



Trustees' Report &
Financial Statement
2011-12

Aune Head Arts is a Company Limited by Guarantee, registered in England and Wales
Co. No. 03478530 and a Registered Charity, No. 1141626

Registered Address:

Dartington Space, Dartington Hall, Totnes, Devon TQ9 6EN
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AUNE HEAD ARTS

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2012

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CHARITY NUMBER 1141626
COMPANY NUMBER 03478530

AUNE HEAD ARTS
REFERENCE AND ADMINISTRATION DETAILS

Charity registration number	1141626
Company registration number	03478530
Trustees	Mary Schwarz (Chair) Alexander Murdin Judith Robinson Hugh Nankivell Erica Steer Richard Povall
Company secretary	Ann Sinclair
Registered Office	Space Dartington Hall Totnes Devon TQ9 6EN
Bankers	Lloyds TSB PO Box 1000 Andover BX 1LT
Independent examiner	Mrs M Hutchings Apsleys 21 Bampton Street Tiverton Devon EX16 6AA

**AUNE HEAD ARTS
REPORT OF THE TRUSTEES
YEAR ENDED 31 MARCH 2012**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Type of governing document	Memorandum and Articles of Association
How the charity is constituted	Company limited by Guarantee
Trustee selection method	Elected by all trustees

Additional governance issues

Aune Head Arts operates standard policies to ensure that we do not discriminate against people in any way, and that we protect young people and vulnerable adults. We operate a fair employment policy, with a flat salary scale for all employees. We pay freelancers in accordance with national guidance.

Accounting procedures

Aune Head Arts aspires to adhere to the highest standards of probity and transparency in its financial dealings with creditors and debtors. In order to achieve this it has developed an organisational financial reporting system based on the separate management of restricted and non-restricted funds, with management accounts being presented regularly to the Board which has the opportunity to scrutinize both the current position and future projections.

Three trustees form the Finance Sub-committee (Mary Schwarz, Alex Murdin and Richard Povall) and report regularly to the full Board.

Partnership working

We have outlined below some of our current partnerships. We consider these to be very important to our work as they allow us to work well beyond the world of the arts. In particular, we work with education, social support and health sectors.

Organisational structure

Aune Head Arts operates an open and flat management structure with a flat pay scale. Everyone is experienced and highly skilled.

Almost all project delivery is done by core team members, concentrated on the Creative Producers, but also supported by the whole team. The Digital Creative Producer works across all projects, many of which involve digital media technologies.

We maintain a core team rather than employing freelancers because we believe it is a more ethical approach to employment, particularly in a rural area, and because we believe it strengthens the organisation and allows for greater flexibility. Commitment is a two-way street.

Trustees' meetings are open to all team members (except for rare confidential sessions). Members of staff are not present for certain personnel agenda items.

AUNE HEAD ARTS
REPORT OF THE TRUSTEES
YEAR ENDED 31 MARCH 2012

STRUCTURE, GOVERNANCE AND MANAGEMENT

Additional governance issues (continued)

Core staff team

We try to avoid job titles because they tend to over simplify and become restrictive. The titles shown here are for convenience and describe the primary role of an individual within the organisation. They do not however reflect the sharing of responsibilities across the whole team. We are currently 3.1FTEs. We operate a carer-friendly approach to working hours, allowing team members flexible working whenever possible. **Clare Fisher** is a Creative Producer. She supports other producers across a number of projects and core activities.

Jennie Hayes is a Creative Producer delivering a number of projects.

Richard Povall is the developer and fundraiser, also responsible for finance and for some aspects of digital infrastructure. He is also a trustee.

Nancy Sinclair manages outreach, the Friends scheme, and marketing.

Tony Walker is our Digital Creative Producer, responsible for the digital presence of the organisation and some aspects of the technical infrastructure. He is also a lead trainer.

The trustees have reviewed the risks to which the charity is exposed and taken appropriate steps to mitigate such risks.

OBJECTIVES AND ACTIVITIES

Summary of the objects of the charity set out in its governing document

The objects of the Charity are to advance the arts and advance education by promoting the arts.

Summary of the main activities in relation to these objectives

During this period AHA's work was focused on a number of projects:

Speak Up! is a multi-year project working for the benefit of young people in Devon and in Greater Manchester (Bolton). Specifically, the project aims to use creativity and radio as a means of improving the ability to speak and to listen in public contexts. These skills not only help young people find a creative voice, but also help equip them for the world of work and being in society. The project is not aimed at any particular area of disadvantage, although it includes young people in Bolton who have been identified as failing within the educational system, and in Devon include a broad range of young people including those excluded from school, and others with profound physical or mental disability. This project continues into 2012.

Wordquest Devon is a broad-ranging project working with words, writing and the landscape of Devon. It focuses on helping a broad range of people discover more about the landscape, social and creative heritage of Devon, and also encourages professional and non-professional writers to explore new ways of writing. The project has commissioned a number of publications which will be available later in 2012, and produces a weekly radio show. This show is broadcast live on community radio station SounDart Radio 102.5fm, is broadcast live on the internet and is available as a downloadable podcast. In 2011/12 the project featured a poetry competition for young people aged from 7 to 16, which received more than 400 entries from across the county. The winning poems and short stories will feature in the Anthology publication at the end of the project.

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OBJECTIVES AND ACTIVITIES

Summary of the main activities in relation to these objectives

(continued)

Eva began this year and continues into 2012/13. This project works with older people, some with dementia, and their carers. There are a number of strands to the project: the **Life Story Boxes**, which will use new and traditional approaches to creating life history boxes that contain digital media as well as more traditional artefacts; **Artist Commissions** which has commissioned five established professional artists over the age of 65 to create new work; and **Going Out Live**, a fortnightly radio programme produced by older volunteers, talking about any issues they choose, but with some focus on ageing, dementia and the concerns shared by older people. This programme is also broadcast on community radio station SounDart Radio 102.5fm, is broadcast live on the internet and is available as a downloadable podcast.

We continue to develop the creativity of people living in the area, and during 2011/12 we relocated to new premises on the Dartington Hall Estate which have allowed us to expand these activities. We are now offering a monthly lunch-sharing social event for creative people, and are exploring inviting guest artists to present and share their work.

Additional details of objectives and activities

Aune Head Arts is not a grant-making body, although a significant portion of our income is used for the creative purposes outlined above, much of which involves commissioning artists to create work within a community context.

Volunteers play an important role within the organisation and help out in a variety of ways, particularly with special events. Volunteers lead walks, help out with back office tasks and help with special skills required for events that would otherwise represent a significant cost to the organisation.

We began a new Friends Scheme during this financial year, the details of which are explored below.

ACHIEVEMENTS AND PERFORMANCE

Summary of the main achievements of the charity during the year

The main achievements of the charity are through the project work, which as outlined above. We have reached many hundreds of people through these projects and thousands more through broadcast and through the internet.

Aune Head Arts continues to grow in its reach, ambitions and ability to touch peoples lives. Although our 'home' is no longer on Dartmoor, we continue to focus our work in rural communities, working with rural people. As our work shifts back towards more traditional creative projects that include a public exhibition element, we will also be reaching more people not living in rural places.

We continue to build partnerships which are essential to our work and our ability to reach out widely. During this year, we worked with Devon County Council and in particular Devon Libraries; schools in Devon (including special schools); the Universities of Exeter and Plymouth and University College Falmouth; NHS; Memory Café network in Devon; the National Trust and other community organisations across the county and beyond.

AUNE HEAD ARTS
REPORT OF THE TRUSTEES
YEAR ENDED 31 MARCH 2012

ACHIEVEMENTS AND PERFORMANCE**Summary of the main achievements of the charity during the year (continued)**

Nationally, we take part in debate and policy making around art-making in rural contexts. We are a part of the Art and Environmental Network (AEN) of the Chartered Institute of Water and Environmental Management (CIWEM); involved in the creation of an all-party Parliamentary Group on art and environment; a member of the Rural Creative Forum and a regular contributor to conferences across the UK. We are currently planning an international conference called 'The Home & The World'. We work with other national bodies such as the RSA.

FINANCIAL REVIEW**Brief summary of the charity's policy on reserves**

Although we have a reserve policy in place which aims to build a reserve roughly equivalent to three months' operating costs (which would be around £25000) we have yet to be in a position to do this. We currently have no unrestricted reserve funds.

Details of any funds materially in deficit

It continues to be a challenge to meet our core operating costs through project work because we want to ensure that as much as possible is spent on public benefit and on delivering the projects. We are developing a plan to bring our core operating costs into balance over a three-year period.

Other optional information

Aune Head Arts relies on generous support from a wide variety of partners and public and private funders. These currently include The Esme Fairbairn Foundation, Arts Council England, Heritage Lottery Fund, The Nominet Trust and the Paul Hamlyn Foundation, as well as a number of smaller local and family trusts. We receive small amounts of funding from local authorities in our areas of operation, but these are likely to diminish rather than increase.

Competition for funds has grown tremendously this year and we are therefore looking at other ways to bring in funding without disadvantaging those unable to pay for services or training.

We began a new Friends Scheme in 2011, with Artist Friends who receive a wide range of benefits (and whose contributions are not therefore eligible for Gift Aid) and Supporters who receive little or no benefit other than wanting to support the work we do.

Statement of trustees' responsibilities

The trustees (who are also directors of Aune Head Arts for the purposes of company law) are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and the Financial Reporting Standard for Smaller entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to smaller entities).

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:

AUNE HEAD ARTS
REPORT OF THE TRUSTEES
YEAR ENDED 31 MARCH 2012

FINANCIAL REVIEW**Statement of trustees' responsibilities (continued)**

- 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 proper 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.

This report has been prepared taking advantage of the small companies exemption of Section 415A of the Companies Act 2006.

Approval

This report was approved by the board of Directors and Trustees on November 7, 2012 and signed on its behalf.



.....
MARY SCHWARZ (CHAIR)



.....
ANN SINCLAIR (COMPANY SECRETARY)

**INDEPENDENT EXAMINERS REPORT TO THE TRUSTEES
ON THE UNAUDITED FINANCIAL STATEMENTS OF
AUNE HEAD ARTS**

I report on the accounts of the company for the year ended 31 March 2012 which are set out on pages 8 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.

The Charity's gross income exceeded £250000 and I am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants in England & Wales.

Having satisfied myself that the charity is not subject to an 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;
- follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the 2011 Act); and
- state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination was carried out in accordance with 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 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 the 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 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.

Mrs M Hutchings
Apsleys
Chartered Accountants

21 Bampton Street
Tiverton EX16 6AA

Date: November 8, 2012

AUNE HEAD ARTS
STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
YEAR ENDED 31 MARCH 2012

	Notes	Unrestricted	Restricted	Total 2012	Total 2011
	-----	-----	-----	-----	-----
		£	£	£	£
Income and expenditure					
Incoming resources					
Donations and grants		35333	135649	170982	154122
Earned income		14505		14505	1707
Memberships and registration		3873		3873	3900
In kind			14664	14664	30114
Other income		77516		77516	60961
		-----	-----	-----	-----
Total incoming resources		131227	150313	281540	250804
		-----	-----	-----	-----
Resources expended					
Charitable expenditure	9	127958	157526	285484	228573
		-----	-----	-----	-----
Total resources expended		127958	157526	285484	228573
		-----	-----	-----	-----
Net income/expenditure before transfers					
		3269	(7213)	(3944)	22231
Transfer between funds		(3341)	3341	-	-
		-----	-----	-----	-----
Net income/expenditure after transfers					
		(72)	(3872)	(3944)	22231
Fund balances at 1 April 2011		(7925)	63414	55489	33258
		-----	-----	-----	-----
Fund balances at 31 March 2012		(7997)	59542	51545	55489
		=====	=====	=====	=====

The notes on pages 10 to 14 form part of these financial statements.

AUNE HEAD ARTS
BALANCE SHEET
31 MARCH 2012

	Notes		2012	2011
	-----	£	----- £	----- £
Fixed assets	5		40991	49526
Current assets				
Cash at bank		15542	35963	
		-----	-----	
Creditors: Amounts falling due within one year	6	4988	30000	
		-----	-----	
Total assets less current liabilities			10554	5963
			-----	-----
Net assets			51545	55489
			=====	=====
Income funds				
Restricted funds	7		59542	63414
Unrestricted funds			(7997)	(7925)
			-----	-----
			51545	55489
			=====	=====

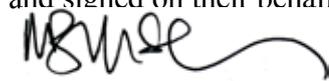
For the year ending 31 March 2012 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and the Financial Reporting Standard for Small Companies (effective April 2008).

The financial statements were authorised and approved by the board of directors on November 7, 2012 and signed on their behalf by:



.....
MARY SCHWARZ (CHAIR)

Company number 03478530

The notes on pages 10 to 14 form part of these financial statements.

AUNE HEAD ARTS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2012

1. Company status

The charitable company is limited by guarantee and does not have a share capital. The liability of the directors is limited to £1 each.

2. The financial statements have been prepared in accordance with the Companies Act 2006, the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP 2005) issued in March 2005, the Financial Reporting Standard for Smaller Entities (effective April 2008) and the Charities Act 2011.

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

3. Accounting policies

The principal accounting policies adopted by the company in the preparation of its financial statements are as follows:-

- 1) Incoming resources (including grants and donations in kind)
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.

Grants

When donors specify that grants given to the charity must be used in future accounting periods, the income is deferred until those periods.

When donors specify that grants are for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, this income is included in incoming resources of restricted funds when receivable.

- 2) Resources expended

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered and including equipment which is written off in the year of purchase.

Certain expenditure is directly attributable to specific activities and has been included in those cost categories. Certain other costs, which are attributable to more than one activity, are apportioned across cost categories on the basis of an estimate of the proportion of time spent by staff on those activities.

AUNE HEAD ARTS

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2012

3. Accounting policies (continued)

Fund accounting

Funds held by the charity are either:

- Unrestricted general funds – these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.
- Restricted funds – these are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

4. Tangible fixed assets and depreciation

Depreciation is provided on old tangible fixed assets at rates calculated to write off cost on reducing balance basis as follows:

Additions	Not depreciated
Fixtures, fittings and equipment	20% reducing balance
Software	Remain at £10000

5. Fixed assets

	<u>Fixtures, fittings and equipment</u>	<u>Software</u>	<u>Total</u>
Cost 01/04/11	39526	10000	49526
Added	5925	0	5925
	-----	-----	-----
At 31/03/12	45451	10000	55451
	-----	-----	-----
Depreciation			
At 01/04/11	0	0	0
Charge for year	14460	0	14460
	-----	-----	-----
At 31/03/12	14460	0	14460
	-----	-----	-----
NBV @ 31/03/12	30991	10000	40991
	=====	=====	=====
NBV @ 31/03/11	39526	10000	49526
	=====	=====	=====

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AUNE HEAD ARTS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2012

6. Creditors - Amounts falling due within one year

	2012	2011
	-----	-----
	£	£
Loan from trustees	-	30000
Other creditors	3988	-
Accruals	1000	-
	-----	-----
	4988	30000
	=====	=====

7. Restricted funds

	2011	Incoming	Outgoing	Transfers	2012
	-----	-----	-----	-----	-----
	£	£	£	£	£
EVA	28500	20250	27709	-	21041
Flittermice	-	10820	9864	-	956
Immersion	8849	(10461)	-	1612	-
Speak Up!	2456	61390	51641	-	12205
Tuning Worlds	(5249)	11980	10385	-	(3654)
Wordquest Devon	29819	56334	57553	-	28600
Chudley (special)	768	-	374	-	394
Reach (Devon)	(1385)	-	-	1385	-
Reach (regional DVD)	(344)	-	-	344	-
	-----	-----	-----	-----	-----
	63414	150313	157526	3341	59542
	=====	=====	=====	=====	=====

EVA in which we will work with the Memory Café Network to work with older people with significant memory loss or dementia to create a series of talking ‘Life Story Boxes’. From this group we will create ‘the Producers Group’ – a group of older people who will go on to make and broadcast a regular radio series (or two) as well as commissioning six older professional artists from Devon to make a programme of their own design and choosing.

Flittermice in which a number of artists lead walks into various wild places, sometimes at odd times of day and night encouraging creative encounters with extraordinary creatures.

Immersion project was abandoned due to lack of funding.

Speak Up! Works with young people in Devon and Bolton to build their confidence by training them to listen and speak in public by making their own radio programmes.

Tuning Worlds is a music improvisation launching in December 2011 and lasting for around two years. We will commission seven composers from across the UK and well beyond to make a series of performances and will encourage people all over the globe to make music in response. The trustees hope to clear the deficit by securing further funds.

Wordquest Devon a multi-year project exploring and celebrating words for and about Devon. We are working with numerous artists and writers and have produced a printed map highlighting 51 celebrated authors and places they have celebrated and an online map doing the same with living writers.

Chudley (special) is an extension to our soundings project and is working with a group of older people in Chudleigh.

AUNE HEAD ARTS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2012

8. Analysis of net assets between funds	Unrestricted funds	Restricted funds	Total funds
	-----	-----	-----
Fund balances at 31 March 2012 are represented by			
	£	£	£
Non-current assets	40991		40991
Current assets	(44000)	59542	15542
Current liabilities	(4988)	-	(4988)
	-----	-----	-----
	(7997)	59542	51545
	=====	=====	=====

9. Charitable expenditure

	Unrestricted	Restricted	2012	2011
	-----	-----	-----	-----
	£	£	£	£
Salaries	75534	-	75534	66182
Freelance fees	10950	-	10950	6040
Fees and honoraria	-	71334	71334	67110
Board expenses	91	-	91	114
Training	128	40	168	-
Project material	-	11039	11039	10170
Travel and entertainment	1174	3712	4886	1894
Marketing	409	3730	4139	2774
Dissemination	-	7049	7049	5881
In Kind expenses	-	14664	14664	30114
Premises and equipment hire	-	8413	8413	-
Repairs and renewals	1502	-	1502	2038
Rent	6635	-	6635	4066
Rates	1894	-	1894	-
Utilities	3526	-	3526	887
Insurance	1666	-	1666	1757
Telephone and internet	1536	-	1536	1257
Printing, postage and stationery	1116	8064	9180	776
Computer expenses	223	5589	5812	169
Software and equipment	200	626	826	5582
Accountancy	2104	-	2104	1278
Consultancy	7500	-	7500	1327
Subscription	18	-	18	36
Bank charges	234	-	234	77
Sundry	808	-	808	504
Organisation overheads	-	19516	19516	10058
Depreciation	10710	3750	14460	8482
	-----	-----	-----	-----
	127958	157526	285484	228573
	=====	=====	=====	=====

AUNE HEAD ARTS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2012

9. Trustees remuneration and expenses

	2012	2011
	-----	-----
	£	£
Trustees remuneration (paid to 1 trustee)	23674	20475
Trustees expenses	-	-
	=====	=====

10. Employees

The average number of full time equivalent employees for the period was 5 (2011 5).

No employees earned £60000 per annum or more.

	2012	2011
	-----	-----
	£	£
Total emoluments		
Gross wages and salaries	70655	62104
National insurance contributions	4879	4078
	-----	-----
	75534	66182
	=====	=====