32,756	8,750
Heritage Lottery - Young Roots		13,441	3,099
Your Consortium - Innovation		12,806	6,463
Thirsk Volunteering		10,185	-
Other project income		13,220	28,896
Lloyds Foundation		-	7,950
Courses		18,791	24,434
		386,830	246,941

Income from charitable activities was £386,830 (2015: £246,941) of which £349,120 (2015: £196,455) was attributable to restricted and £37,710 (2015: £50,486) was attributable to unrestricted funds.

3.1 Income from On Tour/Create Tour

	2016 £	2015 £
Arts Council England	37,754	44,709
ACE Create Tour	46,182	29,344
Prompters Income	18,919	26,052
Local Authorities and other	11,121	12,300
	113,976	112,405

4 Other trading income

	2016 £	2015 £
Courtroom performances	4,187	3,245
Rental income	-	12,000
	4,187	15,245

Income from other trading activities was £4,187 (2015: £15,245) of which all was attributable to unrestricted funds.

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2016

5 Other income

	2016 £	2015 £
Apprenticeship grant	8,804	2,750
Sundry income	2,915	3,564
	<u>11,719</u>	<u>6,314</u>

Income from other income was £11,719 (2015: £6,314) of which £10,739 (2015: £2,750) was attributable to restricted and £980 (2015: £3,564) was attributable to unrestricted funds.

6 Analysis of expenditure on raising funds

	2016 £	2015 £
General activities - publishing	3,889	4,390
Marketing salaries	8,525	8,187
	<u>12,414</u>	<u>12,577</u>

£8,202 (2015: £9,509) of the above costs were attributable to restricted funds. £4,212 (2015: £3,068) of the above costs were attributable to unrestricted funds.

7 Analysis of expenditure on charitable activities

	Activities undertaken directly £	Support costs £	Total 2016 £
On Tour	75,010	57,433	132,443
Projects	59,184	57,433	116,617
Courtroom	15,490	46,012	61,502
	<u>149,684</u>	<u>160,878</u>	<u>310,562</u>

£220,465 (2015: £189,696) of the above costs were attributable to restricted funds. £90,097 (2015: £96,973) of the above costs were attributable to unrestricted funds.

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2016

8	Allocation of support costs Staff	35.70%	35.70%	28.60%	
		2.50 On Tour £	2.50 Projects £	2.00 Courtroom £	7.00 Total £
	Wages	21,917	21,917	17,558	61,392
	Staff Costs	979	979	784	2,742
	Professional fees	2,679	2,679	2,147	7,505
	Overheads	2,694	2,694	2,157	7,545
	Premises costs	4,531	4,531	3,629	12,691
	Vehicle costs	313	313	251	877
	IT and communications	2,167	2,167	1,735	6,069
	Insurance	1,181	1,181	947	3,309
	Finance costs	5,183	5,183	4,153	14,519
	Depreciation	15,631	15,631	12,522	43,784
	Profit on disposal	(179)	(179)	(142)	(500)
	Governance 9	337	337	271	945
		<u>57,433</u>	<u>57,433</u>	<u>46,012</u>	<u>160,878</u>

The basis of allocation of support costs is 35.70% On Tour, 35.70% Projects and 28.60% Courtroom based on staff allocation.

9 Governance costs

		2016 £	2015 £
Independent examiners remuneration	11	945	945
		<u>945</u>	<u>945</u>

10 Net income / (expenditure) for the year

Net income / (expenditure) is stated after charging /(crediting):

	2016 £	2015 £
Depreciation of tangible fixed assets:		
- owned by the charity	43,784	18,719
(Profit)/loss on sale of tangible fixed assets	(500)	(400)
	<u>43,284</u>	<u>18,319</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2016

11 Independent examiners remuneration

The independent examiners remuneration amounts to an independent examination fee of £945 (2015: £945).

12 Trustees' remuneration and expenses

The Trustees neither received nor waived any remuneration during the year (2015: £nil).

The Trustees had expenses reimbursed during the year totalling £Nil (2015: £Nil).

13 Staff costs and employee benefits

The average monthly number of employees and full time equivalent (FTE) during the year was as follows:

	2016 Number	2016 FTE	2015 Number	2015 FTE
Raising funds	1	0.5	1	0.5
Charitable activities	9	5.5	8	6.1
	<u>10</u>	<u>6.0</u>	<u>9</u>	<u>6.6</u>

The total staff costs and employees benefit's was as follows:

	2016 £	2015 £
Salaries	106,774	126,906
Social security	5,149	9,866
Defined contribution pension costs	2,400	3,995
	<u>114,323</u>	<u>140,767</u>

No employees received total employee benefits (excluding employer pension costs) of more than £60,000.

14 Interest payable and similar charges

	2016 £	2015 £
Bank loans and overdrafts	10,658	10,499
	<u>10,658</u>	<u>10,499</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2016

15	Tangible fixed assets				
	Freehold land & buildings £	IT equipment £	Motor vehicles £	Other equipment £	Total £
Cost					
At 1 April 2015	654,295	126,011	13,044	45,274	838,624
Additions	15,307	84,487	-	32,834	132,628
Disposals	-	(2,010)	-	-	(2,010)
	669,602	208,488	13,044	78,108	969,242
Depreciation					
At 1 April 2015	117,479	124,130	7,609	45,274	294,492
Charge for year	13,392	21,792	3,261	5,339	43,784
Eliminated on disposal	-	(2,010)	-	-	(2,010)
	130,871	143,912	10,870	50,613	336,266
Net book value					
At 31 March 2016	538,731	64,576	2,174	27,495	632,976
At 31 March 2015	536,816	1,881	5,435	-	544,132

Tangible fixed assets with a net book value of £226,788 (2015: £187,857) have been pledged as security for liabilities of the charity.

16 Fixed asset investments

	Subsidiary investments £
Market value	
At 1 April 2015	10
At 31 March 2016	10
Historical cost at 31 March 2016	10

Included within subsidiary investments is a 100% holding in the ordinary share capital of Rural Arts Trading Limited, a company incorporated in England & Wales (company number 08943670). At the year end, the aggregate capital and reserves of the company amounted to £10 and profit for the year amounted to £0. Turnover for the year amounted to £72,631 and expenditure for the year amounted to £72,631.

Subsidiary investments are measured at cost less impairment on the basis that they represent shares in entities that are not publicly traded and the fair value cannot otherwise be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2016

17 Debtors

	2016 £	2015 £
Trade debtors	21,525	23,962
Amounts owed by group undertakings	3,018	17,461
Other debtors	436	483
	<u>24,979</u>	<u>41,906</u>

18 Creditors: amounts falling due within one year

	2016 £	2015 £
Bank loans and overdrafts	6,177	-
Trade creditors	13,383	13,330
Other tax and social security	2,202	2,901
Accruals and deferred income	39,576	58,770
Other creditors	-	40,000
	<u>61,338</u>	<u>115,001</u>

19 Creditors: amounts falling due after more than one year

	2016 £	2015 £
Bank loans and overdrafts	220,611	187,857
	<u>220,611</u>	<u>187,857</u>

Bank loans totalling £226,788 are secured by a first charge on the freehold land and buildings.

Bank loan terms of repayment are 23 years and 25 years and interest is payable at 7.675% and 3.9% on the principal amounts.

Bank loans include aggregate amounts of £80,015 and £115,140 (2015: £97,175 and £73,281) which fall due after five years and which are payable by installments.

20 Leases

Operating leases - lessee:

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2016 £	2015 £
Not more than one year	1,016	-
Later than one year and not more than five years	3,048	528
	<u>4,064</u>	<u>528</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2016

21 Fund reconciliation

	Balance at 1 Apr 2015 £	Net movement in funds £	Balance at 31 Mar 2016 £
Unrestricted funds			
General fund	10,950	381,701	392,651
	<u>10,950</u>	<u>381,701</u>	<u>392,651</u>
Restricted funds			
Arts Council revenue fund	-	-	-
Other restricted projects	-	-	-
<i>Capital funds:</i>			
Hambleton Doors	3,505	(3,505)	-
Arts Council Clerk's House	19,225	(19,225)	-
NYLC Clerk's House	26,421	(26,421)	-
Yorkshire Forward Clerk's House	102,901	(102,901)	-
Mr R Travers bequest	55,650	(55,650)	-
Arts Council England (Yorkshire)	53,362	(53,362)	-
Lloyds TSB Foundation	3,811	(3,811)	-
Interest England	1,983	(1,983)	-
Single Regeneration Budget	7,623	(7,623)	-
NYFVO	6,129	(6,129)	-
NYCC Heritage Grants	5,710	(5,710)	-
Thirsk Infant School	5,719	(5,719)	-
Adapt Trust	762	(762)	-
Retention Release	5,156	(5,156)	-
Arts Council England Capital Grant 2015		-	-
	<u>297,957</u>	<u>(297,957)</u>	<u>-</u>
Total funds	<u>308,907</u>	<u>83,744</u>	<u>392,651</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2016

21 Fund reconciliation - continued

Net movement in funds, included in the above are as follows:

	Income £	Expenditure £	Transfers £	Movement in funds £
Unrestricted funds				
General fund	46,861	(94,309)	429,149	381,701
	<u>46,861</u>	<u>(94,309)</u>	<u>429,149</u>	<u>381,701</u>
Restricted funds				
Arts Council revenue fund	113,976	(113,976)	-	-
Other restricted projects	114,689	(114,689)	-	-
<i>Capital funds:</i>				
Hambleton Doors			(3,505)	(3,505)
Arts Council Clerk's House			(19,225)	(19,225)
NYLC Clerk's House			(26,421)	(26,421)
Yorkshire Forward Clerk's House			(102,901)	(102,901)
Mr R Travers bequest			(55,650)	(55,650)
Arts Council England (Yorkshire)			(53,362)	(53,362)
Lloyds TSB Foundation			(3,811)	(3,811)
Interest England			(1,983)	(1,983)
Single Regeneration Budget			(7,623)	(7,623)
NYFVO			(6,129)	(6,129)
NYCC Heritage Grants			(5,710)	(5,710)
Thirsk Infant School			(5,719)	(5,719)
Adapt Trust			(762)	(762)
Retention Release			(5,156)	(5,156)
ACE Capital Grant 2015	131,192		(131,192)	-
	<u>359,857</u>	<u>(228,665)</u>	<u>(429,149)</u>	<u>(297,957)</u>
Total funds	<u>406,718</u>	<u>(322,974)</u>	<u>-</u>	<u>83,744</u>

The capital funds were for the purchase and redevelopment of the Clerk's House and the Courthouse.

The Arts Council revenue fund is for Create Tour to enable young people to work with professional companies to produce and film work for touring.

Other restricted projects include Thirsk Volunteering, Community Learning, Armed With Needles, Innovation and CCG working with dementia patients.

22 Transfers between funds

The transfer between funds is to transfer the value of tangible fixed assets from restricted to unrestricted funds as the assets purchased have been purchased from a restricted fund donation, but are held for general and not restrictive purposes.

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2016

23 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
Fixed assets	632,986	-	632,986
Cash and current investments	435	16,200	16,635
Other current assets /liabilities	(20,159)	(16,200)	(36,359)
Creditor more than one year	(220,611)	-	(220,611)
Total	392,651	-	392,651

24 Related party transactions

Thirsk And District Business Association

Guy Baragwanath is the Chair of Rural Arts and also the Chair of Thirsk and District Business Association who rent rooms from Rural Arts Trading subsidiary. The value of this for 2015/16 was £262.50 (2014/15 Nil)

Andrew Dalton is Treasurer of Rural Arts and also provided paid creative delivery for Rural Arts. The value of these services for 2015/16 was £3154.78 (2014/15 £546.00)

Sue Dalton is married to Andrew Dalton and provides freelance Project Management services for Rural Arts.

The value of all related party transactions were at market rates.

25 First-time adoption of SORP (FRS102)

The charity has adopted the SORP (FRS 102) for the first time in the year ended 31 March 2016.

The effect of transition from SORP (2005) to SORP (FRS 102) is outlined below.

a) Changes in accounting policies

There are no changes in accounting policies resulting from adoption of SORP (FRS102).

b) Reconciliation of total charity funds

There are no adjustments to previously reported total charity funds at the date of transition to SORP (FRS 102).

c) Reconciliation of comparative period net income / expenditure

There are no adjustments to previously reported net income / expenditure in the comparative period.

