

**THE CREATIVE ART HOUSE
(A COMPANY LIMITED BY GUARANTEE)**

FINANCIAL STATEMENTS

31 MARCH 2011

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Company registration number: 3345162
Registered charity number: 1063671

THE CREATIVE ART HOUSE**ANNUAL REPORT OF THE TRUSTEES AND DIRECTORS****for the year ended****31 MARCH 2011**

The trustees' (directors) present their financial statements for the year ended 31 March 2011.

Reference and administration information

Charity name: The Creative Art House

Charity registration number: 1063671

Company registration number: 3345162

Registered office and
operation address: The Art House
Drury Lane
Wakefield
WF1 2TE

Trustees and Directors

C A Cook (resigned 31 March 2011)
C Cowen
J C Harris
J A Hollings
J Howard (resigned 31 March 2011)
S Alghita (resigned 31 March 2011)
R J H Johnson
J Hague (appointed 31 March 2011)
K Harker (appointed 31 March 2011)
P Oberg (appointed 31 March 2011)
N Wilson (appointed 31 March 2011)

Secretary

A Cunningham

Manager

A Cunningham

Auditors

Wheawill & Sudworth
Chartered Accountants
35 Westgate
Huddersfield
HD1 1PA

Solicitors

Ison Harrison
Duke House
54 Wellington Street
Leeds
LS1 2EE

THE CREATIVE ART HOUSE

ANNUAL REPORT OF THE TRUSTEES AND DIRECTORS (continued)

for the year ended

31 MARCH 2011

Bankers

Unity Trust Bank plc
 Nine Brindley Place
 Birmingham
 B1 2HB

Structure, governance and management

Governing document

The organisation is a charitable company limited by guarantee, incorporated and registered as a charity in April 1997. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

Recruitment and appointment of trustees

The trustees are also directors of the company for the purposes of company law and under the company's Articles. Under the requirements of the Memorandum and Articles of Association one third of the trustees shall retire at the Annual General Meeting. No person other than a trustee retiring by rotation shall be appointed or reappointed a trustee at any general meeting unless:

he/she is recommended by the trustees; or

not less than fourteen nor more than thirty-five clear days before the date appointed for the meeting, notice executed by a member qualified to vote at the meeting has been given to the Charity of the intention to propose that person for appointment or reappointment stating the particulars which would, if he/she were so appointed or reappointed, be required to be included in the Charity's register of trustees together with a notice executed by that person of his/her willingness to be appointed or reappointed.

No person may be appointed as a trustee unless he/she has attained the age of 18 years.

Trustees' induction and training

During the year four new trustees were appointed and three trustees resigned. These are noted on page 1. Appropriate training is provided for all trustees and staff.

Organisational structure

The Board direct the strategy and policies of the company, with operational responsibilities being delegated to the manager and her support staff.

Related parties

The company did not enter into any transactions with related parties during the year.

Risk management

The directors and management team have identified the principal risks to which the charity is exposed and assessed their possible impact on the services provided and financial security of the charity. They are satisfied that the necessary systems and controls are in place, and are under regular review, to mitigate the charity's exposure to those risks.

THE CREATIVE ART HOUSE**ANNUAL REPORT OF THE TRUSTEES AND DIRECTORS (continued)****for the year ended****31 MARCH 2011****Financial instruments**

The company's principal financial instruments comprise bank balances, bank overdraft facility, trade creditors, trade debtors, grants and donations. The main purpose of these instruments is to raise funds for and finance the company's operations.

Due to the nature of the financial instruments used by the company there is no exposure to price risk. The company's approach to managing other risks applicable to the financial instruments concerned is shown below.

In respect of bank balances the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility. Although available the overdraft facility at a rate of 2% above base was not used.

The company manages the liquidity risk by ensuring there are sufficient funds to meet our outgoings in our bank accounts at all times.

The company is a lessee in respect of the site of our building, at a 99 year peppercorn rent.

Trade debtors are managed in respect of credit and cash flow by policies concerning the credit offered to customers, taking deposits where appropriate and the regular maintaining of amounts outstanding for both time and credit limits.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

Public benefit

The charity commission's general guidance on public benefit has been used for reference when compiling this report and in planning future developments and activities.

Objectives and activities**Objectives**

The principal activity and prime objectives of the organisation remain to enable disabled and non-disabled visual artists to access opportunities to develop their creative practice in an inclusive and accessible environment.

THE CREATIVE ART HOUSE

ANNUAL REPORT OF THE TRUSTEES AND DIRECTORS (continued)

for the year ended

31 MARCH 2011

Achievements and performance

Introduction

The Creative Art House (working as The Art House) was set up in 1994 by a group of artists with and without disabilities to develop equality of opportunity for disabled people within the visual arts. The organisation registered as a charity and as a company limited by guarantee in 1997.

Achieving our aims

In achieving our aims:

- Our Artist Development Officer has been working primarily with artists who were using the building or working sub-regionally as it is part funded by West Yorkshire Grants.
- The Art House further developed its programme for the bi-monthly Art Walk, where the work of artists was celebrated. This gave them opportunities to explore and develop dialogue with audiences and buyers. In addition the Art House, in November 2010, took over the administration of the Art Walk for Wakefield, ensuring its sustainability.
- The Art House has provided training, both creative and business, and networking events, to enable artists to develop their viability and creativity.
- Our long-term studios remained fully occupied, with a rise in business around the residency facilities. 50% of our tenants describe themselves as disabled.
- The Art House continued to provide support and information to all its members, nationally.

During this period there were a number of factors that influenced our business:

- Our main funders, Arts Council England and Wakefield DMC undertook a review of their grant programmes, leading to new programmes being established. Significant resource was taken in reviewing the charity and successfully ensuring a sustainable relationship with these funders.
- A new staff team built their capacity to manage the building and organisation's activities, leading to the streamlining and development of operational policies and procedures.
- Income from meeting rooms continued to not meet targets from before the building opened. This is in line with the current drop in demand across this market.

Plans for the future

The Art House has secured four years of core funding from the Arts Council England, an SLA from WMDC and one year of funding from WYG. A programme of activity has been agreed in relation to this. WMDC has also agreed to the Art House developing Drury Lane Library, to provide further artist studios and associated accommodation. This is dependent on the satisfactory completion of a Feasibility Study by the end of 2011. This will require significant fundraising.

THE CREATIVE ART HOUSE

ANNUAL REPORT OF THE TRUSTEES AND DIRECTORS (continued)

for the year ended

31 MARCH 2011

Financial review

The attached accounts show the results for the year with a surplus of income over expenditure of £46,443 on the unrestricted funds.

Reserves policy

Total reserves at 31 March 2011 were £2,598,904 as compared with £2,754,257 at 31 March 2010.

In order to secure an independent future for the charity, reserves are being accumulated in sufficient and appropriate amounts. Its activities and operations are being organised by the directors with this objective in mind. A minimum reserve of £15,000 had been set initially with a view to increasing this to an amount equivalent to six months turnover.

The principal sources of funding are:

Core:	Arts Council England and Wakefield MDC
Projects:	Arts Council England
Capital:	Arts Capital Programme and Yorkshire Forward

Trustees' responsibilities statement - charitable company

The trustees (who are also directors of The Creative Art House 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, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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 so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

THE CREATIVE ART HOUSE**ANNUAL REPORT OF THE TRUSTEES AND DIRECTORS (continued)****for the year ended****31 MARCH 2011****Auditors**

Wheawill & Sudworth were re-appointed as the company's auditors during the year and have expressed their willingness to continue in that capacity.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005) and in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

This report was approved by the Trustees on 16 September 2011 and signed on its behalf by:

A Cunningham
Secretary

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CREATIVE ART HOUSE

Independent Auditor's Report to the members of The Creative Art House

We have audited the financial statements of The Creative Art House for the year ended 31 March 2011 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein and the Financial Reporting Standard for Smaller Entities (effective April 2008).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 5, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2011, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (applicable to smaller entities); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report³ for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF**THE CREATIVE ART HOUSE (continued)****Matters on which we are required to report by exception**

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

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

David Butterworth (Senior Statutory Auditor)
For and on behalf of Wheawill & Sudworth
Chartered Accountants &
Statutory Auditor

35 Westgate
Huddersfield
HD1 1PA
16 September 2011

THE CREATIVE ART HOUSE

STATEMENT OF FINANCIAL ACTIVITIES (including Income & Expenditure Account)

for the year ended

31 MARCH 2011

	Notes	Unrestricted Funds £	Restricted Funds £	Total funds 2011 £	Total funds 2010 £
Incoming resources					
Incoming resources from generated funds					
Voluntary income					
Grants and donations	3	161,307	26,263	187,570	172,309
Activities for generating funds					
Activities for generating funds	4	58,470	-	58,470	54,590
Investment income	5	283	-	283	221
		<u>220,060</u>	<u>26,263</u>	<u>246,323</u>	<u>227,120</u>
Incoming resources from charitable activities	6	-	13,896	13,896	70,933
Total incoming resources		<u>220,060</u>	<u>40,159</u>	<u>260,219</u>	<u>298,053</u>
Resources expended					
Costs of generating funds	7	59,222	232,326	291,548	111,163
Charitable activities	7	110,559	9,922	120,481	139,304
Governance costs	7	3,543	-	3,543	5,967
Total resources expended		<u>173,324</u>	<u>242,248</u>	<u>415,572</u>	<u>256,434</u>
Net incoming/(outgoing) resources before Transfers		46,736	(202,089)	(155,353)	41,619
Transfers between funds		(293)	293	-	-
Net incoming/(outgoing) resources		<u>46,443</u>	<u>(201,796)</u>	<u>(155,353)</u>	<u>41,619</u>
Total funds brought forward at 1 April 2010		<u>125,601</u>	<u>2,628,656</u>	<u>2,754,257</u>	<u>2,712,638</u>
Total funds carried forward at 31 March 2011		<u>172,044</u>	<u>2,426,860</u>	<u>2,598,904</u>	<u>2,754,257</u>

The statement of financial activities includes all gains and losses recognised in the year. All incoming resources and resources expended derive from continuing activities.

The notes on pages 11 to 18 form part of these financial statements.

THE CREATIVE ART HOUSE**BALANCE SHEET****31 MARCH 2011**

Notes		2011 £	2010 £
	Fixed assets		
8	Tangible fixed assets	2,343,379	2,715,359
	Current assets		
	Stock	100	993
9	Debtors	20,376	64,786
	Cash at bank and in hand	263,044	178,611
		<u>283,520</u>	<u>244,390</u>
10	Creditors: amounts falling due within one year	(27,995)	(205,492)
	Net current assets	<u>255,525</u>	<u>38,898</u>
	Total assets less current liabilities	<u>2,598,904</u>	<u>2,754,257</u>
	Net assets	<u>2,598,904</u>	<u>2,754,257</u>
	Capital and reserves		
	Unrestricted funds	172,044	125,601
11	Restricted funds	2,426,860	2,628,656
	Total reserves	<u>2,598,904</u>	<u>2,754,257</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements on pages 9 to 18 were approved and authorised for issue by the board of directors on 16 September 2011 and signed on its behalf by

..... - Director
J Harris

Company registration number: 3345162

THE CREATIVE ART HOUSE

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2011

1 Accounting policies

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008) and the Statement of Recommended Practice, "Accounting and Reporting by Charities" (SORP 2005) published in March 2005.

The company has availed itself of Paragraph 4 (1) of Schedule 1 of The Small Companies and Groups (Accounts and Directors' Report) Regulations 2008 and adopted the Companies Act formats to reflect the special nature of the charity's activities.

Depreciation

The depreciation of tangible fixed assets is based on cost and is applied using the following rates and bases:

Leasehold land and buildings	-	over 35 years straight line
Computer equipment	-	33 $\frac{1}{3}$ % per annum straight line
Office equipment	-	15% per annum straight line
Fixtures, fittings and equipment	-	15% per annum straight line
Art work/pieces	-	15% per annum straight line

In the year of acquisition computer, office equipment, fixtures, fittings and equipment are depreciated from the start of the year.

Stocks

Stocks are stated at direct cost or net realisable value if lower.

Fund accounting

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 restrictions imposed by donors or which have been raised by the charity for particular purposes. The aim and use of restricted funds is set out in the notes to the accounts.

Incoming resources

All incoming resources are included in the SOFA when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

The following specific policies are applied to particular categories of income:

Voluntary income is received by way of donations and is included in full when receivable.

Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant. Grants are allocated between restricted and unrestricted funds.

Income on activities for generating funds is recognised when the event has taken place.

Investment income is included when receivable.

Gifts in kind are included at market valuation, provided by third party, and recognised on receipt.

THE CREATIVE ART HOUSE**NOTES TO THE FINANCIAL STATEMENTS (continued)****31 MARCH 2011****1 Accounting policies (continued)****Resources expended**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of the resources and using either number of staff or floor area.

Support costs are those costs directly in support of expenditure on charitable activities. Management and administration costs are those attributable to the administration of the charity's assets, organisational, administration and compliance with constitutional and statutory requirements.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity.

Irrecoverable VAT is included within the expenses or asset to which it relates.

Lease costs

Rentals applicable to operating leases are charged to the SOFA over the period in which the cost is incurred.

Pension costs

Contributions to the defined contribution pension schemes are charged to the statement of financial activities as they become payable.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

2	Resources expended	2011 £	2010 £		
	Included in resources expended is:				
	Depreciation on own assets	208,210	41,037		
	Directors' and trustees' emoluments and expenses	200	219		
	Auditors' remuneration	3,000	5,750		
		<u> </u>	<u> </u>		
3	Voluntary income	Unrestricted funds £	Restricted Funds £	Total funds 2011 £	Total funds 2010 £
	Grants and donations				
	Grants receivable				
	Arts Council England	136,429	444	136,873	133,510
	Grant re staff training	-	1,000	1,000	-
	Wakefield MDC	21,000	-	21,000	20,000
	Future Job Funds	-	7,869	7,869	3,187
	Arts Council: Wakey Wakey	-	6,000	6,000	-
	West Yorks: Artist Development	-	9,600	9,600	-
	Earned income	195	1,350	1,545	2,048
	Membership fees	2,123	-	2,123	3,015
	Sundry donations	1,502	-	1,502	10,530
	Tax recovered on income received under Gift Aid	58		58	19
		<u>161,307</u>	<u>26,263</u>	<u>187,570</u>	<u>172,309</u>

THE CREATIVE ART HOUSE

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 MARCH 2011

		2011	2010		
4	Activities for generating funds	£	£		
	Studio and flat rental	36,981	26,638		
	Room hire rental	9,481	13,762		
	Catering income	4,931	8,126		
	Course fees	5,415	4,568		
	Sale of materials	918	882		
	Other income	744	614		
		<u>58,470</u>	<u>54,590</u>		
5	Investment income				
	The investment income arises from interest bearing deposit accounts.				
6	Incoming resources from charitable activities	Unrestricted funds £	Restricted funds £	Total funds 2011 £	Total funds 2010 £
	Grants receivable:				
	Capital Project	-	5,000	5,000	-
	ERDF	-	-	-	(5,340)
	Arts Council England	-	8,896	8,896	61,057
	Yorkshire Forward	-	-	-	13,916
					-
	Other income:				
	Project income	-	-	-	1,300
		<u>-</u>	<u>13,896</u>	<u>13,896</u>	<u>70,933</u>

THE CREATIVE ART HOUSE

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 MARCH 2011

7 Total resources

	Basis of allocation	Cost of generating funds £	Charitable activities £	Governance £	Total 2011 £	Total 2010 £
Costs directly allocated to activities						
Salaries, NI and pension costs	Usage	18,577	39,655	-	58,232	38,544
Staff travel	Usage	53	591	8	652	-
Training costs	Direct	507	1,500	-	2,007	1,557
Artists fees and expenses	Direct	-	444	-	444	1,277
Members' travel	Usage	-	-	443	443	805
Access	Direct	-	-	-	-	446
Audit fees	Direct	-	-	3,000	3,000	5,750
Professional fees	Direct	120	3,397	-	3,517	569
Consultancy	Direct	-	9,922	-	9,922	3,995
Interest and finance	Direct	138	273	-	411	743
Postages	Usage	502	270	-	772	1,319
Telephone charges	Usage	1,155	481	-	1,636	2,066
Repairs and renewals	Usage	9,269	3,966	-	13,235	10,092
Marketing, website maintenance and design	Usage	34	7,463	-	7,497	7,091
Sundry equipment	Direct	272	260	-	532	4,611
Office expenses	Usage	413	842	-	1,255	2,223
Rooms and catering	Usage	3	-	92	95	1,170
Trading expenses	Direct	8,283	2,747	-	11,030	-
Bad debt provision	Direct	1,363	-	-	1,363	-
Exhibition programme	Direct	-	352	-	352	-
Support costs allocated to activities						
Salaries, NI and pension costs	Usage	32,654	40,150	-	72,804	83,859
Staff travel	Usage	-	19	-	19	-
Recruitment costs	Direct	-	887	-	887	6,319
Insurance	Usage	3,283	2,156	-	5,439	3,511
Light and heat	Usage	6,417	3,843	-	10,260	16,513
Telephone charges	Usage	1,155	481	-	1,636	1,376
Office expenses	Usage	413	-	-	413	1,482
Repairs and renewals	Usage	-	-	-	-	6,728
Postages	Usage	-	270	-	270	878
Rooms and catering	Usage	-	-	-	-	744
Publications and subscriptions	Direct	-	512	-	512	1,666
Sundry expenses	Direct	-	-	-	-	214
Training cost	Direct	-	-	-	-	480
Expenses	Usage	-	-	-	-	1,318
Trading expenses	Direct	-	-	-	-	7,395
Depreciation	Usage	208,210	-	-	208,210	41,037
Irrecoverable VAT	Direct	(1,273)	-	-	(1,273)	656
		<u>291,548</u>	<u>120,481</u>	<u>3,543</u>	<u>415,572</u>	<u>256,434</u>

THE CREATIVE ART HOUSE

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 MARCH 2011

8 Tangible fixed assets	Leasehold land and buildings £	Computer equipment £	Office equipment £	Fixtures, fittings & equipment £	Art work pieces £	Total £
Cost:						
At 1 April 2010	2,679,248	11,465	41,404	68,086	9,010	2,809,213
Additions	4,359	-	-	-	-	4,359
Cost adjustment	(168,129)	-	-	-	-	(168,129)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2011	2,515,478	11,465	41,404	68,086	9,010	2,645,443
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation:						
At 1 April 2010	47,135	9,161	15,353	18,835	3,370	93,854
Charge for the year	174,411	2,304	12,026	17,620	1,849	208,210
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2011	221,546	11,465	27,379	36,455	5,219	302,064
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value:						
31 March 2011	2,293,932	-	14,025	31,631	3,791	2,343,379
31 March 2010	2,632,113	2,304	26,051	49,251	5,640	2,715,359
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Leasehold land and buildings include leasehold land of £288,000 that is not depreciated.

Settlement having been agreed with the liquidator of the building company, over provisions for building costs of £168,129 have now been written back as noted above.

The accounting policy for depreciation has been changed in the year to what the trustees believe to be a more accurate reflection of the estimated useful economic lives of the assets concerned.

9 Debtors	2011 £	2010 £
Trade debtors	17,452	5,843
Value added tax	-	19,960
Prepayments and accrued income	2,924	38,983
	<hr/>	<hr/>
	20,376	64,786
	<hr/> <hr/>	<hr/> <hr/>

10 **Creditors:** amounts falling due within one year

Trade creditors	3,068	144,161
Accruals and deferred income	14,571	59,753
Other creditors	2,140	1,578
VAT	5,204	-
PAYE and social security	3,012	-
	<hr/>	<hr/>
	27,995	205,492
	<hr/> <hr/>	<hr/> <hr/>

THE CREATIVE ART HOUSE

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 MARCH 2011

11 Restricted funds	Wakey Wakey (+Training) £	Future Jobs Funds/ Coalfield Regeneration Fund £	Isolated Artist Fund £	Artist Development £	Capital project £	Total £
Incoming resources						
Art Walk	1,350	-	-	-	-	1,350
Grants receivable:	-	-	-	-	-	-
Arts Council England	1,000	-	444	-	13,896	15,340
ACE – Wakey Wakey	6,000	-	-	-	-	6,000
ERDF	-	-	-	-	-	-
Wakefield MC	-	7,869	-	-	-	7,869
West Yorkshire	-	-	-	9,600	-	9,600
Total incoming resources	<u>8,350</u>	<u>7,869</u>	<u>444</u>	<u>9,600</u>	<u>13,896</u>	<u>40,159</u>
Resources expended						
Salaries, NI and pension costs	5,558	8,162	-	9,600	-	23,320
Expenses	1,074	-	1,032	-	-	2,106
Consultancy fees	-	-	-	-	9,922	9,922
Sundry equipment	-	-	-	-	-	-
Marketing	667	-	-	-	-	667
Telephone	-	-	-	-	-	-
Art Walk Expenses	128	-	-	-	-	128
Irrecoverable VAT	-	-	-	-	-	-
Depreciation	-	-	-	-	206,105	206,105
Total resources expended	<u>7,427</u>	<u>8,162</u>	<u>1,032</u>	<u>9,600</u>	<u>216,027</u>	<u>242,248</u>
Incoming resources for the the year	923	(293)	(588)	-	(202,131)	(202,089)
Fund balance at 1 April 2010	-	-	588	-	2,628,068	2,628,656
Transfers between funds	-	293	-	-	-	293
Fund balance at 31 March 2011	<u>923</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,425,937</u>	<u>2,426,860</u>

THE CREATIVE ART HOUSE

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 MARCH 2011

11 Restricted funds (continued)

Name of fund	Description, nature and purpose of fund
Wakey Wakey	Grant received from the Arts Council to develop Art Walks and other artistic endeavours in Wakefield.
Future Job Funds	Grant received from Wakefield MC to contribute towards salaries and NIC for short-term contracts to help long-term unemployed gain training and experience within the work place. In the last 3 months, the funding came from the Coalfields Rehabilitation Trust.
Isolated Artist Fund	The Isolated Artist Fund is to help fund isolated artists' residencies.
Artist Development	West Yorkshire Grants supported the Art House to deliver events and advice for artists based in West Yorkshire.
Capital Project	Funded by grants from the Arts Council Lottery and others toward the cost of developing a permanent home for the charity. The fund balance of £2,591,816 at 31 March 2011 represents the cost of initial planning, leasehold land, professional fees, construction and equipments in relation to The Art House Building.

12 Unrestricted fund

The fund is available for use at the discretion of the directors in furtherance of the general objectives of the charity and which have not been designated for other purposes.

13 Constitution

The company is limited by guarantee to the extent that the liability of each member is limited to £1.

14 Taxation

The company is not liable to corporation tax because of its charitable status.

15 Contingent liabilities and commitments

The directors and trustees are not aware of any material contingent liabilities or financial commitments that require disclosure in the accounts.

16 Related party disclosures

The directors and trustees are not aware of any material related party transactions that require disclosure in the accounts.

In the opinion of the directors, no one party controls the company.

THE CREATIVE ART HOUSE

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 MARCH 2011

	2011 £	2010 £
17 Employees remuneration		
Wages, salaries and fees	118,896	110,574
National insurance	8,698	8,587
Pension contributions	3,442	3,242
	<u>131,036</u>	<u>122,403</u>

There were 10 employees in the year (2010 – 15 employees).

No employee's remuneration exceeded £60,000 per annum (2010 – nil).

18 Pension costs

The company operates and makes contributions to defined contribution pension schemes. The assets of the schemes are held separately from those of the company in independently administered funds. The pension cost charge for the year was £3,442 (2010 - £3,242). At the year-end £190 was outstanding (2010 - £nil).

	2011 £	2010 £
19 Summary income and expenditure		
Gross income from operations	260,219	298,053
Total expenditure from operations	(415,572)	(256,434)
Net income/(expenditure) for the year	<u>(155,353)</u>	<u>41,619</u>

	Unrestricted funds £	Restricted funds £	Total funds £
20 Analysis of net assets between funds			
Tangible fixed assets	-	2,343,379	2,343,379
Current assets	197,039	86,481	283,520
Current liabilities	(24,995)	(3,000)	(27,995)
Net assets at 31 March 2011	<u>172,044</u>	<u>2,426,860</u>	<u>2,598,904</u>