

REGISTERED CHARITY NO. 1046912

ARCADEA

FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2006

ARCADEA

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2006

The Council of Management submit their report and financial statements of the Trust for the year ended 31st March 2006.

REFERENCE AND ADMINISTRATIVE INFORMATION

Trustees

The trustees who served during the year and to the date of this report, were as follows:

Karen Sheader - Chair

Lindsay Carter - Vice Chair and Acting Secretary

Victoria Andrew

Paula Greenwell

Andy Stafford

Address

MEA House
Ellison Place
Newcastle
NE1 8XS

Bankers

Lloyds TSB Bank plc
Business Service Centre
Ground Floor
Black Horse House
91 Sandyford Road
Newcastle upon Tyne
NE1 8ZY

Solicitors:

Dickinson Dees
St Ann's Wharf
112 Quayside
Newcastle upon Tyne
NE99 1SB

Auditors

Tait Walker
Chartered Accountants & Registered Auditors
Bulman House

ARCADEA

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2006

STRUCTURE, GOVERNANCE AND MANAGEMENT

ARCADEA is governed by its Constitution, adopted 2 February 1995 and last amended 20 September 2004.

ARCADEA is a registered charity. Registered Number 1046912.

The trustees, who are appointed in accordance with the requirements of the constitution, meet on a regular basis to decide overall policies and financial matters.

New trustees are elected by the existing trustees and members of the Charity. Each new trustee is provided with a copy of the Charity's Constitution and is made aware of the advice obtainable from the Charity Commission in respect of Trustees' duties and responsibilities. The Trustees meet regularly to discuss all matters of governance.

RISK MANAGEMENT

The Trustees have assessed the major risks to which the charity is exposed, in particular those relating to the operations and finances of the charity, and are satisfied that systems are in place to mitigate the exposure to the major risks.

OBJECTS AND ACTIVITIES

ARCADEA is an arts development service which is staffed and managed by disabled people. It exists to advance education in the arts, and to promote the cultural and artistic equality of disabled people.

The charity achieves its aims by :

- Working in partnership with disabled people, Disability Arts organisations, local authorities and funders to create the widest possible range of arts opportunities in the North East.
- Maintaining links with Disability Arts organisations and practitioners both locally and nationally
- Producing a newsletter, maintaining a web site and providing advice and information to arts organisations and artists working

ACHIEVEMENTS AND PERFORMANCE

2005-06 has seen a significant period of growth and consolidation for the organisation, centring on the first full year dedicated to the new strategic vision for the organisation – its repositioning, new name and identity (September 2005 saw the re-launch of NorDAF as ARCADEA) and delivery of the first year of New Directions - a two year comprehensive Professional Development Initiative for professional Disabled artists in the North East region. The organisation also completed delivery of its New Beginnings programme and maintained an organisational development strategy. Arcadea developed the staff team and 2005-06 saw the appointment of an Information Manager (PT), a new Administrator, a Networks and Projects Manager, and Training Manager (PT) and a Professional Development Manager (freelance PT). ARCADEA continued to be supported and core funded by Arts Council England through the North East Office and gained funding support from The Esmee Fairbairn Foundation, The Northern Rock Foundation, and the CSDI

Organisational Development

With the growth of the organisation and the expansion of the staff team and services provided it was necessary to equip the office with a new computer network. The new system has been very successful increasing productivity and reducing the frustrations of an outdated system. Staff and Board received organisational development training in areas of Disability Arts and Culture, Equal Opportunities, Business Development and Strategic Fundraising, Cultural Diversity and visiting a number of Disability Arts conferences.

New Beginnings

Funded through Arts Council England North East, Grants for the Arts, we delivered a programme of arts activity – theatre presentations, cabarets, a visual arts exhibition at The Discovery Museum in Newcastle Upon Tyne and a series of professional development programmes including one to one support and development planning for artists and groups, Master Classes in a range of art forms and professional development training. We employed a researcher to undertake a Networks Research project and held a number of network meetings for Disabled Artists, the first of which was hosted at The Baltic. Some of the projects conducted here acted as pilots for potentially longer term initiatives for the organisation.

New Directions

As previously stated New Directions followed on from New Beginnings and represented a two year comprehensive programme of Training and Professional Development Initiatives for Disabled Artists and Disabled Arts Professionals including One to One Support - DNA, Mentoring Programme, Training Courses, Traineeship, Master Classes and an artistic programme. We successfully re-launched NORDAF News quarterly magazine as MIMOSA MAGAZINE and immediately increased circulation by 50%. The New Directions Programme has brought many Disabled artists to the organisation who had not previously worked with us, several artists reconnected with the organisation and many others consolidated their relationship with us. We worked directly in the area of professional Development with over 120 Disabled artists from all around the North East region. This work has given direct results for many artists – but there has been significant learning for the organisation too and this has informed our planning for the next three years.

ARCADEA

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2006 - Continued

ACHIEVEMENTS AND PERFORMANCE - Continued

Research

We have conducted several pieces of research in areas previously unknown in this region – Sector Skills Analysis in partnership with the Northern Cultural Skills Partnership and The Lawnmowers, a Networks Research project encompassing Sector Skills Analysis and Professional Development Analysis. Arcadea's Director has also been researching a Cultural Model of Disability which is set to be launched in 2007 and represents an exciting development for the cultural status of Disabled People.

FINANCIAL REVIEW

The financial position for the year shows a deficit of income over expenditure of £5,490 (2005- £8,704 surplus). The funds of the charity amount to £42,287 at 31st March 2006 including restricted funds of £12,657. The trustees consider the financial position to be satisfactory.

RESERVES POLICY

It is the policy of ARCADEA to maintain unrestricted reserves, which are the free reserves of the charity, at a level that equates to approximately 3-6 months' running costs. This will provide sufficient funds to cover management, administration and support costs.

The financial statements, which have been prepared in accordance with the Statement of Recommended Practice : Accounting and Reporting by Charities (SORP 2005), conform to current statutory requirements and comply with the Charity's Constitution.

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS:

Law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year. In preparing those financial statements giving a true and fair view, the trustees should follow best practice and:

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will not.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with applicable law. 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.

AUDITORS:

A resolution to reappoint Tait Walker as auditors for the ensuing year will be proposed at the annual general meeting.

Approved by the Trustees and signed on their behalf by:



Lindsay Carter
Trustee

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF ARCADEA

YEAR ENDED 31ST MARCH 2006

We have audited the financial statements of ARCADEA for the year ended 31st March 2006, which comprise the Statement of Financial Activities, Balance Sheet and related notes which have been prepared under the historical cost convention and under the accounting policies set out on page 7 and 8.

This report is made solely to the trustees, as a body, in accordance with Section 44 of the Charities Act 1993. Our audit work has been undertaken so that we might state to the trustees 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 charity and the trustees as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As described in the Trustees' responsibilities paragraph, the charity Trustees' are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the Trustees' report is not consistent with the financial statements, if the charity has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit, or if a satisfactory system of internal control has not been established and maintained

We read other information contained in the trustees' report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charity's affairs as at 31st March 2006 and of its incoming resources and application of resources for the year then ended; and
- have been prepared in accordance with the Charities Act 1993.

BULMAN HOUSE
REGENT CENTRE
GOSFORTH
NEWCASTLE UPON TYNE
NE3 3LS



Tait Walker

Chartered Accountants and
Registered Auditors

8th January 2007

ARCADEA

STATEMENT OF FINANCIAL ACTIVITIES
Including Income and Expenditure
For the Year Ended 31st March 2006

	Note	Restricted Funds £	Unrestricted Fund £	2006 Total Funds £	2005 Total Funds £
INCOMING RESOURCES					
Incoming Resources from Generated Funds:					
- Voluntary Income	3	97,728	77,141	174,869	112,380
- Investment Income	4	-	815	815	935
Incoming Resources from Charitable Activities	5	-	461	461	-
Other Incoming Resources	6	-	1,629	1,629	370
TOTAL INCOMING RESOURCES	2	97,728	80,046	177,774	113,685
RESOURCES EXPENDED					
Charitable Activities	8	104,893	66,302	171,195	93,496
Governance Costs	9	-	12,069	12,069	11,485
TOTAL RESOURCES EXPENDED		104,893	78,371	183,264	104,981
NET MOVEMENT IN FUNDS BEFORE TRANSFERS		(7,165)	1,675	(5,490)	8,704
Transfers		1,411	(1,411)	-	
Fund Balances at 1st April 2005		18,411	29,366	47,777	39,073
Fund Balances Carried Forward at 31st March 2006	14	£12,657	£29,630	£42,287	£ 47,777

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

ARCADEA

BALANCE SHEET
As at 31st March 2006

		2006		2005	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible Assets	11	6,952		4,360	
		<hr/>		<hr/>	
TOTAL FIXED ASSETS			6,952		4,360
CURRENT ASSETS					
Debtors	12	7,547		17,210	
Cash at Bank		35,384		32,831	
		<hr/>		<hr/>	
			42,931		50,041
CURRENT LIABILITIES					
Creditors - amounts falling due within one year	13	7,596		6,624	
		<hr/>		<hr/>	
NET CURRENT ASSETS			35,335		43,417
		<hr/>		<hr/>	
TOTAL ASSETS LESS CURRENT LIABILITIES			42,287		47,777
NET ASSETS		£	42,287	£	47,777
		<hr/> <hr/>		<hr/> <hr/>	
RESERVES					
Unrestricted Fund	15		29,630		29,366
Restricted Funds	14		12,657		18,411
			<hr/>		<hr/>
TOTAL FUNDS		£	42,287	£	47,777
		<hr/> <hr/>		<hr/> <hr/>	

The financial statements were approved by the Trustees on 18th December 2006 and signed

on their behalf by:

Lindsay Carter



- Trustee

ARCADEA

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended 31st March 2006

1. ACCOUNTING POLICIES

-Accounting Convention-

The financial statements have been prepared under the historical cost convention.

-Basis of Preparation-

The financial statements have been prepared in accordance with the requirements of the Companies Act, with the Statement of Recommended Practice: Accounting and Reporting By Charities (SORP 2005) and applicable Accounting Standards.

-Grants Receivable-

Grants of a revenue nature are credited to income in the period to which they relate.

-Fixed Assets-

Fixed assets are initially recorded at their cost.

-Depreciation-

Depreciation is provided on all tangible fixed asset at rates calculated to write off the cost less estimated residual value of each asset, over its expected useful life, on a straight line basis.

Fixtures and Equipment	- 15%
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-Resources Expended-

All expenditure is accounted for on the accruals basis and is recognised in the SOFA when there is a legal or constructive obligation to pay for expenditure.

-Resources Policy (Restricted)-

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor or trust deed. There are a number of restricted funds, which are restricted in accordance with the donor's wishes and incoming funds are utilised and matched against the expenditure required to meet the charitable objectives.

-Resources Policy (Unrestricted)-

Unrestricted funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds can include designated funds where the trustees, at their discretion, have created a fund for a specific purpose.

ARCADEA

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31st March 2006

1. ACCOUNTING POLICIES - Continued

-Rent Receivable-

Rent receivable is recognised in the SOFA when the charity is legally entitled to the income and is considered appropriate to be classified as generation of funds rather than investment income.

-Deferred Income-

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which it has been received.

2. NET INCOMING RESOURCES

This is stated after charging / (crediting):

	2006	2005
	£	£
Net Rental Income	-	(261)
Auditors' Remuneration	2,107	2,199
Depreciation	<u>2,898</u>	<u>1,497</u>

No remuneration has been paid or is due to be made to any of the Trustees, or any persons known to be connected with them, in their capacity as Trustee during the year. There was a payment for performance services of £100 to Karen Sheader (2005-£500). Reimbursements were made to trustees of £Nil (2005-£659).

3. VOLUNTARY INCOME

	Restricted	Unrestricted	Total 2006	Total 2005
		£	£	£
Arts Council England, North East	-	75,450	75,450	65,451
Gateshead council	-	1,691	1,691	-
Arts Council England- Directors Appointment	15,000	-	15,000	15,000
Arts Council England, North East- New Beginnings	2,978	-	2,978	26,803
Arts Council England- Organisation Development	8,528	-	8,528	-
R W Mann GABI	-	-	-	500
Community Foundation	-	-	-	3,930
The Northern Rock Foundation	25,054	-	25,054	-
The Esmee Fairburn Foundation	35,233	-	35,233	-
ERDF	10,935	-	10,935	-
Creative People	-	-	-	396
Nemlac	-	-	-	300
	<u>97,728</u>	<u>77,141</u>	<u>174,869</u>	<u>112,380</u>

4. INVESTMENT INCOME

	2006	2005
	£	£
Interest Receivable	<u>815</u>	<u>935</u>

ARCADEA

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31st March 2006

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Restricted £	Unrestricted £	2006 £	2005 £
Ticket Sales	-	461	461	-

6. OTHER INCOMING RESOURCES

	Restricted £	Unrestricted £	2006 £	2005 £
Expense reimbursement	-	1,334	1,334	-
Rent reimbursement	-	-	-	261
Sundry income	-	295	295	109
	-	1,629	1,629	370

7. ALLOCATION OF OVERHEADS AND SUPPORT COSTS

	Basis	Charitable Expenditure £	Governance £	Total 2006 £	Total 2005 £
Rent and Rates	Time spent	8,387	708	9,095	8,873
Printing, Postage and Stationery	Time spent	3,179	268	3,447	2,664
Telephone	Time spent	2,016	170	2,186	1,165
Travel	Time spent	1,588	134	1,722	2,975
Sundries	Time spent	1,711	145	1,856	1,845
Training	Time spent	516	44	560	681
Insurance	Time spent	338	29	367	477
Depreciation	Time spent	354	30	384	384
Light and Heat	Time spent	148	12	160	465
		18,237	1,540	19,777	19,529

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NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31st March 2006

8. CHARITABLE ACTIVITIES

	Restricted £	Unrestricted £	2006 £	2005 £
Wages	49,156	41,237	90,393	45,684
Freelance worker	13,400	-	13,400	5,000
Recruitment	-	3,395	3,395	-
Advertising	-	-	-	250
Consultancy	-	-	-	5,025
Grant Refunded	-	-	-	500
Depreciation	2,514	-	2,514	1,113
Project Activities	32,130	3,433	35,563	18,963
Project Administration	7,693	-	7,693	-
Allocated Overheads and Support Costs (Note 7)	-	18,237	18,237	16,961
	<u>104,893</u>	<u>66,302</u>	<u>171,195</u>	<u>93,496</u>

9. GOVERNANCE COSTS

	Restricted £	Unrestricted £	2006 £	2005 £
Wages	-	7,073	7,073	6,444
Audit	-	2,107	2,107	2,199
Legal	-	1,218	1,218	274
Committee travel	-	131	131	-
Allocated Overheads and Support Costs (Note 7)	-	1,540	1,540	2,568
	<u>-</u>	<u>12,069</u>	<u>12,069</u>	<u>11,485</u>

10. ANALYSIS OF STAFF COSTS

Staff costs were made up as follows:

	2006 £	2005 £
Wages and salaries	89,145	48,018
Social security costs	8,321	4,110
	<u>97,466</u>	<u>52,128</u>

Particulars of employees:

The average number of staff employed by the charity during the financial year amounted to:

	2006 No.	2005 No.
Number of administrative staff	1	1
Number of project workers	2	1
Number of management staff	1	1
	<u>4</u>	<u>3</u>

There are no employees with emoluments above £60,000 (2005-None).

ARCADEA

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31st March 2006

11. FIXED ASSETS

	Equipment £
COST	
As at 1st April 2005	7,432
Additions	5,490
As at 31st March 2006	<u>12,922</u>
DEPRECIATION	
As at 1st April 2005	3,072
Charge for Year	2,898
On Disposals	
As at 31st March 2006	<u>5,970</u>
NET BOOK VALUE	
As at 31st March 2006	£ 6,952
As at 31st March 2005	<u>£ 4,360</u>

12. DEBTORS

	2006 £	2005 £
Due within one year:		
Prepayments	1,003	360
Accrued Income	6,544	16,850
	<u>£ 7,547</u>	<u>£ 17,210</u>

13. CREDITORS: Amounts falling due within one year.

	2006 £	2005 £
Accruals	7,596	6,624
Other Taxation and Social Security	-	-
	<u>£ 7,596</u>	<u>£ 6,624</u>

ARCADEA

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31st March 2006

14. RESTRICTED FUNDS

	Movement				Balance at 31/03/2006 £
	Balance at 01/04/2005 £	Incoming Resources £	Outgoing Resources £	Transfers £	
Projects sourced through restricted funding:					
Access To Work (Employment Service)	452	-	-	-	452
Community Chest- Board Development	3,930	-	-	-	3,930
Arts Council England- Organisation Development	-	8,528	(4,535)	-	3,993
New Beginnings	14,029	2,978	(18,418)	1,411	-
ARCADEA Director	-	15,000	(15,000)	-	-
New Directions					
The Northern Rock Foundation	-	25,054	(25,054)	-	-
The Esmee Fairburn Foundation	-	35,233	(33,119)	-	2,114
CSDI	-	10,935	(8,767)	-	2,168
	£ 18,411	£ 97,728	£ (104,893)	£ 1,411	£ 12,657

Access To Work - Granted to meet the Employment Access Requirements of Disabled staff members.

Community Chest Board Development - Capacity Building Grant to enable organisational development at a time of growth, exploring new management methodologies. The Board are to work with a consultant on this.

Arts Council England Managed Funds - This fund is to cover £15,000 towards the Director's salary.

ACE Grants For The Arts – Organisational Development - An organisational development grant to provide a new computer network for the office and also Staff and Board Training to develop the capacity of the organisation and support the organisation in a period of growth.

Arts Council England –New Beginnings- Granted in 2004-05 to be used in that financial year and into 05-06 this grant was awarded to create a year long comprehensive period of development for the organisation as it re-launched and conducted a consultation of the sector whilst delivering elements of artistic programming to maintain the profile of the organisation and pilot some potential longer term projects in areas of networking, training and professional development and artistic programming. The grant covered the costs of computer and digital equipment for the Information resource area, organisational development in the form of staff and Board training, a networks research project and elements of artistic programme.

New Directions - followed on from New Beginnings and represented a two year comprehensive programme of Training and Professional Development Initiatives for Disabled artists and Disabled Arts Professionals including One to One Support, Mentoring Programme, Training Courses, Traineeship, Master Classes and artistic programme. This was funded by the following funders:

The Northern Rock Foundation -To part fund the posts of Information Manager, Administrator, Training and Professional Development Managers and a small proportion of our programme for the year.

The Esmee Fairbairn Foundation - To provide a grant towards the cost of Training and Professional Development posts, administrator, some equipment and maintenance costs, capital expenditure on computer equipment and programme costs.

CSDI - This grant again went to cover the costs of the New Directions initiative in areas of staff salaries and programme delivery including training and professional development, and artistic programme including theatre and cabaret.

ARCADEA

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31st March 2006

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted Funds £	Unrestricted Funds £	Total £
Tangible Fixed Assets	6,184	768	6,952
Other Net Assets	6,473	28,862	35,335
	<u>£ 12,657</u>	<u>29,630</u>	<u>42,287</u>

16. CAPITAL COMMITMENTS

Capital commitments contracted for but not provided for in the accounts are £ Nil (2005 - £ Nil).

17. CONTROLLING PARTY

The Trustees consider that the Charity has no ultimate controlling party other than the Trustees themselves.