

Company no 4720002

The SLG Trustee Limited
Report and Financial Statements
31 March 2012

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auditors and advisors

The SLG Trustee Limited

Reference and administrative details

For the year ended 31 March 2012

Status The organisation is a company limited by guarantee, incorporated on 2 April 2003

Company number 4720002

Registered office and operational address 65 Peckham Road
London
SE5 8UH

Directors	Matthew Slotover	Chair
	Sara Pearce	Secretary
	Mark Washer	Treasurer
	Rebecca King Lassman	
	Nick Cross	
	Helen Thorpe	
	Ryan Gander	
	Cllr Catherine Bowman	

The SLG Trustee Limited

Report of the directors

For the year ended 31 March 2012

The directors present their report and the financial statements for the period ended 31 March 2012

Objects of company

The company's objects are to act as trustee, custodian trustee, nominee or director of or for the charity known as The South London Fine Art Gallery and Library, being registered charity 312160 ("the SLG") and any trust, company or association subsisting or constituted from time to time for the benefit of or in connection with the SLG or for any other trust, or company or association established with objects similar to the objects of the SLG

Organisational structure

Board of directors, with a Chair, see below for further details

Related parties and connected organisations

The SLG Trustee Limited manages the South London Gallery which is registered charity number 312160 and is the sole shareholder of SLG Trading Ltd, company number 7120147 registered in England and Wales

Review of activities

This is the annual report filed by The SLG Trustee Limited (SLGT) SLGT was incorporated on 2nd April 2003 It was set up to manage the affairs of the South London Gallery Please refer to the South London Gallery and SLG Trading Ltd accounts for further information

The directors and their interests

SLGT has a board of directors The directors who served on the board of SLGT during the year and up to the date of this report were as follows

Matthew Slotover	Chair
Sara Pearce	Secretary
Mark Washer	Treasurer
Rebecca King Lassman	
Nick Cross	
Helen Thorpe	
Ryan Gander	
Cllr Catherine Bowman	

Members of the company guarantee to contribute an amount not exceeding £1 to the assets of the company in the event of winding up The total number of such guarantees at 31 March 2012 was 8 (2011 8)

The directors have no beneficial interest in the company

The SLG Trustee Limited

Report of the directors

For the year ended 31 March 2012

Statement of the directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements of the company and the group in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and the profit or loss of the company and the group for that period.

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in operation.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

The SLG Trustee Limited

Report of the directors

For the year ended 31 March 2012

The opinion of the directors is that the company is entitled to the exemptions conferred by Section 477 of the Companies Act 2006 relating to small companies

The directors acknowledge the following responsibilities

- (i) The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476,
- (ii) 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

Approved by the directors on 13 July 2012 and signed on their behalf by



Stephen Kirk
Treasurer



Matthew Slotover
Chair

The SLG Trustee Limited

Consolidated statement of financial activities (incorporating an Income and Expenditure account)

For the year ended 31 March 2012

	Note	Restricted £	Unrestricted £	2012 Total £	2011 Total £
Incoming resources					
<i>Incoming resources from generated funds</i>					
Voluntary income	2				
Core grants and donations		40,000	647,897	687,897	574,631
Building project donations		-	-	-	31,532
<i>Activities for generating funds</i>					
Sales and miscellaneous income	3	-	161,432	161,432	76,931
<i>Incoming resources from charitable activities</i>					
Building project	4	-	-	-	177,605
Exhibitions & live art, education & events		101,135	415,190	516,325	582,245
Total incoming resources		141,135	1,224,519	1,365,654	1,442,944
Resources expended					
<i>Cost of generating funds</i>					
Cost of generating voluntary income	5	-	112,344	112,344	118,121
<i>Charitable activities</i>					
Exhibitions & live art, education & events		164,972	1,089,447	1,254,419	1,143,071
<i>Governance costs</i>		-	32,966	32,966	22,828
Total resources expended		164,972	1,234,757	1,399,729	1,284,020
Net incoming/(outgoing) resources before transfers	7	(23,837)	(10,238)	(34,075)	158,924
Transfers between funds	15	(49,537)	49,537	-	-
Net incoming/(outgoing) resources after transfers		(73,374)	39,299	(34,075)	158,924
Unrealised gains on revaluation of fixed assets		-	795,000	795,000	-
Actuarial (losses) on defined benefit pension scheme	19	-	(20,900)	(20,900)	(3,830)
Net movement in funds		(73,374)	813,399	740,025	155,094
Funds at the start of the year		2,012,074	518,606	2,530,680	2,375,586
Funds at the end of the year		1,938,700	1,332,005	3,270,705	2,530,680

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 15 to the financial statements.

The SLG Trustee Limited

Company no 4720002

Balance sheets

For the year ended 31 March 2012

	Note	The group 2012 £	2011 £	The company 2012 £	2011 £
Fixed assets					
Tangible fixed assets	11	<u>3,135,167</u>	2,356,605	<u>1,160,000</u>	365,000
Current assets					
Debtors	12	189,961	267,988	-	-
Stock		16,138	8,532	-	-
Cash at bank and in hand		<u>234,552</u>	95,321	-	-
		440,651	371,841	-	-
Liabilities:					
Creditors: amounts due within 1 year	13	<u>236,833</u>	150,976	-	-
Net current assets		<u>203,818</u>	220,865	-	-
Net assets excluding pension scheme liability		3,338,985	2,577,470	1,160,000	365,000
Defined benefit pension scheme liability		<u>(68,280)</u>	(46,790)	-	-
Net assets including pension scheme liability	14	<u><u>3,270,705</u></u>	<u><u>2,530,680</u></u>	<u><u>1,160,000</u></u>	<u><u>365,000</u></u>
Funds	15				
Restricted funds					
In surplus		1,938,700	2,012,263	-	-
In deficit		-	(189)	-	-
<i>Total restricted funds (carried forward to next page)</i>		<u><u>1,938,700</u></u>	<u><u>2,012,074</u></u>	-	-

The SLG Trustee Limited

Company no 4720002

Balance sheets

For the year ended 31 March 2012

	The group		The company	
	2012	2011	2012	2011
	£	£	£	£
<i>Total restricted funds (brought forward from previous page)</i>	<u>1,938,700</u>	<u>2,012,074</u>	-	-
Unrestricted funds				
Designated funds	195,106	155,322	-	-
Revaluation reserve	795,000	-	795,000	-
General funds	<u>410,179</u>	<u>410,074</u>	<u>365,000</u>	<u>365,000</u>
Unrestricted income funds excluding pension liability	1,400,285	565,396	1,160,000	365,000
Pension reserve	14 <u>(68,280)</u>	<u>(46,790)</u>	-	-
<i>Total unrestricted funds</i>	<u>1,332,005</u>	<u>518,606</u>	<u>1,160,000</u>	<u>365,000</u>
Total funds	<u>3,270,705</u>	<u>2,530,680</u>	<u>1,160,000</u>	<u>365,000</u>

The opinion of the directors is that the company is entitled to the exemptions conferred by Section 477 of the Companies Act 2006 relating to small companies

The directors acknowledge the following responsibilities

- (i) The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476,
- (ii) 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

Approved by the directors on 13 July 2012 and signed on their behalf by



Matthew Slotover
Chair



Stephen Kirk
Treasurer

The SLG Trustee Limited

Notes to the financial statements

For the 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 and the Companies Act 2006. The financial statements have also been prepared in accordance with the recommendations in the Statement of Recommended Practice, Accounting and Reporting by Charities. As the subsidiary is a charity this is considered to be the best format to give a true and fair view of the company's activities.

These financial statements consolidate the results of the company and its wholly-owned subsidiaries South London Fine Art Gallery and Library and SLG Trading Ltd on a line by line basis. A separate statement of financial activities, or income and expenditure account, for the company itself is not presented because the company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

- b) Voluntary income is received by way of donations and gifts and is included in full in the statement of financial activities when receivable. Intangible income is recognised as an incoming resource where the provider of the service has incurred a financial cost. Volunteer time is not included in the financial statements.
- c) Revenue grants are credited to the statement of financial activities when received or receivable, whichever is earlier, unless they relate to a specific future period, in which case they are deferred.
- d) Income from the sale of goods or services is recognised on a receivable basis and is included in the financial statements net of VAT.
- e) Grants for the purchase of fixed assets are credited to restricted incoming resources when receivable. Depreciation of fixed assets purchased with such grants is charged against the restricted fund. Where a fixed asset is donated to the group for its own use, it is treated in a similar way to a restricted grant.
- f) Resources expended are recognised in the period in which they are incurred. Resources expended include attributable VAT which cannot be recovered.
- g) Resources expended are allocated to the particular activity where the cost relates directly to that activity. All overheads are included within support costs which are reallocated on the basis of direct costs incurred on the activity. This results in support costs being reallocated using the following percentages:

Costs of generating funds	8.0%
Exhibitions & live art, education & events	89.6%
Governance	2.4%

- h) The costs of generating funds relate to the costs incurred by the group in raising funds for charitable work.
- i) Governance costs include a percentage of management staff time and audit fees.
- j) The works of art owned by the gallery are not recognised in the financial statements on the basis that they are inalienable assets. Further information is provided in note 16.
- k) Stocks of publications for sale are stated at the lower of cost and net realisable value. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Provision is made where necessary for obsolete, slow moving and defective stocks.

The SLG Trustee Limited

Notes to the financial statements

For the year ended 31 March 2012

1. Accounting policies (continued)

- l) Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows

Office equipment	33.33%
Freehold improvements	2.00%
Lounge leasehold	20.00%
Computer equipment	33.33%
Fixtures and fittings	6.67%

Items of equipment are capitalised where the purchase price exceeds £1,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

The freehold property which is valued every five years by professional advisors, is stated in the balance sheet at the most recent valuation less any subsequent impairment adjustment.

The property has not been depreciated. The directors are of the opinion that any potential depreciation charge would be immaterial to the accounts as would the accumulated depreciation. Impairment reviews are carried out annually.

- m) Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.
- n) Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes of the group.
- o) Designated funds are unrestricted funds earmarked by the group for particular purposes.
- p) Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the statement of financial activities in the year in which they fall due.
- q) The group operates a defined benefit pension scheme. The cost of providing pension and related benefits is charged to the SOFA over the employees' service lives on the basis of a constant percentage of earnings which is an estimate of the regular cost. Variations from regular cost, arising from periodic actuarial valuations are allocated over the expected remaining service lives of current employees on the basis of a constant percentage of current and estimated future earnings. Any difference between the charge to the SOFA and the contributions payable to the scheme is shown as an asset or liability in the balance sheet.

2 Voluntary income

	Restricted £	Unrestricted £	2012 Total £	2011 Total £
Arts Council England, London	-	496,752	496,752	402,451
London Borough of Southwark	-	120,000	120,000	130,000
Donations	40,000	31,145	71,145	73,712
	<u>40,000</u>	<u>647,897</u>	<u>687,897</u>	<u>606,163</u>

All donations, legacies and similar incoming resources are unrestricted.

The SLG Trustee Limited

Notes to the financial statements

For the year ended 31 March 2012

3 Activities for generating funds

	Restricted	Unrestricted	2012 Total	2011 Total
	£	£	£	£
Sales	-	141,423	141,423	58,679
Miscellaneous income	-	20,009	20,009	18,252
	<u>-</u>	<u>161,432</u>	<u>161,432</u>	<u>76,931</u>

4 Incoming resources from charitable activities

	Restricted	Unrestricted	2012 Total	2011 Total
	£	£	£	£
Building project grants				
Arts Council England	-	-	-	27,200
Clore Duffield Foundation	-	-	-	50,000
Dina & Raphael Recanatí Family Foundation	-	-	-	6,405
Fidelity Foundation	-	-	-	25,000
Foundation for Sports & the Arts	-	-	-	15,000
Garfield Weston Foundation	-	-	-	50,000
Heritage of London Trust	-	-	-	4,000
Total building project grants	<u>-</u>	<u>-</u>	<u>-</u>	<u>177,605</u>

Exhibitions & live art, education & events

Grants				
Arts Council England	66,500	-	66,500	3,000
Southwark Council	-	-	-	23,866
Greater London Authority	-	-	-	40,000
Big Lottery Fund	-	-	-	67,394
Blue Elephant Theatre	-	13,600	13,600	-
Trusts & Foundations	27,350	10,000	37,350	43,876
Cultural Institutions, Embassies & Galleries	7,285	-	7,285	18,952

Exhibitions & live art, education & events income	<u>101,135</u>	<u>23,600</u>	<u>124,735</u>	<u>197,088</u>
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Sponsorship	<u>-</u>	<u>391,590</u>	<u>391,590</u>	<u>120,000</u>
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Total exhibitions & live art, education & events income	<u>101,135</u>	<u>415,190</u>	<u>516,325</u>	<u>317,088</u>
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Total incoming resources	<u>101,135</u>	<u>415,190</u>	<u>516,325</u>	<u>494,693</u>
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The SLG Trustee Limited

Notes to the financial statements

For the year ended 31 March 2012

5. Total resources expended

	Fundraising & publicity £	Exhibitions & live art, education & events £	Governance costs £	Support costs £	2012 Total £	2011 Total £
Staff costs (note 8)	33,368	395,760	7,111	156,326	592,565	495,648
Freelance & consultancy costs	-	282,660	-	1,500	284,160	292,111
Training expenses	-	47	-	4,497	4,544	4,205
Marketing & publicity	22,052	111,402	-	-	133,454	143,354
Premises costs	-	3,168	-	31,913	35,081	45,215
Insurance	-	-	-	7,627	7,627	8,237
Repairs & maintenance	-	-	-	21,423	21,423	17,291
Travel	-	20,051	-	11,463	31,514	26,250
Furniture & equipment	-	-	-	33,956	33,956	41,860
Equipment hire	-	26,220	-	-	26,220	26,336
Professional fees	-	-	-	7,493	7,493	18,274
Materials	25,036	58,941	-	-	83,977	50,005
Office expenses	-	-	-	13,777	13,777	13,984
Postage & stationery	-	-	-	7,011	7,011	8,354
Publications & subscriptions	-	-	-	913	913	1,325
Audit & accountancy	-	-	16,498	-	16,498	13,200
Depreciation (fixed assets)	-	-	-	55,920	55,920	54,447
Irrecoverable VAT	-	-	-	42,933	42,933	22,709
Sundry	-	173	-	490	663	1,215
	80,456	898,422	23,609	397,242	1,399,729	1,284,020
Allocation of support costs (note 6)	31,888	355,997	9,357	(397,242)	-	-
Total charitable expenditure	112,344	1,254,419	32,966	-	1,399,729	1,284,020

The SLG Trustee Limited

Notes to the financial statements

For the year ended 31 March 2012

6. Allocation of support costs

	Fundraising & publicity £	Exhibitions & live art, education & events £	Governance costs £	Support costs £
Staff costs	12,548	140,095	3,682	(156,325)
Freelance & consultancy costs	120	1,344	35	(1,499)
Training expenses	361	4,030	106	(4,497)
Premises costs	2,563	28,600	752	(31,915)
Insurance	612	6,835	180	(7,627)
Repairs & maintenance	1,720	19,198	505	(21,423)
Travel	920	10,273	270	(11,463)
Furniture & equipment	2,727	30,431	800	(33,958)
Professional fees	601	6,715	176	(7,492)
Office expenses	1,106	12,346	324	(13,776)
Postage & stationery	563	6,283	165	(7,011)
Publications & subscriptions	73	818	22	(913)
Depreciation (fixed assets)	4,489	50,114	1,317	(55,920)
Irrecoverable VAT	3,446	38,476	1,011	(42,933)
Sundry	39	439	12	(490)
	<u>31,888</u>	<u>355,997</u>	<u>9,357</u>	<u>(397,242)</u>
Allocation of support costs				

All support costs are apportioned to the projects as a percentage of the project's expenditure against total project costs

The SLG Trustee Limited

Notes to the financial statements

For the year ended 31 March 2012

7. Net outgoing resources for the year

This is stated after charging / crediting

	2012 £	2011 £
Depreciation	55,920	54,447
Directors' indemnity insurance*	-	-
Directors' remuneration	-	-
Directors' reimbursed expenses	-	-
Auditors' remuneration		
▪ Audit for the year	12,550	11,200
Operating lease rentals		
▪ Equipment	4,716	3,326

* The directors' indemnity insurance is part of the main insurance cover disclosed in note 5

8 Staff costs and numbers

	2012 £	2011 £
Salaries and wages	509,307	451,279
Social security costs	44,840	41,835
Pension costs	34,482	32,348
Reduction in pension cost due to FRS17 adjustment	-	(31,320)
Recruitment costs	3,346	1,506
	<u>591,975</u>	<u>495,648</u>
Total emoluments paid to staff were	<u>543,789</u>	<u>483,627</u>

No employee earned more than £60,000 during the period

The average weekly number of employees (full-time equivalent) during the period was as follows

	2012 No	2011 No
Director	1.0	1.0
Exhibition	6.2	6.1
Marketing	1.0	1.0
Administration	4.1	4.1
Gallery management	1.1	1.0
Front of house / security	5.9	4.6
	<u>19.3</u>	<u>17.8</u>

The SLG Trustee Limited

Notes to the financial statements

For the year ended 31 March 2012

9. Taxation

The company generates no taxable profit and so is subject to no corporation tax charge

10. Subsidiary undertakings

The company is the sole Trustee of South London Fine Art Gallery and Library, a charity registered in England. The subsidiary is used to provide for the people of the South of London a gallery of works of fine art and a library of high character with a reading room and also lectures on subjects of art, science, and literature, and generally to promote acquaintance with art, science, and literature among the inhabitants of the South of London. All activities have been consolidated on a line by line basis in the statement of financial activities.

The company established a trading subsidiary, SLG Trading Ltd, on 8 January 2010. The trading subsidiary was set up to undertake business activities in support of the South London Gallery, such as the licence of space for a cafe and the commercial hire of the gallery spaces.

The SLG Trustee Limited

Notes to the financial statements

For the year ended 31 March 2012

11. Tangible Fixed Assets
The group

	Freehold property £	Freehold improvements £	Lounge leasehold improvements £	Office equipment £	Computer equipment £	Fixtures and fittings £	Work in progress - Phase 2 Building Project £	Total £
Cost or valuation								
At the start of the year	365,000	253,405	6,787	31,070	28,234	89,524	1,744,056	2,518,076
Increase due to revaluation	795,000	-	-	-	-	-	-	795,000
Additions in year	-	-	-	2,280	-	3,884	33,317	39,481
At the end of the year	1,160,000	253,405	6,787	33,350	28,234	93,408	1,777,373	3,352,557
Depreciation								
At the start of the year	-	36,335	6,787	22,398	25,927	35,143	34,880	161,470
Charge for the year	-	5,069	-	6,772	2,307	6,226	35,546	55,920
At the end of the year	-	41,404	6,787	29,170	28,234	41,369	70,426	217,390
Net book value								
At the end of the year	1,160,000	212,001	-	4,180	-	52,039	1,706,947	3,135,167
At the start of the year	365,000	217,070	-	8,672	2,307	54,381	1,709,176	2,356,606

Note Work in progress - Phase 2 Building Project This represents the disbursements in connection with the appointment of the architects and the design team for phase 2 of our building project

The SLG Trustee Limited

Notes to the financial statements

For the year ended 31 March 2012

11 Tangible Fixed Assets (continued)

The company

	Freehold property £	Total £
Cost or valuation		
At the start of the period	365,000	365,000
Increase due to revaluation	795,000	795,000
At the end of the period	1,160,000	1,160,000
Depreciation		
At the start of the period	-	-
Charge for the period	-	-
At the end of the period	-	-
Net book value		
At the end of the period	1,160,000	1,160,000
At the start of the period	1,160,000	1,160,000

The SLG Trustee limited owns a property, currently being used as the charity's art gallery and offices. The property was valued in July 2012 on an open market existing use basis by Hindwoods Hunter Payne, Chartered Surveyors as follows South London Gallery £1,160,000 (65 Peckham road £875,000 and 67 Peckham road £285,000). This valuation takes into account the fact that some of the property is subject to long leases

It is considered to be no material difference between the value of the property as at 31 March 2012 and the valuation obtained in July 2012. The property has not been depreciated in accordance to the Trustee's accounting policy 1 i)

The SLG Trustee Limited

Notes to the financial statements

For the year ended 31 March 2012

12 Debtors

	The group		The company	
	2012	2011	2012	2011
	£	£	£	£
Trade debtors	146,801	103,663	-	-
Accrued income	21,900	156,528	-	-
VAT debtor	-	-	-	-
Other debtors	-	-	-	-
Prepayments	21,260	7,797	-	-
	<u>189,961</u>	<u>267,988</u>	<u>-</u>	<u>-</u>

13 Creditors amounts due within one year

	The group		The company	
	2012	2011	2012	2011
	£	£	£	£
Trade creditors	49,367	118,064	-	-
Audit and accountancy	12,550	9,400	-	-
Taxation and Social security	45,018	15,358	-	-
Payments received in advance	124,827	2,000	-	-
Accruals	5,071	6,154	-	-
	<u>236,833</u>	<u>150,976</u>	<u>-</u>	<u>-</u>

14 Analysis of group net assets between funds

	Pension Fund	Restricted funds	Unrestricted funds	Total funds
	£	£	£	£
Tangible fixed assets	-	1,917,774	1,217,393	3,135,167
Net current assets	-	20,926	182,892	203,818
Pension fund	(68,280)	-	-	(68,280)
Net assets at the end of the year	<u>(68,280)</u>	<u>1,938,700</u>	<u>1,400,285</u>	<u>3,270,705</u>

The SLG Trustee Limited

Notes to the financial statements

For the year ended 31 March 2012

15 Movements in funds

	At the start of the year £	Incoming resources £	Outgoing resources £	Transfers £	At the end of the year £
Restricted funds					
Fixed Assets	1,967,311	-	-	(49,537)	1,917,774
Garden Project Fund	-	10,000	-	-	10,000
Exhibition ACE Grants for the Arts	-	60,000	(60,000)	-	-
Exhibition Tue Greenfort	-	5,807	(5,807)	-	-
Exhibition Gabriel Kuri	-	19,478	(19,478)	-	-
Exhibition Alice Channer	-	8,000	(8,000)	-	-
Exhibition Graduate Residency	-	15,000	(10,829)	-	4,171
Education Project Schools' Officer	-	15,000	(9,300)	-	5,700
Education Project Making Play	-	-	-	-	-
Education Project Fourth Plinth	29,173	-	(29,173)	-	-
Education Project Princes Foundation	325	1,350	(1,675)	-	-
Education Project Street Training	-	-	-	-	-
Education Project Looking for Sierra Leone	8,138	-	(8,138)	-	-
Education Project Family Advocates	(189)	2,000	(1,811)	-	-
Education Project Family Advocates 2	-	4,500	(3,445)	-	1,055
Education Project Sunday Spot	7,316	-	(7,316)	-	-
Total restricted funds	2,012,074	141,135	(164,972)	(49,537)	1,938,700
Unrestricted funds					
Designated funds					
Fixed Assets	24,294	-	-	33,100	57,394
Building project Phase 2	38,994	-	-	(38,994)	-
Stock	8,534	-	-	7,604	16,138
Programme 1011	50,000	-	(50,000)	-	-
Programme 1112	-	-	-	82,444	82,444
LV Young Arts Project 1213	-	-	-	3,880	3,880
Core costs 1213	-	-	-	12,250	12,250
Expansion Works	33,500	-	(33,012)	22,512	23,000
Total designated funds	155,322	-	(83,012)	122,796	195,106
Revaluation reserve	-	795,000	-	-	795,000
Pension fund	(46,790)	-	(21,490)	-	(68,280)
General funds	410,074	1,224,519	(1,151,155)	(73,259)	410,179
Total unrestricted funds	518,606	2,019,519	(1,255,657)	49,537	1,332,005
Total funds	2,530,680	2,160,737	(1,420,629)	-	3,270,705

The SLG Trustee Limited

Notes to the financial statements

For the year ended 31 March 2012

15. Movements in funds (continued)

Purposes of restricted funds

Fixed Assets Building project Phase 2

This fund represents the net book value of freehold and leasehold improvements and fixtures and fittings purchased with restricted income. Funds have been transferred to fixed asset funds to match the capital expenditure on the project.

Fixed Assets Building project

This fund represents the net book value of freehold and leasehold improvements and fixtures and fittings purchased with restricted income.

Building project Phase 2

This is the second phase of a scheme that aimed to develop a two-phased building project for the improvement of the Gallery. Expenditure this year relates to design team fees and construction costs.

Building project Railing Repairs

This is to refurbish the Gallery's listed railings.

Exhibitions & Live Art

These relate to individual art exhibitions by specific artists, or with specific themes, which are funded by a variety of sources. Programmes are also supported from unrestricted funding including contributions from patrons, friends, and sponsors.

Education Projects

These relate to individual education projects which are funded by a variety of sources.

Education

This fund relates to the Schools Officer that is funded by a grant from the Ernest Cook Foundation.

Purposes of designated funds

Fixed Assets

This fund represents the net book value of additions to fixed assets relating to freehold and leasehold improvements and fixtures and fittings.

Building project phases 2 fund

The trustee has set aside funds for phase 2 of the building project.

Exhibitions & Live Art

These relate to individual art exhibitions by specific artists, or with specific themes, which are funded by a variety of sources. Programmes are also supported from restricted funding.

Programme 1011

The trustee has set aside funds to support the 1011 Budget.

Contingency reserve fund

The trustee has set aside funds in accordance with its stated reserves policy. It is the aim of the trustee to build reserves to a level of £100,000. This would provide sufficient funds to cover support costs so that the gallery could remain open even if there were temporary deficits in funding. This fund has been moved from Contingency reserve fund to General funds to make the presentation clearer.

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Notes to the financial statements

For the year ended 31 March 2012

15 Movements in funds (continued)

Transfers from restricted funds to general funds

These recognise that expenditure on the fixed assets and building project funds had exceeded the restricted funding but some had been charged against general funds in the past

16 Operating lease commitments

The group had annual commitments at the year end under operating leases expiring as follows

	Equipment 2012 £	2011 £
Less than 1 year	4,716	-
1 - 2 Years	7,929	-
2 - 5 Years	9,432	3,326
	<u>22,077</u>	<u>3,326</u>

17 The Gallery Collection

The gallery holds a Collection of art works which were acquired through donation and purchased from 1891 to the present day

It was agreed that it would be desirable for the Collection to be kept together and cared for by the local authority. Consequently the Collection is maintained and managed by London Borough of Southwark as local authority on behalf of the gallery in accordance with a loan agreement covering a period of twenty-five years

The Collection is considered to be a heritage asset. Under the terms of the new Financial Reporting Standard, FRS 30, the conditions for accounting for heritage assets have changed, and require these assets now to be recognised in the accounts

The Trustee has been unable to obtain reliable cost information on the artefacts, as most of these were acquired a number of years ago. Given the size of the collection, which includes over 2,000 items, significant costs would be involved in valuation

The Trustee considers the cost of obtaining the valuation would outweigh the additional benefit derived by the users of the accounts. For this reason the Collection of art works has been excluded from the accounts

For insurance purposes the collection has been valued at £5,000,000

18. Related Party Transactions

The company is taking advantage of the exemption offered by FRS 8 from disclosing transactions with other group entities

There were no other related party transactions in the year

The SLG Trustee Limited

Notes to the Financial Statements

For the year ended 31 March 2012

19 Defined benefit pension scheme

South London Gallery participates in the London Government Pension Scheme (LGPS), a defined benefit scheme. The scheme is administered in accordance with the Local Government Pension Scheme Regulations 1997. The Administering Authority for the scheme is the London Borough of Southwark. Contributions to the scheme are charged to the Statement of Financial Activities so as to spread the cost of pensions over employees' working lives with the charity.

A full actuarial valuation of South London Gallery's assets and liabilities within the LGPS took place as at 31 March 2007 by a qualified independent actuary. The actuary's calculations have been prepared in accordance with Guidance Note 36 Accounting for Retirement Benefits under Financial Reporting Standard 17 (FRS17) issued by the Institute of Chartered Accountants and the Faculty of Actuaries.

The employee benefit obligations recognised in the balance sheet are as follows

	2012 £	2011 £
Present value of funded obligations	(261,170)	(216,360)
Fair value of plan assets	-	169,570
	(261,170)	(46,790)
Present value of unfunded obligations	-	-
Unrecognised past service cost	-	-
Net liability	<u>(261,170)</u>	<u>(46,790)</u>
Amounts in the balance sheet		
Liabilities	(68,280)	(46,790)
Assets	-	-
Net liability	<u>(68,280)</u>	<u>(46,790)</u>

Amounts recognised in net incoming resources are as follows

	2012 £	2011 £
Current service cost	13,420	12,810
Interest on obligation	11,950	10,790
Expected return on plan assets	(12,710)	(10,070)
Past service cost	-	(32,950)
Losses (gains) on curtailments and settlements	-	-
Total	<u>12,660</u>	<u>(19,420)</u>
Actual return on plan assets	<u>6,380</u>	<u>17,890</u>

The SLG Trustee Limited

Notes to the Financial Statements

For the year ended 31 March 2012

19. Defined benefit pension scheme (continued)

Changes in the present value of the defined benefit obligation are as follows

	2012	2011
	£	£
Opening defined benefit obligation	216,360	209,260
Current service cost	13,420	12,810
Interest cost	11,950	10,790
Contributions by participants	5,050	4,980
Actuarial losses / (gains)	14,570	11,650
Past service cost	-	(32,950)
Liabilities extinguished on settlements	-	-
Benefits paid	(180)	(180)
Closing defined benefit obligation	<u>261,170</u>	<u>216,360</u>

Changes in the fair value of plan assets are as follows

	2012	2011
	£	£
Opening fair value of plan assets	169,570	134,980
Expected return	12,710	10,070
Actuarial gains/(losses)	(6,330)	7,820
Assets distributed on settlements	-	-
Contributions by employer	12,070	11,900
Contributions by participants	5,050	4,980
Benefits paid	(180)	(180)
	<u>192,890</u>	<u>169,570</u>

The charity expects to contribute £12,075 to its defined benefit pension plan in the year to 31 March 2012

The major categories of plan assets as a percentage of total plan assets are as follows

	2012	2011
	%	%
Equities	60.8%	61.6%
Government Bonds	15.0%	14.3%
Corporate Bonds	11.1%	11.2%
Property	11.6%	11.1%
Cash	<u>1.5%</u>	<u>1.8%</u>

The SLG Trustee Limited

Notes to the Financial Statements

For the year ended 31 March 2012

19. Defined benefit pension scheme (continued)

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages)

	2012 %	2011 %
Discount rate at the end of the year	4.8%	5.3%
Expected return on plan assets at the end of the year	6.9%	7.4%
Future salary increases	5.1%	5.3%
Future pension increases	2.6%	2.9%
Rate of increase to deferred pensions	2.6%	2.9%

A building block approach is employed in determining the rate of return on Fund assets. Historical markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely accepted capital market principles. The assumed rate of return on each asset class is set out above. The overall expected rate of return on assets is then derived by aggregating the expected return for each asset class over the actual asset allocation for the Fund at 31 March 2011.

Amounts for the current and previous four periods are as follows

	2012 £	2011 £	2010 £	2009 £	2008 £
Defined benefit obligation	(261,170)	(216,360)	(209,260)	(140,130)	(97,170)
Plan assets	192,890	169,570	134,980	91,950	100,460
Surplus / (deficit)	(68,280)	(46,790)	(74,280)	(48,180)	3,290
Experience adjustments on plan liabilities	-	-	-	-	10,890
Experience adjustments on plan assets	(6,330)	7,820	22,850	(28,850)	(16,090)