

Charity Registration No. 1104635

Company Registration No 04738521 (England and Wales)

METAL CULTURE LIMITED
TRUSTEES' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2011

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METAL CULTURE LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mrs J P Kelly Sir I McKellen Esq Ms Y Alibhai-Brown I Thompson Esq N Arthanayake Esq Mr P Morley Ms R Lichtenstein
Managing Director	Ms C Bailey
Secretary	Ms C Bailey
Charity number	1104635
Company number	04738521
Principal address	Chalkwell Hall Chalkwell Avenue Southend on Sea Essex SS0 8NB
Registered office	Chalkwell Hall Chalkwell Avenue Southend on Sea Essex SS0 8NB
Auditors	RDP Newmans LLP 457 Southchurch Road Southend on Sea Essex SS1 2PH
Bankers	The Royal Bank of Scotland 62/63 Threadneedle Street London EC2R 8LA

METAL CULTURE LIMITED

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METAL CULTURE LIMITED

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2011

The Trustees present their report and accounts for the year ended 31 March 2011

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charity's Memorandum of Association, the Companies Act 2006 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005

Structure, governance and management

Metal Culture Limited, which was established in 2003, is a registered charity, number 1104635, and is incorporated as a company limited by guarantee (not having share capital), company number 04738521. The principle activity of the organisation is the advancement of education of the public in the appreciation of the arts and performing arts and to encourage and promote public interest in new artistic endeavours by supporting the work and aspirations of new artists. Also, it provides financial relief and otherwise for the development among artists and student artists of their performance study and understanding of the performing arts who are in need, by reason of their social and economic circumstances, by the provision of studio space and short-term residency.

The Trustees, who are also the directors for the purpose of company law, and who served during the year were

Mrs J P Kelly

Sir I McKellen Esq

Ms Y Alibhai-Brown

I Thompson Esq

N Arthanayake Esq

Mr P Morley

Ms R Lichtenstein

(Appointed 20 July 2010)

Any current Trustee can make nominations for the appointment of new Trustees and such nominations need the unanimous approval of the Trustees. The nominee, who usually would have some particular attribute, which would benefit the Charity, would then be invited to attend one or more meetings as a guest before his acceptance as a new Trustee is confirmed. During this period, the nominee is made aware of the legal obligations under Charity and company law, the content of the memorandum and articles, the decision making process, the business plan and recent financial performance of the Charity.

The Board of Trustees is made up of people who have a particular skill or professional attribute, which can benefit the Charity. The enthusiasm and commitment of these people ensures that sound advice and information is brought to decisions affecting the future of the Charity. The principles of our governance are based on participation, transparency, consensus, equity, efficiency and accountability ensuring that key decisions are consistent with our artistic vision, values and strategy.

The daily management of the Charity is in the hands of the Managing Director, Colette Bailey, who ensures that the services and activities of the Charity continue to grow. The Managing Director presents detailed proposals for change, improvements and progress, and oversees staff appointments in consultation with the Chair. The Board is responsible for decisions in respect of capital projects, fundraising schemes, policy and the future strategic direction of the Charity.

The Charity operates on a local, regional, national and international level. We have excellent national and international links with respected and acclaimed artists and organisations from all disciplines.

METAL CULTURE LIMITED

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2011

Objectives and activities

The Charity is established for the objects expressed in the memorandum of Association

- 1 To promote and advance the sharing and understanding of artistic process,
- 2 To use any premises that may be acquired by or made available to the Charity for the programme of activities, both educational and creative, aimed at increasing understanding of the process of artistic creativity,
- 3 To provide studio space and accommodation for artists to further their creative practice, develop the philosophy of their work, and have the opportunity to collaborate across discipline, in conjunction with artists and artistic organisations in the United Kingdom and abroad, and to encourage a culture of shared debate, experience and discipline,
- 4 To provide access to artistic process for the general public through new forms of public interaction, communication and display, to act as an educational resource, and to explore the potential for artists and cultural practitioners to effect change in their communities and to advance Clause 27 of the United Nations Declaration of Human Rights 1948,
- 5 To promote understanding for the benefit of the public in general of the work of artists, their process of artistic creativity and the contribution artists make to society, to encourage the assistance of artists by local, regional and national authorities, patrons and sponsors, and to act as a catalyst for strong artistic leadership

The policies adopted in furtherance of these objects are -

- 1 Supporting artists, and strengthening the artists' 'collective voice'
- 2 Bringing creative thinkers from all sectors together
- 3 Offering local and global perspectives to stimulate curiosity
- 4 Showcasing, developing, delivering and disseminating successful projects

and there has been no change in these during the period

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the Charity should undertake

Activities during the year 2010/2011 have included -

- Artists in residence - housed in both Liverpool and Southend, working in a wide range of disciplines, and coming from across the UK and overseas
- Participatory artist-led projects that engage a wide range of participants and public audience
- The second large scale, participatory festival Village Green - working with around 600 artists, 60 community groups and attracting an audience of 28,000
- The completion of a period of organisational development and management audit across the whole organisation both in Liverpool and Southend, enabled by an Arts Council England Thrive grant
- Completed (and successful) application to become one of Arts Council England's National Portfolio Organisation. This hugely competitive process led to a significant up lift in our organisations annual funding award

The Committee maintains, and keeps under regular review, a business risk management record which identifies potential risks to the key functions of the Association

METAL CULTURE LIMITED

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2011

Achievements and performance

We are pleased and proud to report that the Charity has had a very successful year during 2010 / 2011. We would like to thank both staff and artists who have contributed to this success, and to the ideas and plans for the Charity's development into the future.

In particular we are proud of the following projects -

Thames to Tama - a large scale, educational and participatory project with 25 schools across Southend on Sea and 4660 pupils taking part.

Village Green - a large-scale, public, outdoor participatory event in Southend on Sea. We have curated this event for three years running. In its third year in 2010 Village Green attracted an audience of 28,000.

Edge Hill Archive - a major, two year, artist-led heritage project funded through a major Heritage Lottery Fund grant.

Liverpool Art Prize - Metal is host to this growing exhibition and prize for Liverpool visual artists, with significant potential for growth.

Festival of Britain - Metal curated a large scale intervention on the banks of the River Thames as part of the Southbank Centre's Festival of Britain 60th anniversary celebrations. Many Southend artists and cultural talents have been on exhibition from April 2011.

We have successfully maintained a large selection of partnership agreements, both financial and operational with a wide range of public and private sector partners.

We have successfully delivered a wide-ranging and far reaching programme for artists and audience, in a diverse range of artistic disciplines, throughout the year.

Our financial position is secure for the next financial year.

Financial review

The Charity has had a successful year with regards to the level of funding support attracted for the furtherance of our aims and objectives. Significant project funding has been achieved for the charities activities, some of which are listed above.

Our accounts have returned to a more usual income and expenditure level during 2010/2011 as a result of the completion of two major capital projects. As explained in last year's trustees report, this was one-off income and income levels have as expected now returned to previous levels.

Expenditure this year has included a sum of money to Thompson Brand Partners to carry out work to design our marketing materials for programmes and events. Thompson Brand Partners have had a nine year relationship with Metal looking after our brand and print material since 2002.

It is the policy of the Charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The Trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the Charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

METAL CULTURE LIMITED

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2011

The Trustees encourage diverse sourcing of income, including sponsorship and where possible earned income. During 2010/2011 partnerships with a wide range of supporters of the charity have been maintained, with some new partnerships forged, including

- Network Rail
- Northern Rail
- Merseytravel
- Liverpool City Council
- Arts Council England
- East of England Development Agency
- Essex & Suffolk Water
- Southend on Sea Borough Council
- Southend Education Trust
- Heritage Lottery Fund
- Waitrose
- Park Inn Palace

We have also undertaken some new income generation work, introducing some ticket sales, mainly through our Salon events, as well as, creating some merchandise for sale (Village Green t-shirts and Bunting Notecards)

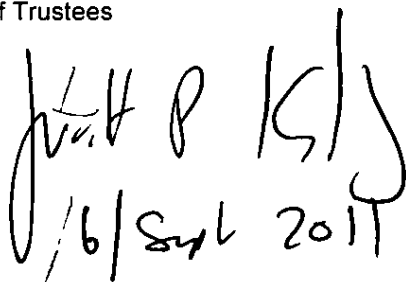
The Board of Trustees and Managing Director are continually researching and examining opportunities for additional and longer term funding

Auditors

A resolution proposing that RDP Newmans LLP be appointed as auditors of the company will be put to the members

On behalf of the board of Trustees

Mrs J P Kelly
Director
Dated


/6/Sep 2011

METAL CULTURE LIMITED

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees, who are also the directors of Metal Culture Limited for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Company law requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year

In preparing these accounts, 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, and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

METAL CULTURE LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE TRUSTEES OF METAL CULTURE LIMITED

We have audited the accounts of Metal Culture Limited for the year ended 31 March 2011 set out on pages 8 to 15. 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 trustees, as a body, in accordance with section 43 of the Charities Act 1993 and regulations made under section 44 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' 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 charitable company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditors

As explained more fully in the statement of Trustees' responsibilities, the Trustees, who are also the directors of Metal Culture Limited for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

The Trustees have elected for the accounts to be audited in accordance with the Charities Act 1993 rather than the Companies Act 2006. Accordingly we have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act.

Our responsibility is to audit and express an opinion on the accounts 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 Ethical Standards for Auditors.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts 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 accounts.

We have undertaken the audit in accordance with the requirements of APB Ethical Standards including APB Ethical Standard - Provisions Available for Small Entities, in the circumstances set out in note 14 to the accounts.

Opinion on accounts

In our opinion the accounts

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2011 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.

METAL CULTURE LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE TRUSTEES OF METAL CULTURE LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 1993 requires us to report to you if, in our opinion

- the information given in the Trustees' Report is inconsistent in any material respect with the accounts, or
- the charitable company has not kept adequate accounting records, or
- the accounts are not in agreement with the accounting records and returns, or
- we have not received all the information and explanations we require for our audit



RDP Newmans LLP

Chartered Accountants

Statutory Auditor

457 Southchurch Road

Southend on Sea

Essex

SS1 2PH

Dated 11.02.11

METAL CULTURE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2011

	Notes	2011 £	2010 £
<u>Incoming resources from generated funds</u>			
Activities for generating funds	2	111,563	4,913
Investment income	3	6,128	2,941
		<u>117,691</u>	<u>7,854</u>
Incoming resources from charitable activities	4	540,875	1,003,856
Other incoming resources	5	21,767	27,134
		<u>680,333</u>	<u>1,038,844</u>
Total incoming resources			
<u>Resources expended</u>	6		
Costs of generating funds			
Costs of generating donations and legacies		32,679	31,665
Fundraising trading costs of goods sold	2	318,433	616,913
		<u>351,112</u>	<u>648,578</u>
Net incoming resources available		329,221	390,266
Charitable activities			
Direct charitable expenditure		352,749	343,710
Governance costs		21,432	29,238
Total resources expended		725,293	1,021,526
Net (expenditure)/income for the year/ Net movement in funds		(44,960)	17,318
Fund balances at 1 April 2010		222,708	205,390
Fund balances at 31 March 2011		177,748	222,708

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006

METAL CULTURE LIMITED

BALANCE SHEET

AS AT 31 MARCH 2011

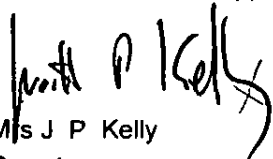
	Notes	2011 £	£	2010 £	£
Fixed assets					
Tangible assets	10		54,083		55,898
Current assets					
Debtors	11	99,735		130,496	
Cash at bank and in hand		83,964		133,305	
		<u>183,699</u>		<u>263,801</u>	
Creditors, amounts falling due within one year	12	<u>(60,034)</u>		<u>(96,991)</u>	
Net current assets			<u>123,665</u>		<u>166,810</u>
Total assets less current liabilities			<u><u>177,748</u></u>		<u><u>222,708</u></u>
Income funds					
Unrestricted funds			<u>177,748</u>		<u>222,708</u>
			<u><u>177,748</u></u>		<u><u>222,708</u></u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2011, although an audit has been carried out under section 43 of the Charities Act 1993. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these accounts under the requirements of the Companies Act 2006.

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 386 of the Act and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

The accounts were approved by the Board on

6/9/11


Mrs J P Kelly
Director

Company Registration No. 04738521

METAL CULTURE LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2011

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention

The accounts have been prepared in accordance with applicable accounting standards, the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005 and the Companies Act 2006

The charity has taken advantage of exemptions in the Financial Reporting Standard for Smaller Entities (effective April 2008) not to produce a cash flow

1.2 Incoming resources

Donations, legacies and other forms of voluntary income are recognised as incoming resources when receivable, except insofar as they are incapable of financial measurement. The income from fundraising ventures is shown gross, with associated costs included in fundraising costs

Grant income is deferred when it has been received but the corresponding expenses of the project have not occurred

1.3 Resources expended

Fundraising expenditure comprises costs incurred in inducing people and organisations to contribute financially to the charity's work. This includes the cost of advertising for donations and the staging of special fundraising events

Direct charitable expenditure includes all expenditure directly related to the necessary expenses in connection with the running of the charity, including the provision of renting and running office premises, staff salaries and other attributable costs

Charitable support expenditure includes all expenditure not directly related to the charitable activity or fundraising ventures. This includes trustees expenses, insurances and depreciation

Governance costs include audit and accountancy costs, as well as other attributable expenditure

Costs are allocated based upon time spent by employees in each area, using the following percentages

- 15% Fundraising costs
- 50% Direct charitable activity costs
- 30% Charitable support
- 5% Governance costs

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Items valued below £100 are not capitalised. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Fixtures, fittings & equipment	10-25% reducing balance
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1.5 Leasing and hire purchase commitments

The charity occupies a grade II listed building in Southend that it leases from the council for a peppercorn rent. A similar system is in operation for the leased property located in Liverpool

1.6 Accumulated funds

METAL CULTURE LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2011

1 Accounting Policies (continued)

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the trustees report.

1.7 Irrecoverable VAT

Irrecoverable VAT is included in governance costs.

2 Activities for generating funds

	2011 £	2010 £
Activities for generating funds	111,563	4,913
Fundraising trading costs of goods sold	(318,433)	(616,913)
Net Activities for generating funds	(206,870)	(612,000)

3 Investment income

	2011 £	2010 £
Rental income	6,128	2,941

4 Incoming resources from charitable activities

	2011 £	2010 £
Grant income	500,740	540,688
Deferred income	40,135	463,168
	540,875	1,003,856

Deferred income consists of £19,611 deferred this year, and £59,746 released from the previous year. There is no restricted fund income deferred this year.

METAL CULTURE LIMITED

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2011

5 Other incoming resources

	2011 £	2010 £
Other income	<u>21,767</u>	<u>27,134</u>

6 Total resources expended

	Staff costs £	Depreciation £	Other costs £	Total 2011 £	Total 2010 £
Costs of generating funds					
Costs of generating donations and legacies	25,156	-	7,523	32,679	31,665
Fundraising trading costs of goods sold	-	-	318,433	318,433	616,913
Total	25,156	-	325,956	351,112	648,578
Charitable activities					
<u>Direct charitable expenditure</u>					
Activities undertaken directly	83,953	-	149,479	233,432	221,276
Support costs	50,314	14,626	54,377	119,317	122,434
Total	134,267	14,626	203,856	352,749	343,710
Governance costs	8,386	-	13,046	21,432	29,238
	<u>167,809</u>	<u>14,626</u>	<u>542,858</u>	<u>725,293</u>	<u>1,021,526</u>

Governance costs includes payments to the auditors of £2,500 (2010 £2,500) for audit fees, and £5,375 (2010 £4,930) to the auditors for accountancy work

7 Support costs

	2011 £	2010 £
Repairs, insurance and miscellaneous expenses	54,377	58,435
Staff costs	50,314	49,146
Depreciation	14,626	14,853
	<u>119,317</u>	<u>122,434</u>

Support costs are allocated directly where applicable (e.g. insurance). For general expenditure (e.g. staff costs), 30% is allocated to support costs based on time spent on this area by employees

METAL CULTURE LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2011

8 Trustees

None of the Trustees (or any persons connected with them) received any remuneration during the year

9 Employees

Number of employees

The average monthly number of employees during the year was

	2011 Number	2010 Number
Southend on Sea	4	3
Liverpool	2	2
	<u>6</u>	<u>5</u>

Employment costs

	2011 £	2010 £
Wages and salaries	151,976	149,819
Social security costs	15,833	14,280
	<u>167,809</u>	<u>164,099</u>

The number of employees whose annual remuneration was £60,000 or more were

	2011 Number	2010 Number
£60,000 - £70,000	<u>1</u>	<u>1</u>

METAL CULTURE LIMITED

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2011

10 Tangible fixed assets

	Fixtures, fittings & equipment £
Cost	
At 1 April 2010	81,732
Additions	12,811
At 31 March 2011	94,543
Depreciation	
At 1 April 2010	25,834
Charge for the year	14,626
At 31 March 2011	40,460
Net book value	
At 31 March 2011	54,083
At 31 March 2010	55,898

11 Debtors	2011 £	2010 £
Trade debtors	94,350	121,373
Other debtors	-	3,738
Prepayments and accrued income	5,385	5,385
	99,735	130,496

METAL CULTURE LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2011

12 Creditors: amounts falling due within one year	2011	2010
	£	£
Trade creditors	21,036	15,975
Taxes and social security costs	10,986	4,783
Other creditors	4,962	4,468
Accruals	3,439	12,019
Deferred income	19,611	59,746
	<u>60,034</u>	<u>96,991</u>

13 Related parties

During the year the company made purchases, on normal commercial terms, amounting to £32,738 (2010 £70,288) from Thompson Brand Partners, a business in which I Thompson Esq is a partner

At the balance sheet date there were no outstanding balances

14 Auditors' Ethical Standards

The relevant circumstances requiring disclosure in accordance with the requirements of APB Ethical Standard - Provisions Available for Small Entities are that, in common with many charities of our size and nature we use our auditors to assist with the preparation of the accounts