

**PENTABUS ARTS LIMITED**

**ACCOUNTS: 31ST MARCH 2011**

## PENTABUS ARTS LIMITED

### Legal and Administrative information

Governing document	The charity is constituted as a company limited by guarantee and is governed by its Memorandum and Articles of Association
Charity number	287909
Company number	01747169
Registered Office	The Old School Bromfield Ludlow SY8 2JU
Directors and Trustees	Kate Organ (Chair) Mary Wells Philip Atkinson Ed Collier Kevin Shepherd Elanor Thompson Joseph Alford Lyndsey Turner Deborah Kermode
Bankers	Lloyds Bank Broad Street Ludlow  and  CAF Bank 25 Kings Hill Avenue Kings Hill West Malling ME19 4JQ
Independent examiner	Beth Norris FCCA 9 Church Crescent Pembroke Leominster HR6 9HH

## PENTABUS ARTS LIMITED

### Trustees' Annual Report for the year ending 31st March 2011

***At the beginning of the year our long-standing Chair, Robert Petty, announced that he would be retiring in the August to take up a new job in Peru. The Board decided to seek a new Chair from outside the existing members. Kate Organ was suggested as someone who not only had extremely suitable experience as an arts consultant and Arts Council officer but also had known the company and its work since its beginning. Kate agreed to stand and was elected at the A.G.M. in October 2010.***

#### ***Review of the year***

##### ***Tales of the Country***

Brian Viner's best-selling book tells the story of his family's move from Crouch End in North London to a rambling grange in rural Herefordshire. The book has sold over 40,000 copies and is based on a collection of his weekly columns published over the past 10 years in The Independent. Brian Viner continues to write this popular column from his family home about 12 miles from our Pentabus base and has become a high profile figure in the local community.

We saw the potential in adapting the book for a touring village hall show that would have immediate and popular appeal to local audiences, and obtained the stage rights. Early in 2010 we commissioned award-winning writer Nick Warburton to adapt the book. We developed the play through a weeklong workshop at Pentabus as we explored the dramatic potential of the text with actors, a designer and the input of Brian and his wife Jane.

We had no problem booking a tour to village halls and arts centres in Shropshire, Herefordshire, Worcestershire and Wales. The opening night was programmed for the Walker Theatre, Theatre Severn and sold out a month in advance. We also booked to play a week in North London, at the Pleasance (our Edinburgh partner), which was as close to Crouch End as we could get.

Rehearsals started in March for a tour to run in April and May 2010. Throughout the research and development time for *Tales of the Country* Brian trailed the pre-production process in his weekly column. We engaged Alex Gammie, a well-known press agent who was successful in getting further national press interest in both the company and the project.

Such was the popularity of the show it was decided to re-tour it in January/February 2011. This tour would be booked through the National Rural Touring Network and was indeed a national tour, travelling from the Scottish border to the South Coast.

##### ***We Are Here***

After the run at the Pleasance our Artistic Director Orla O'Loughlin went on maternity leave. We were fortunate to have a well-qualified Associate Director, Kate Budgen, who had worked closely with Orla over several years, who was able to step in. Kate's tasks included organising and execute ***We Are Here***, an invitation to playwrights nationally to send us their scripts with a view to finding suitable scripts for production, and to direct the new production of ***Tales of the Country*** for its national tour.

Our appeal for scripts went out through various writers' networks and websites, resulting in more than 250 scripts for Kate to read. Two scripts stood out - Katherine Chandler's ***Shoot Doris Day*** and Becky Prestwich's ***The Boy in the Photograph***. Discussions are currently underway regarding the development and programming of ***Shoot Doris Day***.

### ***The Big Give***

This fundraising initiative run by Arts and Business encouraged charities to place their projects on a website allowing the public to browse and donate online in the lead up to Xmas. A&B had its own matching scheme funded by the Reed Foundation that would match donations above a certain threshold. The scheme was constructed to encourage board members and patrons to participate. This provided us with an incentive to involve the Board in fundraising and to create a patrons scheme. Our project was to raise money to buy a new van for touring.

### ***Pentabus Patrons***

During the first Tales tour we had held a Gala Night at Ludlow Assembly Rooms and this had provided us with a list of potential Patrons. This list was compiled by research into local companies and societies and we were able to hold another larger Gala Night on the night Tales played at the Hereford Courtyard. By the end of the year we had 22 paid up Patrons and had raised almost £10,000 towards the van.

### ***National Portfolio Organisations***

Immediately after the General Election in 2010 the new coalition made it clear that any organisation receiving government money could expect financial cuts. Arts Council England set up an open application process for organisations to become National Portfolio Organisations. Against enormous competition Pentabus achieved this status, and although this was a cut in our revenue grant of 11% we were offered a funding agreement through to 2015.

### ***Plans for the future***

In March 2011 a new play by Tim Price, commissioned after the writers week in 2010, will be produced in May/June and will perform throughout July 2011 at the Hampstead Theatre in London. A tour of ***For Once*** to theatres and art centres across the country is planned for February and March 2012. This tour will be supported by Sherman Cymru in Cardiff and will open there for a week's run in January 12. We also have the option of taking ***For Once*** to the Traverse Theatre in Edinburgh for a week in March 2012. ***For Once*** will also tour to rural venues in 2013.

A new play - ***Shoot Doris Day*** will be developed during the year with a view to touring in Autumn 2012. This play was the winning entry to our script competition We Are Here which invited writers to submit their work. Once again Sherman Cymru will support the development of the play which will be workshopped there in November 2011.

### ***Reserves Policy and Risk Management***

Pentabus relies on charitable and other funding to augment its earned income to meet the costs of its work. Pentabus has a core structure of management staffing, office and administration which underpins and supports the delivery of services. Most voluntary organisations find it is this core activity which is the hardest to secure financially, however we are fortunate that a large part of this funding is supported through a three-year agreement with Arts Council West Midlands.

Although this money is unrestricted and could theoretically be used to build up reserves, we find we need it all to meet our core needs. We still have to raise additional funds to

carry out our full programme. Most of this additional funding is restricted i.e. it can only be used for the purposes for which it was given, therefore it can not be included as reserves.

The Board believes that Pentabus needs reserves to enable them to:

- Give the organisation some financial flexibility to take advantage of change and opportunity.
- Support core activities in times of financial uncertainty.
- Allow for a structured and measured withdrawal of service in the event of unexpected ending of funding.

The principal financial danger we could face would be the withdrawal of our ACWM grant: without this grant it is inconceivable that the company could continue in its present form. Once again we are fortunate that our three-year funding agreements are made well in advance of the year they are for and, in the event of a cessation of the grant, we would have a period of notice in which to decide what the company should do, and if necessary, wind up its affairs. To some extent this obviates the need for an unrestricted reserve.

The Board is committed to regular examination of the major strategic, operational and financial risks which Pentabus may face, and the establishment of systems to mitigate these risks.

## **Board**

List of Trustees is given on page 2, with changes during the year.

## **Method of Appointment**

New trustees are recruited by the invitation of the Board, and through occasional adverts in relevant media e.g. Arts Council Bulletin. Prospective Trustees are given an induction pack which outlines the Company's aims and history, the roles and responsibilities of a Trustee and some financial background. If they wish to go ahead they then meet the Chair and other Trustees to establish their suitability. New members are voted in at the A.G.M. 'Awaydays' are arranged each year which allow Trustees to meet informally, to update their knowledge of the Company's work and to receive training in appropriate areas.

## **Objects of the Company:**

The objects for which the Company is registered are to promote, maintain, improve, and advance education particularly by the encouragement of the Arts including the arts of drama, ballet, music, singing, literature, sculpture and painting.

**Pentabus Theatre** believes in asking questions and telling stories that resonate with audiences locally, nationally and internationally.

At the heart of this work is our rural location which affords us a unique perspective on, and relationship to, the world.

Therefore our mission is to pioneer engaging, provocative and surprising new work that connects people and places.

## **Public Benefit**

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular the Trustees consider how planned activities will contribute to the aims and objectives they have set.

## **Trustees' responsibilities**

The trustees are required by company law to prepare financial statements for each financial year which give a true and fair view of the financial activities of the charity and of its financial position at the end of that year. In preparing those financial statements the trustees are required to:

- a) select suitable accounting policies and apply them consistently;
- b) make judgements and estimates that are reasonable and prudent;
- c) state whether the policies adopted are in accordance with the Companies Act 2006 and with applicable accounting standards and statements of recommended practice, subject to any material departures disclosed and explained in the financial statements;
- d) prepare the financial statements on a going concern basis unless it is inappropriate to assume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Small company rules**

The accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime in part 15 of the Companies Act 2006, and with the additional information required by the aforementioned SORP.

This report was approved by the Trustees on the 20th July 2011 and signed on its behalf by

Company Secretary.....John Moreton

## PENTABUS ARTS LIMITED

I report on the accounts of the company for the year ended 31st March 2011 set out on pages 8 to 13.

### **Respective responsibilities of trustees and examiner**

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 43(2) of the Charities Act 1993, as amended by the 2006 Act, and that an independent examination is needed.

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

- examine the accounts under section 43 of the 1993 Act;
- to follow the procedures laid down in the general directions given by the Charity Commission under section 43(7)(b) of the 1993 Act; and
- to 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 accounts presented with those records. It also includes a consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether all accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

### **Independent examiner's statement**

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

(1) which give 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 accounts which accord with the accounting records and comply with the 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 accounts to be reached.

Beth Norris F.C.C.A

Fellow of the Chartered Association of Certified Accountants

9 Church Crescent, Pembridge, Leominster, HR6 9HH

Dated: 31st July 2011

**PENTABUS ARTS LIMITED**

**Statement of Financial Activities (including the Income and Expenditure Account)  
for the year ending 31st March 2011**

	Note	Unrestricted Funds	Restricted Funds	2011 Total	2010 Total
Incoming resources from generated funds:	1				
Voluntary income:					
Grants from Govt. & Public Bodies		206,056	4,650	210,706	223,775
Other donations		134	3,984	4,118	-
Investment income		73	-	73	114
Incoming resources from charitable activities					
performance & other fees		32,109	-	32,109	11,290
other income		936	-	936	-
		-----	-----	-----	-----
Total Incoming Resources		239,308	8,634	247,942	235,179
		-----	-----	-----	-----
Resources Expended	1				
Costs of generating funds:					
fund raising costs of grants and donations		6,106	-	6,106	6,291
Charitable activities		187,198	1,167	188,365	281,903
Governance costs		10,047	-	10,047	9,363
		-----	-----	-----	-----
Total resources expended	2	203,351	1,167	204,518	297,557
		-----	-----	-----	-----
Net movement of funds in year	3	35,957	7,467	43,424	(62,378)
Total funds brought forward		10,580	4,824	15,404	77,782
		-----	-----	-----	-----
Total funds carried forward	8 & 9	46,537	12,291	58,828	15,404
		-----	-----	-----	-----

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 10-13 form part of these accounts.

**PENTABUS LIMITED**

**Balance Sheet as at 31st March 2011**

	Notes	2011	2010
Fixed Assets			
Tangible Fixed Assets	1 & 4	11,560	11,024
Current Assets			
Stocks	1	500	75
Debtors	5	5,594	15,650
Bank		48,025	4,453
		-----	-----
		54,119	20,178
Creditors			
Amounts falling due within one year	6	6,851	15,798
		-----	-----
Net Current Assets		47,268	4,380
		-----	-----
Net Assets		58,828	15,404
		=====	=====
Funds			
Unrestricted	9	46,537	10,580
Restricted	8 & 9	12,291	4,824
		-----	-----
		58,828	15,404
		=====	=====

The notes on pages 10 to 13 form part of these accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime in Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (Effective 2008); were approved by the board on 20th July 2011 and signed on its behalf.

For the financial year ended 31st March 2011 the company was entitled to exemption from audit under s477 Companies Act 2006 and no members have deposited a notice under s476 requiring an audit. The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with s386 of the Act and for preparing accounts which give a true and fair view of the state of the company as at the end of the financial year and of its surplus or deficit for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

Trustee

Trustee

## PENTABUS ARTS LIMITED

### Notes to the Accounts for the year ended 31st March 2011

#### 1. Accounting Policies

##### Basis of accounting

The financial statements have been prepared in accordance with the historical cost convention, with the Companies Act 2006 and applicable accounting standards, and on the basis that the company will continue operating for the foreseeable future. In order to continue operating the company is dependent upon continued receipts of grants from Government and other public bodies, and other grants and donations.

The format of the accounts follows that laid down in the Statement of Recommended Practice (SORP) for Charities, issued in 2005 and updated in 2008 and the Financial Reporting Standard for Smaller Entities (FRSSE, effective 2008). The principal accounting policies which the directors have adopted are set out below.

##### Incoming resources

Voluntary income including donations and grants that provide core funding or are of a general nature are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when:

The donor specifies that the grant or donation must only be used in future accounting periods;

or

The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Income from commercial trading activities is recognised as earned (as the related goods and services are provided).

Investment income is recognised on a receivable basis.

##### Fund accounting

Restricted funds are those where the donor has imposed restrictions on the use of the funds. Unrestricted funds are available to be spent at the discretion of the Trustees in furtherance of the company's charitable objectives.

##### Resources expended

Expenditure is recognised when a liability is incurred.

Costs of generating funds are those costs incurred in attracting voluntary income

Charitable activities include expenditure associated with stage productions and workshops and include both direct and indirect costs relating to those activities.

Governance costs include those incurred in the governance of the charity and its assets and are primarily concerned with constitutional and statutory requirements.

All costs are allocated between the expenditure categories above on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on a time or usage basis.

##### Fixed assets and Depreciation

Fixed assets costing over £1,000 are capitalised. Depreciation is provided at rates calculated to write off the cost of fixed assets over their anticipated useful lives as follows:

Motor vehicles	25% reducing balance basis
Equipment	15% reducing balance basis

##### Stocks

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

## PENTABUS ARTS LIMITED

### Notes to the Accounts for the year ended 31st March 2011

#### 2. Analysis of Total Resources Expended.

	Direct Charitable	Costs of Generating Funds	Governance Costs	Total 2011	Total 2010
Personnel, travel & Accommodation	67,304	5,736	1,912	74,952	93,169
Production and Marketing	100,778	-	-	100,778	177,978
Administration, Property & Legal	18,076	370	8,135	26,581	24,007
Depreciation and Other expenses	2,207	-	-	2,207	2,403
	-----	-----	-----	-----	-----
	188,365	6,106	10,047	204,518	297,557
	=====	=====	=====	=====	=====

Staff costs included in Personnel and Travel above were:

	2011	2010
Wages and Salaries	73,174	88,253
Social Security costs	6,589	8,317
	-----	-----
	79,763	96,570
	=====	=====

The average number of employees employed during the year was as follows:

2.96      2.94

The number of employees whose emoluments exceeded £60,000 was nil.

No fees or remuneration were paid to any of the trustees (2010: nil). Travelling expenses of £278 were paid to trustees (2010: £130).

#### 3. Net Movement of Funds in Year

These are stated after charging:

	2011	2010
Depreciation	1,789	2,093
and after crediting:		
Bank interest	73	114

**PENTABUS ARTS LIMITED**

**Notes to the Accounts for the year ended 31st March 2011**

4. Fixed Assets

	Motor Vehicles	Technical Equipment	Building Improvements	Total
Cost 1. April 2010	42,019	45,964	41,979	129,962
Disposals	(13,211)	-	-	(13,211)
Additions	-	2,743	-	2,743
	-----	-----	-----	-----
At 31 March 2011	28,808	48,707	41,979	119,494
	-----	-----	-----	-----
Depreciation 1 April 2010	41,088	36,697	41,153	118,938
Disposals	(12,793)	-	-	(12,793)
Charge for the year	103	1,562	124	1,789
	-----	-----	-----	-----
At 31 March 2011	28,398	38,259	41,277	107,934
	-----	-----	-----	-----
Net Book Value at: 31 March 2011	410	10,448	702	11,560
At 31 March 2010	931	9,267	826	11,024
	=====	=====	====	=====

5. Debtors

	2011	2010
Trade Debtors	4,631	-
Other Debtors	105	2,185
Prepayments	858	13,465
	-----	-----
	5,594	15,650
	=====	=====

6. Creditors: Amounts falling due within one year

	2011	2010
Trade Creditors	1,350	5,199
Taxation and Social Security	2,976	3,450
Accruals	2,525	7,149
	-----	-----
	6,851	15,798
	=====	=====

7. Share Capital

The company is limited by guarantee and therefore does not have any share capital.

**PENTABUS ARTS LIMITED**

**Notes to the Accounts for the year ended 31st March 2011**

8. Restricted Funds

	Balance 1.4.10	Incoming Resources	Outgoing Resources	Balance 31.3.11
Foundation for Sports & Arts Fund	769	-	115	654
Arts Lottery Fund 1	1,250	-	213	1,037
Arts Lottery Fund 2	2,805	1,000	839	2,966
Van Replacement Fund	-	7,634	-	7,634
	-----	-----	-----	-----
	4,824	8,634	1,167	12,291
	=====	=====	=====	=====

The Foundation for Sports and the Arts Fund was established in 1995 when the charity was given an equipment grant by the Foundation.

The Arts Lottery Funds provided grants for the purchase of vehicles and equipment.

The Van Replacement Fund has received the following grants and donations:

Rowlands Trust	2,000
Shropshire Council	900
Haystack Trust	500
Millichop Foundation	250
Private donations	3,984

9. Analysis of Net Assets between Funds

	Tangible Fixed Assets	Net Current Assets	Total 2011
Restricted funds:			
Foundation for Sports and Arts Fund	654	-	654
Arts Lottery Fund 1	1,037	-	1,037
Arts Lottery fund 2	2,966	-	2,966
Van replacement fund	-	7,634	7,634
	-----	-----	-----
	4,657	7,634	12,291
Unrestricted Funds	6,903	39,634	46,537
	-----	-----	-----
	11,560	47,268	58,828
	=====	=====	=====

10. Operating Lease Commitments

The annual commitments under operating leases, analysed according to the periods in which the leases expire, are as follows:

	2011	2010
Within 1 year	-	688
Within 2-5 years	-	-
	-----	-----
	-	688
	=====	=====