

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 2018

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RURAL ARTS NORTH YORKSHIRE

REFERENCE AND ADMINISTRATIVE INFORMATION *for the year ended 31 March 2018*

Council of Management

Mr G Baragwanath	*	Chair from 16 September 2015
Mr A Dalton	*	Treasurer from 16 September 2015
Ms H Donohoe	*	Resigned September 2018
Mrs C Harper	*	
Mrs B Jopling	*	
Mr D Lloyd Williams	*	
Mrs D Pollard	*	
Mr M Shakespeare	*	
Mr O Bliss	**	Arts Council England

* 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

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
Thirsk
North Yorkshire
YO7 1HA

Bankers

Lloyds, Thirsk Branch
Market Place
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 2017-2018

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 theatre 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:

- Touring professional performing arts to local community venues
- Curating exhibitions to showcase new artists' work
- Delivering a programme of creative workshops
- Offering internships and apprenticeships
- Developing partnerships with local schools and businesses
- 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 17-18 we continued to embed strong links with agencies and organisations who support those with physical and mental health issues, armed service families, people over 75, young people etc. Our outreach project activities were funded from a range of commissioning bodies, trusts and Foundations and local authorities.

The Courthouse Thirsk Is a community creative hub and our HQ, which provides public access to an exhibition space, craft shop, 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.

Headline Achievements 2017-18

Residents Voice

A project aimed at improving emotional wellbeing and combatting isolation, was completed in July 2017 with a comprehensive evaluation report provided at the end of August to NYCC. A total of 180 workshops were delivered in 18 Extra Care Facilities across North Yorkshire and delivered arts activities to over 1175 over 75's. This project highlighted the need to provide well being activities in extra care settings with over 80% of participants reporting feeling less isolated and more motivated.

Celebrating Age

This two-year project funded by the ACE was launched in April 2017, working in partnership with Thirsk Community Care we are seeking to increase the participation in arts activities of the over 75s by offering a wide range of creative opportunities with wrap around support services such as transport and help with participation. The programme is new and has been testing all kinds of arts and crafts, music, writing and theatre and has been delivered through some exciting interventions including a monthly art café at the Courthouse providing an hour of arts and crafts activities and for those who are less mobile, musicians performing on a weekly supermarket shopping bus, a series of artist-led 1-2-1 sessions in participants own homes.

Courthouse

Our weekly Open Studio sessions in ceramics and print have become more embedded with the groups establishing an independent constitution; this allows them to fundraise as a separate body (the Arts Collective) for their creative activity and in January they jointly exhibited their work for the first time in the Courtroom.

We hosted sell out musical performances from Edwina Hayes and Five Loose Chippings as well as a successful annual Christmas Makers Market and National Theatre Live productions of Macbeth and Twelfth Night.

Exhibition Programme

Through our annual FRESH exhibition we selected 13 emerging young artists to exhibit their work in a group show in the Courthouse, Thirsk and one was selected to have a solo show in autumn 2019. RA Staff attended 4 Degree and MA shows in Manchester, York and Newcastle to promote FRESH.

Other exhibitions supported over 23 artists including Adam King, Neil McBride, Angela Ibbs, Alison Hepburn, Sue Kershaw, Open Studios and Darlington based Press Gang).

Courthouse Participatory Arts

One of our aims was to increase participation of family audiences at the Courthouse by offering a programme of seasonal workshops and events, in 17-18 we worked with over 100 individual families.

Our weekend and taster workshop sessions at The Courthouse are tailored to engage participants regardless of disability; these sessions have been building a new audience amongst individuals with a range of disabilities who attend with or without a carer. We have increased participation from those with disabilities by 15% and had 2 community exhibitions at the Courthouse in 17-18.

In 17-18 we developed our in house programme to include weekly open access studio space for print and ceramics and the 'Arts Collective' an independent arts group was established.

Art Club and Arts Award

RA continues to run a children and young peoples art club based at the Courthouse and engages with over 30 young people. The club is promoted throughout half term activities by using our social media platforms and mailing list. 10 young people have completed the Bronze Arts Awards and 3 are undertaking Silver. We have engaged with nearly 70 young people and families in our half term activities. We ran 7 diverse activities in August and October and look to run another 2 in December over the Christmas period. We have a dedicated Arts Award page, which features information on our current Arts Award offers, and ways for young people to register their interest in being involved.

Outreach

Outreach projects including 'Stitched Together' and 'Residents Voice' took artists out to the most rural parts of the county and enabled over 100 military wives to work with artist Dionne Swift and over 1172 residents over 75 in 18 extra care facilities activities including music, craft and visual art.

Action Towards Inclusion

A two year project to provide 'wellbeing' and creative interventions to help people on their journey into work or self employment. Working closely with our partners, Thirsk Clock, Citizens Advice Northallerton and Carers Resource Scarborough

Stronger Communities

Workshops and relaxed performances for older people and young people with learning difficulties took place at The Courthouse and in care settings in the Hambleton District.

Ex Forces Support

Rural Arts is part of a large consortium of charities working together as Ex-Forces Support North Yorkshire. The project is offering support for anyone over 65 who has a military record, including national service.

ON Tour

Distribution and promoter engagement

In 2017-18 the number of ON Tour performances increased from the previous year from 76 to 80 and we increased the number of new promoters by 7. We have continued to incentivise ON Tour programming areas of low arts engagement by offering 40% subsidy with increased participation from villages such as Kettlewell and Airtown in Craven, Low Dalby and Weaverthorpe in Ryedale and Loftus in East Cleveland.

Engaging younger audiences

In April 2017 we ran the first Create Tour project, with Tamasha Theatre companies assistant director and writer, Corey Campbell and Satinder Chohan, working with 15 young people from Redcar and East Cleveland. They created a short performance, which preceded Tamasha's rural tour of Made in India. Through the Create Tour project we have increased engagement with family audiences in East Cleveland, Ryedale and Richmondshire with over 20% of box office tickets bought by family members. In addition we engaged 3 new high Schools who promoted 3 matinee performances.

Engaging Older audiences

Following the successful securing of Funding from the ACE Celebrating Age strategic fund and NYCC we delivered 10 targeted matinee performances for the over 75s in Thirsk and in 8 village halls within the Hambleton District. We provided 80 young people with learning difficulties from the Dales school the opportunity to work with Interplay Theatre Company and watch 4 performances through ON Tour.

Marketing Activity

Outlined below are Rural Arts' strategies and activities in relation to engaging customers, patrons and visitors via both digital and traditional marketing. In 17-18 we continued to adopt a detailed marketing calendar, share more videos and photos on line, review paid advertising, boosted social media posts and used geo targeted Google advertising.

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, Pinterest and more recently Instagram.

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.

GDPR

We have reviewed and updated our data protection policy and procedures in line with the new legislation of May 2018 and comply fully with the eight principles of good information handling enforced by the DPA.

Collecting Feedback and Evaluation

We have implemented a new online Show Report system to capture immediate feedback from promoters - not only on their audience demographics and tickets sales - but also on their own perceptions of the artistic quality of the performances. We share demographic data, feedback etc with all touring companies and we also have post show telephone interviews with promoters and theatre company staff. In addition we have a data sharing agreement with the NRTF who collect ON Tour annual postcode data, ticket sales, participating venues, box office etc.

Equality and Diversity

Progress on our single equality action plan is reported at staff and trustee meetings; we ensure that we incorporate promotion of equality of opportunity in all policies and procedures and monitor data on protected characteristics relating to recruitment, promotions, staff development etc. We have implemented the following data capture:

- < Equality strapline on outgoing adverts for vacancies
- < Equality and Diversity Monitoring Form for job applications.
- < Develop Equality and Diversity Monitoring section of project/participant evaluation forms
- < Undertake anonymous collection of staff/volunteer 'Equality and Diversity Monitoring forms.'

We have increased the presence of culturally diverse work on the rural tour scheme and this years programme featured 25% ethnically diverse theatre, music and dance. Including: Luke Jackson a rising young roots singer and 'Portrait' By Fuel Theatre.

Through Create Tour we identified 3 culturally diverse companies to deliver a programme of drama and dance with young people across 3 geographically isolated rural areas including Richmond, Ryedale and East Cleveland

Working in partnership across sectors including health and social care and education we are currently undertaking a research project with Leeds Beckett University to assess the impact that participatory arts have on the over 75's and will inform on future delivery.

Free tickets are currently available to a companion accompanying a disabled person to all our performances and workshops and we will provide reserved parking and seating as well as a quiet space to take breaks. Assistance dogs are also welcome and we use A-Checker to ensure accessibility of our website for disabled and impaired users

Internship Programme

We have continued to provide internship opportunities within the company and offered 1 graduate an intern post within the ON Tour department to support core staff.

Staffing changes

Joe Hennessy left the organisation in August 2017; Sorchia McCole and Nicola Phillips joined in September 2017 and Emma Irving in December 2017.

Trustee Changes

There were no changes to the board in 2017-2018.

Angela Hall August 2018

TRUSTEES' REPORT

for the year ended 31 March 2018

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 2018. 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 16th March 2000 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.

STRUCTURE, GOVERNANCE AND MANAGEMENT - continued

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.

Risk Management

The Council of Management has conducted its own review of the major risks to which the Charity is exposed during the annual review of the business plan. External funding is highly reliant on Arts Council funding and additional funding streams are being pursued to mitigate the risk if the organisation's major funder was to reduce funding.

Internal risks are minimised by the close involvement of the Council of Management. Undertaking of quality standards such as "Investors in People" ensure best practices are used to help the efficient running of the organisation. The organisation continues to hold to Matrix Standard.

The Trustees have recognised the need to manage cash flow carefully and endeavour to increase free reserves in the future.

ACHIEVEMENTS AND PERFORMANCE

Achievements

Please see the Annual Report on pages 1-6 for the achievements of the organisation in the year.

FINANCIAL REVIEW

Financial Review

Income for the year was £369,071 (2017: £380,425) and expenditure for the year was £399,936 (2017: £333,069), resulting in a deficit for the year of £30,865 (2017: £47,356 profit).

Net assets at the year end were £409,142 (2017: £440,007) of which £345,4076 (2017: £396,408) were unrestricted funds and £63,745 (2017: £43,599) were restricted funds.

Going Concern

The Trustees have prepared these financial statements on the basis that the organisation is a going concern.

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 2018, the general free reserves stand at £1,795 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 27 September 2018 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 2018 which are set out on pages 13 to 27.

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:



Mr Geoff Iles

Dated: 9th Oct 2018

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

STATEMENT OF FINANCIAL ACTIVITIES (incorporating the income and expenditure account)
for the year ended 31 March 2018

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Income and endowments from:					
Donations and legacies	2	3,926	-	3,926	8,555
Charitable activities	3	97,371	260,940	358,311	363,833
Other trading activities	4	5,063	-	5,063	4,638
Other	5	1,716	-	1,716	3,399
Total income and endowments		108,076	260,940	369,016	380,425
Expenditure on:					
Raising funds	6	15,963	1,564	17,527	9,467
Charitable activities	7	131,523	252,481	384,004	323,602
Total expenditure		147,486	254,045	401,531	333,069
Net income / (expenditure)		(39,410)	6,895	(32,515)	47,356
Transfers between funds	22	-	-	-	-
Net movement in funds		(39,410)	6,895	(32,515)	47,356
Reconciliation of funds:					
Total funds at 1 April 2017	22	396,408	43,599	440,007	392,651
Total funds at 31 March 2018	22	356,998	50,494	407,492	440,007

The notes on pages 16 to 25 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 2018*

	Note	£	2018 £	£	2017 £
Fixed assets					
Tangible assets	15		561,916		603,792
Investments	16		10		10
			<u>561,926</u>		<u>603,802</u>
Current assets					
Debtors	17	18,669		18,011	
Cash at bank and in hand	18	54,410		61,878	
		<u>73,078</u>		<u>79,889</u>	
Creditors: amounts falling due within one year	19	(19,250)		(29,051)	
Net current assets			<u>53,829</u>		<u>50,838</u>
Total assets less current liabilities			<u>615,755</u>		<u>654,640</u>
Creditors: amounts falling due after more than one year	20		(208,263)		(214,633)
Net assets			<u><u>407,492</u></u>		<u><u>440,007</u></u>
Charity funds					
Restricted funds	25		53,684		43,599
Unrestricted funds - general	25		353,808		396,408
Total charity funds			<u><u>407,492</u></u>		<u><u>440,007</u></u>

BALANCE SHEET (continued)

as at 31 March 2018

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 March 2018 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.

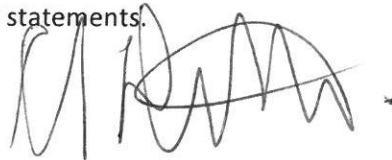
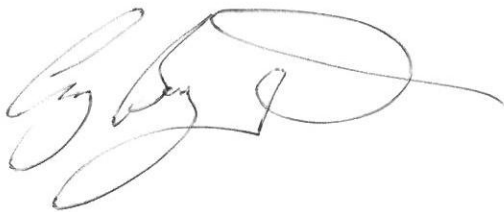
The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Trustees on 27 September 2018 and signed on their behalf, by:

Mr G Baragwanath
Chair of Trustees

Mr A Dalton
Treasurer & Trustee

The notes on pages 15 to 25 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 7 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 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 8.

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2018

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.

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

	2018 £	2017 £
Donations	715	578
Gift Aid by Subsidiary	3,212	7,977
	<u>3,926</u>	<u>8,555</u>

Income from donations and legacies was £3,926 (2017: £8,555) £3,926 of which was attributable to unrestricted funds (2017: £8,555) and Nil (2017: Nil) to restricted funds.

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2018

3 Income from charitable activities

		2018 £	2017 £
Arts Council England		37,754	37,754
On Tour/Create Tour	3.1	137,175	146,406
NYCC/Your Consortium - Community Learning		27,248	8,646
Your Consortium - Innovation		17,214	15,209
Army Welfare Services - Stitched Together		4,141	34,566
NYCC - Stitched Together		-	29,500
NYCC - Resident's Voices		5,000	35,000
Your Consortium - Action Towards Inclusion		9,706	3,056
Art on your Doorstep/ Celebrating AGE		80,917	-
Aged Vets / Ex Forces		4,225	-
Group Outreach		600	
Artichoke		1,250	-
English Heritage - Richmond Castle		1,000	
Thirsk (Humber Learning) Volunteering		-	2,000
Hambleton District Council			2,000
Courses		32,081	19,930
Other project income			29,766
		358,311	363,833

Income from charitable activities was £358,311 (2017: £363,833) of which £260,940 (2017: £313,759) was attributable to restricted and £97,371 (2017: £50,074) was attributable to unrestricted funds.

3.1 Income from On Tour/Create Tour

	2018 £	2017 £
Arts Council England	37,754	37,755
ACE Create Tour	61,979	52,474
Promoters Income	26,736	30,395
Local Authorities and other	10,706	25,782
	137,175	146,406

4 Other trading income

	2018 £	2017 £
Courtroom performances	5,063	4,638
	5,063	4,638

Income from other trading activities was £5,063 (2017: £4,638) all of which was attributable to unrestricted funds.

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2018

5 Other income

	2018 £	2017 £
Apprenticeship grant	-	2,000
Sundry income	1,716	1,399
	<u>1,716</u>	<u>3,399</u>

Other income amounted to £1,716 (2017: £3,399) of which £Nil (2017: £2,500) was attributable to restricted and £1,716 (2017: £899) was attributable to unrestricted funds.

6 Analysis of expenditure on raising funds

	2018 £	2017 £
General activities - publishing	4,184	1,299
Marketing salaries	13,343	8,168
	<u>17,527</u>	<u>9,467</u>

£1,564 (2017: £7,709) of the above costs were attributable to restricted funds and £15,963 (2017: £1,758) of the above costs were attributable to unrestricted funds.

7 Analysis of expenditure on charitable activities

	Activities undertaken directly £	Support costs £	Total 2018 £
On Tour	66,120	58,898	125,017
Projects	42,576	95,482	138,058
Courtroom	10,594	110,334	120,929
	<u>119,289</u>	<u>264,714</u>	<u>384,004</u>

£25,2481 (2017: £262,451) of the above costs were attributable to restricted funds.
£131,523 (2017: £61,151) of the above costs were attributable to unrestricted funds.

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2018

8 Allocation of support costs

	On Tour / Create £	Projects £	Courtroom £	Total £
Wages	41,466	17,324	76,270	135,060
Staff Costs	3,421	2,230	1,112	6,763
Professional fees	-	26,379	2,701	29,081
Overheads	11,395	48,414	(59,495)	314
Premises costs	-	-	18,478	18,478
Vehicle costs	-	-	680	680
Office Costs	666	747	3,703	5,117
IT and communications	-	10	7,435	7,445
Insurance	-	-	3,260	3,260
Finance costs	-	-	13,090	13,090
Depreciation	-	-	43,961	43,961
Bad Debt provision	1,595	-	-	1,595
Profit on disposal	-	-	(1,075)	(1,075)
	<u>58,544</u>	<u>95,104</u>	<u>110,121</u>	<u>263,769</u>
Governance	<u>354</u>	<u>378</u>	<u>213</u>	<u>945</u>
	<u><u>58,898</u></u>	<u><u>95,482</u></u>	<u><u>110,334</u></u>	<u><u>264,714</u></u>

The basis of allocation of support costs is actual spend.

9 Governance costs

		2018 £	2017 £
Independent Examiner's remuneration	11	945	950
Trustee's Expenses		<u>-</u>	<u>142</u>
		<u><u>945</u></u>	<u><u>950</u></u>

10 Net income / (expenditure) for the year

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

	2018 £	2017 £
Depreciation of tangible fixed assets:- owned by the charity	43,961	43,764
(Profit)/loss on sale of tangible fixed assets	<u>(1,075)</u>	<u>(6,235)</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2018

11 Independent examiners remuneration

The independent examiners remuneration amounts to an independent examination fee of £945 (2017: £950).

12 Trustees' remuneration and expenses

The Trustees neither received nor waived any remuneration during the year (2017: £Nil).

The Trustees had expenses reimbursed during the year totalling £Nil (2017: £141.75).

13 Staff costs and employee benefits

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

	2018	2018	2017	2017
	Number	FTE	Number	FTE
Raising funds	1	0.5	1	0.5
Charitable activities	7	5.5	7	5.5
	8	6.0	8	6.0

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

	2018	2017
	£	£
Salaries	137,991	116,116
Social security	7,322	5,486
Defined contribution pension costs	3,252	3,117
	148,566	124,719

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

14 Interest payable and similar charges

	2018	2017
	£	£
Bank loans and overdrafts	11,739	11,944
	11,739	11,944

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2018

15 Tangible fixed assets

	Freehold land & buildings £	IT equipment £	Motor vehicles £	Other equipment £	Total £
Cost					
At 1 April 2017	669,602	200,484	12,000	80,688	962,774
Additions	1,101	984	-	-	2,085
Disposals	-	(973)	-	(10,000)	(10,973)
	670,703	200,495	12,000	70,688	953,887
Depreciation					
At 1 April 2017	144,263	157,872	250	56,597	358,982
Charge for year	13,414	21,563	3,000	5,984	43,961
Eliminated on disp	-	(973)	-	(10,000)	(10,973)
	157,677	178,462	3,250	52,581	391,970
Net book value					
At 31 March 2018	513,026	22,033	8,750	18,107	561,916
At 31 March 2017	525,339	42,612	11,750	24,091	603,792

Tangible fixed assets with a net book value of £214,802 (2017: £226,788) have been pledged as security for liabilities of the charity.

16 Fixed asset investments

	Subsidiary investments £
Market value	
At 1 April 2017	10
At 31 March 2018	10
Historical cost at 31 March 2018	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 £3,221 and profit for the year amounted to £3,211. Turnover for the year amounted to £69,412 and expenditure for the year amounted to £66,200

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 2018

17 Debtors	2018	2017
	£	£
Trade debtors	10,689	1,590
Bad Debt Provision	(1,595)	
Amounts owed by group undertakings	5,402	6,546
Gift Aid Donations from Subsidiary	3,212	7,977
Other debtors and prepayments	962	1,898
	18,669	18,011
18 Cash at bank and in hand	2018	2017
	£	£
Cash at bank and in hand	54,410	61,878
	54,410	61,878
19 Creditors: amounts falling due within one year	2018	2017
	£	£
Bank loans and overdrafts	6,539	6,488
Trade creditors	8,937	16,706
Other tax and social security	2,886	3,153
Accruals	-	1,121
Other creditors	888	1,583
	19,250	29,051
20 Creditors: amounts falling due after more than one year	2018	2017
	£	£
Bank loans and overdrafts	208,263	214,633
	208,263	214,633

Bank loans totalling £214,802 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 £41,340 and £84,635 (2017: £76,251 and £110,788) which fall due after five years and which are payable by installments.

21 Leases

Operating leases - lessee:

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

	2018	2017
	£	£
Not more than one year	-	846
Later than one year and not more than five years	3,576	3,218
	3,576	4,064

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2018

22 Fund reconciliation

		Balance at 1 Apr 2017 £	Net movement in funds £	Balance at 31 Mar 2018 £
Unrestricted funds				
General fund		396,408	(41,005)	355,403
		<u>396,408</u>	<u>(41,005)</u>	<u>355,403</u>
Restricted funds				
Arts Council revenue fund		-	45,112	45,112
Other restricted projects	22	43,599	(36,622)	6,977
		<u>43,599</u>	<u>8,490</u>	<u>52,089</u>
Total funds		<u>440,007</u>	<u>(32,516)</u>	<u>407,492</u>

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

	Income £	Expenditure £	Transfers £	Movement in funds £
Unrestricted funds				
General fund	108,076	(149,081)	-	(41,005)
	<u>108,076</u>	<u>(149,081)</u>	<u>-</u>	<u>(41,005)</u>
Restricted funds				
Arts Council revenue fund	160,650	(115,538)	-	45,112
Other restricted projects	100,290	(136,912)	-	(36,622)
	<u>260,940</u>	<u>(252,450)</u>	<u>-</u>	<u>8,490</u>
Total funds	<u>369,016</u>	<u>(401,531)</u>	<u>-</u>	<u>(32,515)</u>

The Arts Council revenue fund is for On Tour, Create Tour and Art on your Doorstep support

Other restricted projects include Community Learning, Stitched Together, Resident's Voices, Innovation, Action Towards Inclusion and CCG working with people with dementia.

23 Other Restricted Projects Funds as at 31 March 2018

Project Title	Grant Provider	Balance at 1 Apr 17 £	Income £	Expenditure £	Movement in Funds £	Balance as at 31 Mar 2018 £
Create Tour	Esmee Fariburn	8,333	20,000	22,581	(2,581)	5,752
On Tour	Rydale DC, Craven DC, NRTF	-	10,506	10,506	-	-
Community Learning	NYCC	3,240	27,248	30,488	(3,240)	-
Innovation	Your Consortium	6,477	17,214	23,690	(6,477)	-
Richmond Castle / Cell Block	English Heritage	-	1,000	200	800	800
Residents Voices	NYCC	12,906	5,000	17,906	(12,906)	-
Aged Vets / Ex Forces	Community First	-	4,225	2,495	1,730	1,730
Community Learning	NYCC	-	-	-	-	-
Action Towards Inclusion	Your Consortium	1,211	9,706	10,918	(1,211)	-
Future Funding	Various	-	-	500	(500)	(500)
Stiched Together	Army Welfare Service	11,432	4,141	17,398	(13,257)	(1,826)
Generation Exchange	Two Ridings Community Foundation	-	-	100	(100)	(100)
Processions	Artchoke	-	1,250	129	1,121	1,121
						-
		43,599	100,290	136,912	(36,622)	6,977

24 Transfers between funds

There were no transfers between funds in the year.

25 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
Fixed assets	561,926		561,926
Cash and current investments	726	53,684	54,410
Other current assets /liabilities	(581)		(581)
Creditor more than one year	(208,263)	-	(208,263)
Total	353,808	53,684	407,492

26 Related party transactions

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 Ltd. The value of this for 2017/18 was Nil (2016/17 £210.00).

Andrew Dalton is Treasurer of Rural Arts and also provided paid creative delivery for Rural Arts. The value of these services for 2017/18 was £1,676.30 (2016/17 was £1,226.65).

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 arms length and market rates.