

PENTABUS ARTS LIMITED

ACCOUNTS: 31ST MARCH 2012

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 Ed Collier 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 2012

Review of the year

11/12 was notable for two new developments in our working practice: our first visit to Latitude Festival, with five short plays from a writers' week, and a three week run at Hampstead Theatre in the heart of London with a new play conceived at a previous writers' week by rising star Tim Price.

May Fair/Latitude.

The latest in a series of Pentabus Writers' weeks took a different form this year: Writers' weeks were born from the need to find scripts that would be congruent with the company's ethos, artistic vision and rural location. We have based each of the weeks around a different rural issue and it is strength of the process that the final work has often strayed well away from the topic in hand – notably FOR ONCE. The annual Fair in Ludlow has been the subject of controversy for many years because of the disruption it brings to the even tenor of life in the town. We approached five established writers to join us in Ludlow for the duration of the Fair: a contract was drawn up that would give Pentabus the right to produce the scripts created during the week for three performances at the Latitude Festival.

The week itself proceeded as planned with writers meeting local people for and against the Fair. At this stage it was unknown whether the show would be five individual scripts or a joint effort, but as work progressed it emerged that the writers were each working on quite separate scenes that had the potential to work well as a cohesive whole. Our writers spent the May bank holiday weekend in Ludlow at the fair, enjoying the atmosphere and the rides. The writers were each commissioned to complete their short play.

Each of the plays was performed at the Latitude Festival in Suffolk that July. Associate Director Kate Budgen rehearsed the plays at The Bush theatre who also provided logistical support with transport to and from the festival. The crowds of festivalgoers who attended the shows hailed the performances a great success. The company has been invited back to the Festival for July 2012 and it seems that Latitude may become an annual fixture in our programming.

For Once

The year's touring activity has been notable for the outstanding success of For Once. From its beginnings at the writers' week 2010 the process and progress of For Once has proved to be a model for the development and practice of producing new writing.

The writers' week in April 2010 had brought together a group of mid-career writers, each with a distinctive regional voice, to explore aspects of Ludlow's reputation as the home of fine food. During the week Welsh writer Tim Price brought his own distinctive vision to bear on a different aspect of rural life – the far-reaching consequences of the lack of facilities for young people in rural areas. We commissioned Tim to complete his play.

Delighted with the first draft we considered Edinburgh 2011 as a possible place to open. Past experience at the Festival had taught us that only the Traverse Theatre would be able sustain an audience for this sort of work. The Traverse turned us down, but the script was taken up by Hampstead Theatre who were looking for productions to launch a new programme of new work in their Downstairs studio. This 100-seater space was only being used for development of work at the time so was not on the radar of most theatregoers. Furthermore the press had been barred from reviewing any of the development work in the studio, putting it right off their radar – now we wanted them back in. Hampstead agreed to include us in the main brochure and to step up e-shots to their mailing list to help offset this disadvantage.

A top class team of artists was engaged including Tony Award-winning sound designer Chris Shutt and Alex Gammie was given the task of getting the press back into the studio. In fact the press night was a great success garnering a number of three and four star reviews and ‘Critics’ Choices’. The play also received an excellent report from the Arts Council’s assessor. Tim Price has a big following in his home city - Cardiff and we entered into discussions with the Cardiff Millennium Centre and Sherman Cymru with a view to performing in Cardiff, the latter agreeing to a co-production and Spring tour to Welsh and West Midlands venues in 2012 -starting with a two-week run in the city.

We pressed ahead with booking a tour for spring 2012 which would cover major venues in the West Midlands Region, including our local theatres: Hereford Courtyard, Ludlow Assembly Rooms, MAC and Roses– The tour would also include several Welsh venues and two weeks at the Traverse in Edinburgh.

In the past our attempts to bring our rurally grounded work to theatres and art centres nationwide have foundered: Strawberry Fields and even the Fringe First-winning Silent Engine struggled to tour nationally. Even when booking agencies have been employed it has been hard- hard to sell the show to venues, and even harder to get a decent deal as bookers expect a small audience for new writing.

We knew that we had a strong script with For Once and when the Hampstead literary department picked it up it felt right. Right for the script and right for Pentabus to perform there even though it was a gamble. The pay- off came with the exposure and excellent national reviews we received. This enabled us to book our best-ever national tour in terms of good venues and good deals.

Despite the serious content of the show the village hall tour, scheduled for February 2013, was completely booked almost a year in advance. For Once will tour again in February and March 2013– this time to 20 village halls, from Wiltshire to Cheshire increasing the reach and engagement of this successful production.

Fundraising

In December 2010 we had used the Big Give initiative to start fundraising for a new company van. As part of this process we were created a list of Patrons who would contribute on an annual basis - we were also successful in raising additional funds from local trusts and by the beginning of the financial year 11/12 we had over £11,000 towards a van. We decided we could purchase the vehicle we wanted outright saving £2,000 in interest payments on the proposed loan.

Our policy is to use the opportunity of local performances to provide a forum for existing sponsors and patrons and to provide a opportunity of enrolling new ones. Our modus operandi is to hold 'Gala Evenings' which give sponsors an opportunity to see the work, and is also an opportunity to get new names on the database. On this tour two such evenings were planned, one sponsored by our Patron Richard Burbage The High Sheriff of Shropshire.

Board development

October Kate Organ had led a Board Away day which encouraged the staff and Board to explore new artistic and organisational ideas for the company. The day included Q&A sessions to increase members' understanding of the board's formal role and a review of the company's artistic output: Board members were asked to take a critical look back at Pentabus' work over the last 20 years and share their knowledge of Pentabus's history. These reflections became particularly useful during the process of finding a new Artistic Director that would take place over the subsequent months.

The day also included exploratory conversations about Pentabus Roots and how this proposed initiative could be put into practise.

A further significant development was triggered by the success of For Once at Hampstead: Our Artistic Director Orla O'Loughlin was offered, and accepted an offer from the Traverse Theatre to become their Artistic Director. So in the second year of her tenure as Chair Kate Organ was given the task of finding a new Artistic director. With our last two Artistic Directors moving on to prestigious jobs in large organisations we anticipated a big response and high standard of applicant– and this was the case.

The long list was whittled down to three contenders and, at a second interview at the Ikon in Birmingham; the panel unanimously decided that Elizabeth Freestone was the outstanding candidate. Elizabeth had demonstrated a clear, strategic vision of how the company's work related to the local and national theatre ecology and at interview was able to propose a dynamic, viable programme of work. Elizabeth worked closely with staff during February and March 12 but previous commitments meant that she could not start full time until April 1 2012.

Future Plans

Elizabeth Freestone joined the Company full-time at the beginning of March 12 and immediately implemented a groundbreaking programme of new work with the title Radical Rural. The proposed programme includes the placement of a writer in residence at the Hay festival culminating in a performance in the main festival venue; a return to Latitude Festival in July with Stand Up Diggers All, a short play commissioned from Phil Porter inspired by 17th Century socialist revolutionaries, featuring Shropshire musicians and a raggle-taggle company from across the country. The Autumn production will be Blue Sky, a political thriller from Clare Bayley, well known for her previous show The Container. In February and in March 13 For Once will tour again– this time to 20 village halls, from Wiltshire to Cheshire.

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 board members are then invited to 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 believes in making theatre that examines who we are, connects people and ideas, and bring communities together.

Based on a farm in rural Shropshire, we make plays that dig deep into the psyche ofA the English countryside. Our shows are playful, political and compassionate, offering rural audiences work that is made especially for, and speaks directly to, them. We then take these plays on the road, touring around the country, telling stories that are born locally, but resonate nationally.

Our productions turn up at festivals, in fields, and in theatres, reaching our audience wherever they may be. In fact, our mission can be summed up as: we tell the most exciting stories in the most surprising ways.

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 23rd November 2012 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 2012 set out on pages 9 to 14.

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 144(2) of the Charities Act 2011 (the 2011 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 145 of the 2011 Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 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 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 accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statements 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: 6th December 2012

PENTABUS ARTS LIMITED

Statement of Financial Activities (including the Income and Expenditure Account) for the year ending 31st March 2012

	Note	Unrestricted Funds	Restricted Funds	2012 Total	2011 Total
Incoming resources from generated funds:	1				
Voluntary income:					
Grants from Govt. & Public Bodies		192,252	-	192,252	210,706
Other donations		5,560	322	5,882	4,118
Investment income		80	-	80	73
Incoming resources from charitable activities					
performance & other fees		35,159	-	35,159	32,109
other income		120	-	120	936
		-----	-----	-----	-----
Total Incoming Resources		233,171	322	233,493	247,942
		-----	-----	-----	-----
Resources Expended	1				
Costs of generating funds:					
fund raising costs of grants and donations		6,122	-	6,122	6,106
Charitable activities		218,685	1,035	219,720	188,365
Governance costs		9,371	-	9,371	10,047
		-----	-----	-----	-----
Total resources expended	2	234,178	1,035	235,213	204,518
		-----	-----	-----	-----
Net movement of funds in year	3	(1,007)	(713)	(1,720)	43,424
Total funds brought forward		46,537	12,291	58,828	15,404
		-----	-----	-----	-----
Total funds carried forward	8 & 9	45,530	11,578	57,108	58,828
		-----	-----	-----	-----

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

PENTABUS LIMITED

Balance Sheet as at 31st March 2012

	Notes	2012	2011
Fixed Assets			
Tangible Fixed Assets	1 & 4	24,476	11,560
Current Assets			
Stocks	1	500	500
Debtors	5	13,339	5,594
Bank		38,865	48,025
		-----	-----
		52,704	54,119
Creditors			
Amounts falling due within one year	6	20,072	6,851
		-----	-----
Net Current Assets		32,632	47,268
		-----	-----
Net Assets		57,108	58,828
		=====	=====
Funds			
Unrestricted	9	45,530	46,537
Restricted	8 & 9	11,578	12,291
		-----	-----
		57,108	58,828
		=====	=====

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 23rd November 2012 and signed on its behalf.

For the financial year ended 31st March 2012 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 2012

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 2012

2. Analysis of Total Resources Expended.

	Direct Charitable	Costs of Generating Funds	Governance Costs	Total 2012	Total 2011
Personnel, travel & Accommodation	84,619	5,686	1,895	92,200	74,952
Production and Marketing	115,402	-	-	115,402	100,778
Administration, Property & Legal	13,992	436	4,489	18,917	26,581
Depreciation and Other expenses	5,707	-	2,987	8,694	2,207
	-----	-----	-----	-----	-----
	219,720	6,122	9,371	235,213	204,518
	=====	=====	=====	=====	=====

Staff costs were:

	2012	2011
Wages and Salaries	93,612	73,174
Social Security costs	8,614	6,589
	-----	-----
	102,226	79,763
	=====	=====

The average number of employees during the year, based on full time equivalent, was as follows:

3.50 2.96

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

No fees or remuneration were paid to any of the trustees (2011: nil). Travelling expenses of £600 were paid to trustees (2011: £278).

3. Net Movement of Funds in Year

These are stated after charging:

	2012	2011
Depreciation	2,533	1,789
and after crediting:		
Bank interest	80	73

PENTABUS ARTS LIMITED

Notes to the Accounts for the year ended 31st March 2012

4. Fixed Assets

	Motor Vehicles	Technical Equipment	Building Improvements	Total
Cost 1. April 2011	28,808	48,707	41,979	119,494
Disposals	(28,808)	(3,800)	-	(32,608)
Additions	14,144	2,750	-	16,894
	-----	-----	-----	-----
At 31 March 2012	14,144	47,657	41,979	103,780
	-----	-----	-----	-----
Depreciation 1 April 2011	28,398	38,259	41,277	107,934
Disposals	(28,398)	(2,765)	-	(31,163)
Charge for the year	707	1,721	105	2,533
	-----	-----	-----	-----
At 31 March 2012	707	37,215	41,382	79,304
	-----	-----	-----	-----
Net Book Value at: 31 March 2012	13,437	10,442	597	24,476
At 31 March 2011	410	10,448	702	11,560
	=====	=====	====	=====

5. Debtors

	2012	2011
Trade Debtors	4,186	4,631
Other Debtors	4,946	105
Prepayments	4,207	858
	-----	-----
	13,339	5,594
	=====	=====

6. Creditors: Amounts falling due within one year

	2012	2011
Trade Creditors	5,396	1,350
Taxation and Social Security	5,196	2,976
Accruals	9,480	2,525
	-----	-----
	20,072	6,851
	=====	=====

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 2012

8. Restricted Funds

	Balance 1.4.11	Incoming Resources	Outgoing Resources	Balance 31.3.12
Foundation for Sports & Arts Fund	654	-	97	557
Arts Lottery Fund 1	1,037	-	93	944
Arts Lottery Fund 2	2,966	-	447	2,519
Van Replacement Fund	7,634	322	398	7,558
	-----	-----	-----	-----
	12,291	322	1,035	11,578
	=====	=====	=====	=====

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	4,306

9. Analysis of Net Assets between Funds

	Tangible Fixed Assets	Net Current Assets	Total 2012
Restricted funds:			
Foundation for Sports and Arts Fund	557	-	557
Arts Lottery Fund 1	944	-	944
Arts Lottery fund 2	2,519	-	2,519
Van replacement fund	7,558	-	7,558
	-----	-----	-----
	11,578	-	11,578
Unrestricted Funds	12,898	32,632	45,530
	-----	-----	-----
	24,476	32,632	57,108
	=====	=====	=====