

Charity: 1003505
Company: 2624621

Annual Report 2011–2012

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COMPANIES HOUSE

Spike Island Artspace Limited

Spike Island's vision is that **art becomes central to society.**

We work to achieve this vision by making it our mission to be **an international centre for the development of contemporary art, offering a place where artists and the public can meet.** We do this by

Exhibiting a challenging and engaging public programme of artists' work

Providing affordable workspace and studios for artists, designers and students to develop their work

Recruiting members to our Associates programme to encourage and develop peer review and support

Generating talks, events, workshops and debates for artists, students and the public to learn, share ideas and become informed

Telephone: 0117 929 2266

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Reference and administrative details

Chair: Jeremy Cowhig MBE

Company Number: 2624621

Charity Number: 1003505

Registered Address: 133 Cumberland Road
Bristol
BS1 6UX

Board of Trustees:

Katherine Anderson
Lhosa Daly
Jeremy Cowhig MBE (Elected Nov 2011)
Rodney Harris
John Hirst (Vice Chair)
Carol Jackman
Kerry Lock
Vanessa Moon
James Prescott-Martin (Treasurer)
Craig White

Senior Staff:

Director	Helen Legg
Finance Manager	Karen Drake
Communications Manager	Anna Searle Jones
Office & HR Manager	Isabel Jones
Curator	Marie-Anne McQuay
Café & Events Manager	Nemra MacLachlan
Operations Manager	Laura Noble

Bankers: HSBC, White Street, Cabot Circus, Bristol BS1 3BA
CAF, 25 Kings Hill Avenue, West Malling, Kent ME19 4JQ

Auditors: Burton Sweet, 15 Pembroke Road, Bristol, Avon BS8 3BA

Solicitors: TLT, 1 Redcliff St, Bristol BS1 6TP

Letter from the Chair of Spike Island

I am happy and privileged to introduce the Annual Report of Spike Island for 2011-12, a year in which the superb team led by Director Helen Legg achieved strategic development alongside an exciting public programme of exhibitions and events.

Spike Island is a remarkable ecosystem that thrives and excels through the commitment of all its components: resident and visiting artists and exhibitors, tenants including the University of the West of England, start-ups based in Spike Design, Spike Print Studio, our scores of Associates, thousands of visitors, and the tireless permanent staff and volunteers.

Much of Spike Island's funding is generated from the rent of tenants, professionally managed by the executive team. A further crucial contribution, enabling *inter alia* strategic development and the artistic programme, comes from public and private grants. I thank all these generous organisations for their continued partnership in our activities.

In the year the trustees supported the strategy of the Director to develop the federal structure into a coherent hub and destination for contemporary art and design. Governance considerations that underpin this strategy include coordinating the formal structure of our artistic components. During the year significant steps were made to embrace the resident artists within a stronger and more coordinated legal framework. Work also began on similar structural reform aiming to bring the important Spike Print Studio formally under united governance. Organisational development in these ways, together with investment in staff and resources, is enabled by a generous grant from Arts Council England.

During the year also the trustees established a schedule for regular formal review of some essential areas of governance, specifically Risk Assessment, Health and Safety, and Human Resource management. In each of these areas a subgroup of trustees and staff prepares policies for adoption by the Trustee Board and monitors them in practice.

We also undertook during the year a formal review of our auditors, interviewing a number of local and national accountancy firms. The outcome was that we maintained the longstanding relationship with Burton Sweet, strengthening it in important ways. The trustees also received a staff review of insurance brokers and supported a recommendation for change. In a related exercise the insured value of the premises was substantially increased.

Let me record my appreciation for the commitment and contribution of my fellow trustees. They will certainly join me in paying tribute to the Director, staff and volunteers whose devotion and skill make Spike Island a happy, exciting and creative hive with influence far beyond the southwest of England.

Jeremy Cowhig MBE
Chair, Spike Island

Message from Spike Island's Director

2011-12 saw considerable progress at Spike Island, despite a challenging environment. In 2010 Arts Council England introduced a new funding system for the years 2011-2015 within the context of significant cuts to the public sector. This took into account a cut of 29.6% to its budget from government and was passed on in the form of a 14.9% cut to its regularly funded organisations. For Spike Island this meant an in-year cut of 6.9% from its 2011-12 Arts Council grant, followed by an additional reduction of 11% in real terms, over the next four years. Bristol City Council also suffered funding cuts, but a restructure of its Key Arts Providers scheme has seen an increase of 25% in its grant to Spike Island from 2012-13. Given that economic conditions look set to at best remain static for the foreseeable future, it is vital that the organisation continues to maintain sustainability without compromising ambition and high standards.

Spike Island supports the advancement of art, artists and audiences through studio and workshop provision, residencies, the Associates scheme and the gallery and public programmes. We work to identify and support promising artists regionally, nationally and internationally, helping them to develop their work and build their skills and networks. We embrace risk and experimentation, consistently encouraging artists to try out new ideas.

The gallery programme focuses on contemporary artistic developments from the UK and overseas, in particular experimental and idea led practices, and including cross art form and historical presentations where they are of significance for today's discourses. Offering young and emerging artists their first major solo exhibition is a priority and the commissioning of innovative new work is emphasised. The aim of fostering engagement between regional audiences and challenging and difficult work also lies at the heart of what we do.

In this year Spike Island delivered an expanded programme which included 9 exhibitions, plus talks, screenings and events by artists, critics and writers, practical workshops for young people and artist's development through the Associates programme. Highlights included a solo exhibition by Haroon Mirza, winner of the Silver Lion in Venice and a series of talks and workshops that saw influential artists and thinkers engage with final year undergraduates from the University West of England.

Artist's studios were fully occupied with a healthy turnover of c.12% The requirement that artists use their studios for a minimum number of hours per month was introduced at the end of the year and this has made a difference to activity levels in the studios.

An Organisational Development grant from Arts Council England has made a significant difference to what we have been able to achieve. A visioning

day including representatives drawn from each area of the organisation was held and while many hundreds of ideas were brought to the table, these tended to cohere around five main areas of focus which subsequently formed the backbone of our strategic plan 2012-15. They are:

- Artistic practice and programme
- Audience Development
- Sustainability
- Profile
- Internal development

A new visual identity was devised by designer James Langdon and a new quarterly brochure began to be produced and distributed. Accompanying this was a new website, designed by Polimekanos which gives much greater scope for Spike Island's talk, events and other documentation to reach a wider audience.

Internally Spike Island is in a good position for growth and development. A staff salary and structural review has taken place, with salaries benchmarked against those of arts sector peers and job descriptions rewritten according to a consistent formula. This has greatly clarified responsibilities. Human resources support was outsourced from Citation over a three year period which saw Spike Island update staff contracts, the staff handbook and HR systems. Capacity has increased, though the staff team is still stretched in some areas, which limits possibilities for development. The restructure as well as the introduction of an appraisal system has improved management and staff turnover is low. Training in key areas - in particular finance - has helped ensure more accurate reporting and analysis.

The internal structure of the organisation was also looked at afresh. Spike Island was begun by three separate studio groups which came together to share space within the current building and the three original companies are still in existence, despite, in the case of Top Floor and Sculpture studios, there no longer being any real purpose for them. Through consultation with studio holders we are working towards a position in which the companies will cease to exist. We have addressed and revised communication channels between studio holders and the staff team and have taken on more studio administration from the artists themselves, leaving them free to concentrate on the development of their practices. The third distinct group is the print studio, with which Spike Island has begun to discuss the possibility of a merger.

As part of our focus on internal development the management team, working with the trustees, has undertaken a review of Spike Island's charitable objects. One of the organisation's existing objectives, relating to the relief of poverty, no longer reflects Spike Island's main activities and the decision was taken to look at the possibility of removing this, replacing it with an objective that reflects the advancement of the arts that is central to all of the work that takes place here.

Groundbreaking change occurs at the intersection of different cultures and disciplines. The mix of activity at Spike Island - involving myriad approaches to art and design and students learning alongside practicing artists at all stages of their careers - means that the right conditions are in place for new ideas to emerge. However, architectural barriers exist that divide different user groups and prevent crossover. In 2012 we began to discuss a development plan for the building that might address these issues while making publically accessible parts of the building more visible. There is scope for such a development to contribute to lower running costs and increased income from rentals.

Helen Legg
Director, Spike Island

Overview of Spike Island

Spike Island is the largest artist studio complex in the South West of England, and has reputation as one of the best studio providers in the UK.

We provide over 50 low cost studios and over 40 low cost desks to artists, designers and creative businesses to develop and grow their business or practice.

Our purpose is to:

- Provide space for work, research and production of art to those who may not be able to afford space elsewhere.
- Exhibit the work of national and international early-career artists in our 8,000 sq ft gallery
- Provide talks, workshops and experiences to engage the public in contemporary art

In 2011/2012 our staff and volunteers welcomed over 80,000 people through our doors to participate in exhibitions, talks and events or to meet with artists and designers in their work space.

Our café provides a welcoming environment for the public to meet with artists and for artists to meet each other. We aim to enable young artists to have access to the work and ideas of more established artists and we welcome them to become members of our successful Associates programme which allows them to meet their

peers whether artists, curators or writers on contemporary art.

Our anchor tenant, University of West of England, provides studio space for their students within Spike Island, and together we collaborate on events that include artists at all stages of their career development. The students also benefit from having their final Degree Show at Spike Island, which is open to the general public.

Spike Island has a long and well established reputation as a hub of activity with art and artists at its centre. We encourage our tenants to share their successes with us so we can promote them as developing artists in painting, photography, printmaking, digital arts, sculpture or other art medium.

The essential essence of Spike Island is its ability to enable and nurture artistic talent at every level, and to engage the public in activities and events that promote the arts.

Highlights from 2011/2012

- Following an award of Organisational Development funding from Arts Council England, we have been able to embark on an ambitious programme over 2 years.
- The introduction of a new web site that provides a greater resource and archive of projects.
- An increase in volunteers has enriched the gallery experience for our visitors.
- 100% occupancy of artist studios reflecting the strong demand to have workspace at Spike Island.
- Comprehensive staffing review to ensure we have the human resources necessary to deliver our public programme.
- Successful new funding relationships developed with national and international funders, for our gallery programme
- An annual Open Studios weekend that was attended by over 7,000 visitors.
- The introduction of new technology in the building to help us measure how many visitors we attract and enable us to plan our activities.
- The creation of a new brochure distributed quarterly in Bristol and the south-west, promoting our public education offer.
- The implementation of a visitor survey, benchmarked with our peers to help us identify our audience.

Spike Island in numbers

Number of studios 52

Number of tenant artists 73

Number of tenant designers 36

Number of exhibiting artists 11

Number of residency artists 5

Number of volunteers 62

Number of building visitors 73,606

Number of exhibition visitors 29,219

Number of talks/events/workshops 66

Number of talks/events/workshops participants 3,430

Number of unique web site viewings 57,110

Number of twitter followers 4,803

Performance against objectives

The charity has taken account of the Charity Commission's guidance on public benefit in reviewing its aims and objectives and in planning future activities. The management and board monitor activity by reviewing progress against aims throughout the year. This enables us to ensure our aims, objectives and activities remain focused on our stated purposes.

Develop a volunteer programme to support the gallery and education programme.

Our plan was to engage new volunteers to work primarily within the gallery. This enables us to provide a better service to the public attending the exhibitions or public events, but enabling more opportunity for 1-1 conversations.

The volunteers each undergo training with particular emphasis on the work of the artists currently exhibiting their work. In many cases the volunteers are able to use the experience at Spike Island to advance their own career.

During the year we had a minimum of 2 volunteers per day during exhibition opening hours. This equates to over 2,500 volunteer hours in the year, which equates to over £15,000 at minimum wage equivalent. We are grateful for their enthusiasm and contribution to Spike Island.

Significant marketing development to reach wider audiences.

Using a mixture of communications tools, we have been able to improve our print and digital routes to new audiences.

We took part in an Audiences UK pilot project for surveying gallery audiences with a set of questions consistent with other organisations. This enabled us to benchmark our audiences to other arts organisations regionally and nationally.

Using this information we have gathered sufficient data to plan the next stage of a significant audience development strategy.

Our new brochure is now produced in volume of 7,000 each quarter and distributed widely around Bristol and surrounding areas. This has opened up the potential for new audiences as we had not had any print resources previously.

**Review artist workshop tools
and provision and improve
facilities for resident artists**

Our artist studios and workshops provide the basis of all artistic development within Spike Island.

When the public visit our gallery or the studios they consistently report back about the level of professionalism within the studio spaces. Investing in resources for artists, both resident and visiting, is important for generating new work.

Our studio pricing is structured to artists in need, and relief of poverty. Adequate, safe, professional equipment is an essential resource in assisting them to generate their work.

Although often recognised as work spaces, the studios are open to the public at our annual Open Studios event, and at regular Saturday 'Behind the Scenes' events.

Our aim is to provide resources that enable Spike Island to be recognised as a leading advocate in advancing the arts in Bristol and the South West, and through collaborative projects nationally and internationally.

**Programme a wider range of
talks and a greater frequency
of talks**

During the year we have staged 66 events, talks and seminars for the public, with 2,741 attendances.

Our primary aim is to increase our reach to the public who are engaged in contemporary art, and to keep them engaged.

Our events are often free, or at a low recommended donation of £3. Young people and students receive free places.

During 2011/2012 we partnered University of the West of England in a series of talks and events under their 'Better Together' banner. This enabled us to bring high calibre artists and curators to Bristol to meet students, visit artist studios and give a talk or lecture.

Together with our audience development activity, our broader, more frequent calendar of talks and events provide a weekly opportunity for the public to take part in a new activity at Spike Island.

Future Plans

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when planning our future activities. The Trustee Board is satisfied that all the activities in the 2012/2013 operational plan are in furtherance of the objects of the charity and are for the public benefit. With this in mind the Trustees will also consider the current purposes and ensure that they remain future proof.

We will continue with year 2 of our **Organisational Development plan**, recognising the outcomes of year 1 and evaluating the projects that can be continued once funding has been removed in 2013. In particular we will evaluate and plan for the continued production of a quarterly printed programme to improve our visibility locally and nationally. The priorities for 2012/2013 are to generate fundraising capacity to ensure that the organisation can capitalise on the areas where it has most opportunity, and to provide sufficient secure funding to deliver an excellent gallery experience.

We will work closely with **University of West of England (UWE)** to deliver excellent teaching facilities for undergraduates, and develop our role as a preferred supplier of teaching facilities for post-graduate students, ensuring that the advancement of art is at the forefront of our collaboration.

Alongside the development work with UWE, we will review the contractual relationships with tenants and consider the best way to develop these for the future. We will produce a feasibility study and recommendation for a merger with Spike Print Studio, one of our most visible and most talented tenants. During 2012/2013 there will be continued focus on the delivery of services to tenant artists. We will work with the **tenant studio groups**, with the aid of independent facilitation, to revise the contracts that govern the use of studios at Spike Island. We will work with the groups to improve administration of studios and ensure that the terms of use are upheld.

Structure, governance & management

Spike Island is a charitable company limited by guarantee. It

Governance arrangements

Spike Island is governed by the Memorandum and Articles of Association that were adopted on 3 November 1998 and updated on 26 November 2009. The governing body is the board of trustees. The board are also the members. There are currently 10 members (15 maximum) who are also Directors of the Company. A maximum of 3 Trustees are beneficiaries of the charity drawn from artist and associates groups. Not more than 3 members can be co-opted each year.

The Director is responsible for the day-to-day management of the charity's activities and for strategic implementation of the organisation's cultural objectives agreed by the Board of Trustees. The director is supported by a senior management team.

The full board meets four times per year. The board is also assisted by a Finance sub-group that meets a further four times per year. The Finance group thoroughly reviews the quarterly management accounts and income targets and achievements at each meeting. The Treasurer reports back to the full board at each Trustee meeting.

The Board of Trustees are responsible for the strategic

was incorporated as a company on 3 November 1998.

governance of the Charity and upholding its aims and objectives.

Board members retire at the AGM at the end of a three year period. A retiring member is eligible for re-election for a second three year term.

Induction and training

New Trustees are initially co-opted onto the Board after being inducted into the workings of the charity. They are able to see the workings of a board meeting before they formally accept the invitation to become a Trustee. A full induction pack with detailed information about the charity is provided before their first board meeting, and they are provided with sources of information on best practice and how to be effective in their role.

Trustees are invited to join other review committees during the year in the areas of Risk, Human Resources and Health & Safety resulting in a report to the Board of Trustees on an annual basis.

Risk Management

Trustees acknowledge their responsibilities to assess and manage the risks that the organisation faces and to review them at least annually. However, such systems can only provide reasonable and not absolute assurance against errors, fraud, operational failures and the impact of external events.

The charity operates a comprehensive annual planning and budgeting process, which is approved by the Board of Trustees. There is a system of financial reporting to the Board that compares actual results against budget to enable corrective action to be taken as and when appropriate.

The charity has developed non-financial key performance indicators to provide a more extensive assessment of its effectiveness in meeting its aims.

The Risk sub group meets annually in order to review the organisation's risk management strategy and action plan and review mitigating actions. Major risks that affect the charity continue to be generated by the on-going insecurity of grant funding for core activity and project activity.

The charity has written a financial strategy to create greater understanding of the risks of reliance on funders and to help develop fundraising and earned income.

The economic climate also makes development of the organisation difficult as there is little investment possible in innovation and staff development when funds are needed for core activity.

The building is an area of risk due to our long lease on a full repairing basis. The trustees have reviewed the reserves policy for the organisation and will seek to build a buildings repair designated fund to enable on-going structural, environmental and security maintenance to the building.

Financial Review

Overview

The attached accounts are a summary of the activity of Spike Island Artspace Ltd in 2011/2012. In addition to the figures reported we are proud to thank our volunteers throughout the year who have contributed over 2,500 hours in the year. They have supported our gallery invigilators and front of house staff to deliver activity for public engagement.

The charity has recorded an operating deficit in the year 2011/2012 (-£12,613) which is an improvement against budget at (-£16,000). This is particularly positive considering the prevailing economic conditions

The trustees set an annual budget which recognised the potential impact of the continued financial downturn, but sought to enable progress with the first year of Arts Council England funding for Organisational Development, and to enable the new Director to make her mark on the charity's objectives.

Income

The income challenge for Spike Island, in common with many other charities, is considerable. As an organisation which receives a low percentage of its core funding from statutory sources, our future depends on generating earned income, and successful project funding to trusts and foundations.

In 2011/2012 our total incoming resources were £921,651 (2010/2011 £733,790).

Extraordinary income this year is indicated by the funding from Arts Council England to deliver Organisational Development over 2 years.

Other income generation has increased by: Rental income £25,611; Trusts and foundations core funding £8,000, and restricted Arts Council Grants for Arts £22,500 for a touring exhibition with Haroon Mirza.

Future Income Generation

Spike Island continues to work to achieve full cost recovery on all its cost centres.

We remain reliant on fundraising to trusts and foundations to generate sufficient income to programme the gallery in line with the artistic vision and the expectations of our funders. A list of our major donors and supporters can be found on page 30.

Expenditure

Total resources expended of £934,264 in 2011/2012 (£744,313 in 2010/2011) This is 1.36% more than income. Planning for subsequent periods has therefore focused upon the need to continue to control expenditure. There is an unmet need to increase investment in resources that enable the organisation to grow its income generating potential.

Expenditure on our charitable activities amounts to 96% of expenditure.

Investment Policy

Under the Memorandum and Articles of Association, the Charity has the power to make any investment in which the trustees see fit. A review of the policy is planned for 2012/2013, to ensure that the policy is relevant in the current climate.

The trustees consider that to operate effectively, free reserves should be maintained at a level of £100,000. This figure represents 2 months' expenditure on core activity.

Reserves

The year's net outgoing resources represent a small drain on reserves. However, the increases in the value of assets have offset any reduction, with the General Reserve being £144,977 at the year end, an increase of £12,100. The Fixed Assets Designated fund of £3,551,299 represents the capital investment in the building, post capital development at 2007. The building is leased from Bristol City Council on a 125 year peppercorn lease with 116 years remaining.

The free reserves are currently higher than the reserves policy target, due to unspent capital commitments to the fabric of the building. It is anticipated that work to repair the extensive roof of the building will commence during the next two financial years, with the result that the free reserves will remain in line with the policy. In order to represent this clearly in the accounts a designated fund will be identified for £50,000 premises costs.

With 42% of income generated from studio rents, we are satisfied that a large area of risk is mitigated. Arts Council England have provided a funding plan for 2012-2015 but there is always some risk of further in-year cuts, and the reserves policy takes this into account.

Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with the applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

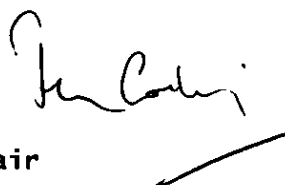
Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the net income and expenditure of the charity for the year. In preparing these financial statements the Trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

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

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. The trustees confirm that, so far as each Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and each trustee has taken all the steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the charity's auditors are aware of that information

Approved by the Board of Trustees on 7th December 2012 and signed on its behalf by:



Jeremy Cowhig MBE, Chair

Independent Auditor's report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SPIKE ISLAND ARTSPACE LIMITED

We have audited the financial statements of Spike Island Artspace Limited for the year ended 31 March 2012 which comprise primary financial statements such as the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of trustees and auditor

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

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2012 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us,
- the financial statements are not in agreement with the accounting records and returns,
- certain disclosures of trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Burton Sweet

*Ed Marsh BSc (Hons) ACA DChA
Senior Statutory Auditor
For and on behalf of Burton Sweet Chartered Accountants, Statutory Auditor*

*Pembroke House
15 Pembroke Road
Clifton
Bristol BS8 3BA*

Date 11th December 2012

Burton Sweet is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Statement of Financial Activities

STATEMENT OF FINANCIAL ACTIVITIES (Including Income & Expenditure Account)
YEAR ENDED 31 MARCH 2012

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2012 £	Total Funds 2011 £
Incoming resources						
<i>Incoming resources from generated funds</i>						Restated
Voluntary income						
Grants	2	188,847	-	-	188,847	180,175
Voluntary gifts in kind		16,438	-	-	16,438	-
Bank interest receivable		132	-	-	132	249
<i>Incoming resources from charitable activities</i>	3	544,562	171,494	-	716,056	548,147
<i>Other incoming resources</i>		178	-	-	178	5,219
Total incoming resources		750,157	171,494	-	921,651	733,790
Resources expended						
Cost of generating funds	4	3,695	-	-	3,695	3,575
Charitable activities	5	728,427	171,494	-	899,921	733,697
Governance costs	7	30,648	-	-	30,648	7,041
Total resources expended		762,770	171,494	-	934,264	744,313
Net incoming/(outgoing) resources						
- Net income	8	(12,613)	-	-	(12,613)	(10,523)
Total funds at 1 April		3,708,889	-	25,000	3,733,889	3,744,412
Total funds at 31 March		3,696,276	-	25,000	3,721,276	3,733,889

The Chanty has no recognised gains or losses other than the results for the year as set out above

All of the activities of the chanty are classed as continuing

Balance Sheet

BALANCE SHEET

AS AT 31 MARCH 2012

	Note	2012 £	2011 £
Fixed Assets			
Tangible fixed assets	11	3,551,299	3,576,012
Current Assets			
Stock		1,216	2,539
Debtors	12	62,597	43,987
Cash at bank and in hand		<u>248,542</u>	<u>239,201</u>
		312,355	285,727
Creditors Amounts falling due within one year	13	<u>(97,375)</u>	<u>(76,315)</u>
Net Current Assets		214,980	209,412
Creditors Amounts falling due in greater than one year	14	(45,003)	(51,535)
Net assets		<u>3,721,276</u>	<u>3,733,889</u>
Funds			
Endowment funds	15	25,000	25,000
Unrestricted funds			
Fixed asset designated fund	15	3,551,299	3,576,012
General reserve	15	144,977	132,877
		<u>3,721,276</u>	<u>3,733,889</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 2006

These financial statements were approved by the trustees on 7 December and are signed on their behalf by


Jeremy Cowhig MBE

Notes to the accounts

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2012

1 Accounting policies

- a) The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards, the Companies Act 2006 and the Statement of Recommended Practice, Accounting and reporting by Charities, issued in 2005
The charity has availed itself of the Companies Act 2006 and adapted the Companies Act formats to reflect the special nature of the charity's activities
- b) Grants, including grants for the purchase of fixed assets, are recognised in full in the Statement of Financial Activities in the year in which they are receivable. Grants received in the accounting period in respect of future accounting periods are deferred until those periods. Grants receivable are only recognised when any conditions for receipt have been complied with. All material grants are disclosed in accordance with the Statement of Recommended Practice
- c) Resources expended are accounted for on an accruals basis and have been classified under headings that aggregate all costs related to the category. Resources expended include attributable VAT which cannot be recovered
- d) Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them
Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity
All costs are allocated between the expenditure categories of the SoFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on the basis of estimated aggregated time expended on each activity
- e) Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows
- | | |
|-------------------------|---|
| Long Leasehold property | Over the period of the lease (expires 10 July 2126) |
| Fixtures and fittings | Equally over 3 years |
| Redevelopment costs | Equally over 5 years |
- f) Stock consists of purchased goods for resale. Stocks are valued at the lower of cost and net realisable value. Items donated for resale or distribution are not included in the financial statements until they are sold or distributed
- g) The charity has arranged a defined contribution scheme for its staff. Pension costs charged in the SoFA represent the contributions payable by the charity in the period
- h) Unrestricted funds can be used in accordance with the charitable objects at the discretion of the trustees
- i) Designated funds are funds set aside by the trustees out of unrestricted general funds for specific future purposes or projects
- j) Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds raised for particular restricted purposes. Expenditure which meets these criteria is charged to the fund, together with a fair allocation of management and support costs. Further explanation of the nature and purpose of each fund is included in the notes to the financial statements

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NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2012

2	Grants receivable	Unrestricted	Restricted	Endowment	Total Funds	Restated
		Funds	Funds	Funds	2012	Total Funds
		£	£	£	£	2011
	Revenue funding					£
	Arts Council England South West	152,847	-	-	152,847	164,175
	Bristol City Council	16,000	-	-	16,000	16,000
	John Ellerman Foundation	20,000	-	-	20,000	-
		<u>188,847</u>	<u>-</u>	<u>-</u>	<u>188,847</u>	<u>180,175</u>
3	Incoming resources from charitable activities	Unrestricted	Restricted	Endowment	Total Funds	Total Funds
		Funds	Funds	Funds	2012	2011
		£	£	£	£	£
	Publication income	1,438	-	-	1,438	1,068
	Programme income	7,089	-	-	7,089	5,824
	Rental income	321,962	-	-	321,962	305,093
	Spike Design Income	58,245	-	-	58,245	49,503
	Education Income	15,109	-	-	15,109	10,189
	Café Income	133,691	-	-	133,691	130,851
	Sale of artwork	7,028	-	-	7,028	1,726
	Project funding	-	-	-	-	-
	Arts Council England South West	-	-	-	-	-
	Organisation Development	-	111,500	-	111,500	-
	Charles Wallace India Trust	-	2,700	-	2,700	-
	Arts Council England (G4A)	-	22,500	-	22,500	4,500
	Gulbenkian Foundation	-	-	-	-	12,893
	Rootstein Hopkins Foundation	-	16,000	-	16,000	16,000
	Melhuish Endowment Fund	-	3,000	-	3,000	3,000
	Mondraan Foundation	-	4,078	-	4,078	-
	Dutch Embassy	-	1,500	-	1,500	-
	Adam Mickiewicza	-	7,216	-	7,216	-
	Esmée Fairbairn	-	-	-	-	7,500
	Other grants	-	3,000	-	3,000	-
		<u>544,562</u>	<u>171,494</u>	<u>-</u>	<u>716,056</u>	<u>548,147</u>

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4 Cost of generating funds	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2012	Restated Total Funds 2011
	£	£	£	£	£
Wages and salaries	3,695	-	-	3,695	3,575
	<u>3,695</u>	<u>-</u>	<u>-</u>	<u>3,695</u>	<u>3,575</u>

5 Chantable activities	Direct Costs	Support Costs	Total Funds 2012	Restated Total Funds 2011
	£	£	£	£
Programme	230,065	108,128	338,193	269,044
Studio Rents	57,328	216,264	273,592	220,077
Spike Design	20,047	43,251	63,298	51,653
Cafe	141,142	43,251	184,393	162,916
Education	18,818	21,627	40,445	30,007
	<u>467,400</u>	<u>432,521</u>	<u>899,921</u>	<u>733,697</u>

Support costs are analysed in note 6

6 Support costs	Studios	Programme	Spike Design	Cafe	Education	Total
	£	£	£	£	£	£
Staff costs	70,425	35,212	14,085	14,085	7,042	140,849
Premises costs	62,445	31,222	12,488	12,488	6,246	124,889
Office costs	52,024	26,009	10,404	10,404	5,202	104,043
Depreciation	31,370	15,685	6,274	6,274	3,137	62,740
Other	-	-	-	-	-	-
	<u>216,264</u>	<u>108,128</u>	<u>43,251</u>	<u>43,251</u>	<u>21,627</u>	<u>432,521</u>

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7 Governance costs

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2012 £	Total Funds 2011 £
Wages and salaries	15,751	-	-	15,751	4,047
Professional fees	5,944	-	-	5,944	754
Consultancy fees	6,498	-	-	6,498	-
Audit fee	2,455	-	-	2,455	2,240
	<u>30,648</u>	<u>-</u>	<u>-</u>	<u>30,648</u>	<u>7,041</u>

8 Net incoming resources for the year

This is stated after charging:

	2012 £	2011 £
Depreciation	62,740	53,186
Auditors' remuneration	2,455	2,240
Trustees remuneration	-	-
Costs of trustees expenses	<u>233</u>	<u>720</u>

9 Staff costs and numbers

The aggregate staff costs were

	2012 £	2011 £
Wages and salaries	333,154	299,830
Social security costs	26,224	24,123
Pension costs	8,298	6,811
Invigilation and consultancy	<u>26,942</u>	<u>26,569</u>
	<u>394,618</u>	<u>357,333</u>

No employee received emoluments of more than £60,000

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9 Staff costs and numbers (continued)

The average weekly number of staff during the year, calculated on the basis of full time equivalents, was as follows

	2012	2011
	No	No
Director	1	1
Administration	12	11
Support	8	7
	<u>21</u>	<u>19</u>

10 Taxation

The charity is exempt from corporation tax on its charitable activities

11 Tangible fixed assets

	Long Leasehold Land and Buildings £	Studio 46 £	Fixtures and fittings £	Total £
Cost				
At 1 April 2011	3,848,925	14,692	293,672	4,157,289
Additions	-	-	38,027	38,027
Disposal of assets	-	-	-	-
At 31 March 2012	<u>3,848,925</u>	<u>14,692</u>	<u>331,699</u>	<u>4,195,316</u>
Depreciation				
At 1 April 2011	384,887	5,876	190,514	581,277
Charge for the year	30,122	2,938	29,680	62,740
At 31 March 2012	<u>415,009</u>	<u>8,814</u>	<u>220,194</u>	<u>644,017</u>
Net book value				
At 31 March 2012	<u>3,433,916</u>	<u>5,878</u>	<u>111,505</u>	<u>3,551,299</u>
At 31 March 2011	<u>3,464,038</u>	<u>8,816</u>	<u>103,158</u>	<u>3,576,012</u>

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12 Debtors

	2012 £	2011 £
Grants receivable	3,000	9,900
Other debtors	14,154	20,886
Prepayments	45,443	13,201
	<u>62,597</u>	<u>43,987</u>

13 Creditors: amounts falling due within one year

	2012 £	2011 £
Other creditors including tax and social security	54,292	37,669
Grants in advance	27,106	18,081
Accruals	15,977	11,403
HLF funding for artists	-	9,162
	<u>97,375</u>	<u>76,315</u>

14 Creditors: Amounts falling due after more than one year

	2012 £	2011 £
Tenants Deposits	45,003	35,535
Grants in advance	-	16,000
	<u>45,003</u>	<u>51,535</u>

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15 Movement in funds

	At 01-Apr 2011 £	Incoming resources £	Outgoing resources £	Transfers £	At 31-Mar 2012 £
Endowment funds	25,000	-	-	-	25,000
Restricted funds					
Arts Council Organisational Development		111,500	-	111,500	
Charles Wallace India Trust	-	2,700	-	2,700	-
Arts Council England (G4A)	-	22,500	-	22,500	-
Rootstein Hopkins Foundation	-	16,000	-	16,000	-
Melhuish Endowment Fund	-	3,000	-	3,000	-
Mondnaan Foundation	-	4,078	-	4,078	-
Dutch Embassy	-	1,500	-	1,500	-
Adam Mickiewicza	-	7,216	-	7,216	-
Other grants	-	3,000	-	3,000	-
	-	171,494	(171,494)	-	-
Unrestricted funds					
Unrestricted Fixed Asset Fund (designated)	3,576,012	-	-	(24,713)	3,551,299
General Funds	132,877	750,157	(762,770)	24,713	144,977
	3,708,889	750,157	(762,770)	-	3,696,276
Total funds	3,733,889	921,651	(934,264)	-	3,721,276

Arts Council England Organisational Development

Provides funding for organisational development

Charles Wallace India Trust

Provided residency and public events with artist Zubin (India)

Arts Council England (G4A)

This funding was for a touring programme with artist Haroon Mirza (UK)

Gulbenkian Foundation

The Gulbenkian Foundation awards a residency with a Portuguese artist or curator, and is part of a 3-year programme (Portugal)

Rootstein Hopkins Foundation

This award is for a Bristol based Artist for a residency, show and publication
The 2010 exhibition was by 'Savage'

Melhuish Endowment Fund

Income generated from Melhuish Endowment fund to be spent on artist travel bursaries

Mondnaan Foundation and the Dutch Embassy

Provided funds for artist Marjolijn Dijkman exhibition (Netherlands)

Adam Mickiewicz

Funded residency and exhibition for Cezary (Poland)

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16 Analysis of net assets between funds

	Tangible Fixed assets £	Other Net assets £	Total £
Restricted Endowment funds	-	25,000	25,000
Unrestricted Fixed asset fund (designated)	3,551,299	-	3,551,299
Unrestricted General funds	-	144,977	144,977
	<u>3,551,299</u>	<u>169,977</u>	<u>3,721,276</u>

Free reserves at 31 March 2012 are £ 144,977

17 Contingent Liability

In the event of the sale of the Long Leasehold property, Arts Council England has the right to receive an appropriate share of the net proceeds for as long as the asset or the improvements made have a useful economic life. If Arts Council England were to choose to exercise this right, the share would be based on the percentage of costs funded by them. Arts Council England has a debenture over the Long Leasehold property.

18 Company limited by guarantee

The company is limited by guarantee and, as such, has no issued share capital. In the event of the company being wound up the liability of the members is limited to £1 each.

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