

Charity Registration No. 1104635

Company Registration No 04738521 (England and Wales)

METAL CULTURE LIMITED
A COMPANY LIMITED BY GUARANTEE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

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METAL CULTURE LIMITED
A COMPANY LIMITED BY GUARANTEE
LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mrs J P Kelly Sir I McKellen Ms Y Alibhai-Brown Mr I Thompson Mr N Arthanayake Mr P Morley Ms R Lichtenstein Mr M Blenkinsop Ms S Tallant
Artistic 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
A COMPANY LIMITED BY GUARANTEE
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METAL CULTURE LIMITED
A COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 MARCH 2016

The Trustees present their report and accounts for the year ended 31 March 2016

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 (governing document), the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)"

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
- 5 Offering a new alternative model for the traditional 'civic arts centre' in places of low engagement

and there has been no change in these during the period

The Trustees are aware of their duty under S 17 of the Charities Act 2011 to have due regard to the Public Benefit Guidance published by the Charity Commission. As such, the Trustees ensure that the activities of the Charity are for public benefit.

METAL CULTURE LIMITED
A COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 MARCH 2016

Activities during the year 2015 - 2016 have included -

107 Artists in residence from the UK and overseas were housed in Liverpool, Southend and Peterborough working in a wide range of disciplines

In all three spaces – Liverpool, Southend and Peterborough we delivered talent development programmes for artists working in all disciplines. Including, 12 x Future Network meetings, 6 x week-long residential peer-to-peer LABs for artists, mentoring and one to one professional development sessions and for the second year running the year long CPD programme in Peterborough for Creative People and Places

Our highlights in Peterborough include -

- Harvest – a two year programme working with 10 UK artists and 2 International artists to create a programme around the politics of food
- As part of the Harvest programme we staged a 2 day outdoor festival which included 10 artists public commissions and a seated Sunday lunch for 500 guests from across the city of Peterborough. This project won the Daily Telegraph Harvest Festival award
- Peterborough Presents, our CPD programme for artists and others engaged with a large number of artists and creative professionals across the city
- Art Lending Library – which brought a high quality, touring project to Peterborough that 'loaned' individuals works of art for their homes for a week – and enabled us to work with around 200 participants through different activities

Our highlights in Liverpool include -

- Liverpool Provocations – a series of four public art interventions across the city of Liverpool that attracted an audience of over 43 000
- The Day the World Got Smaller – a Heritage Lottery Funded project that worked with six artists and six primary schools in Liverpool and Manchester
- A Culture LAB with 6 musicians and artists that then took a showcase to LOOP festival in Berlin in October 2015
- Meanwhile Space – 3 artists working with local residents in Kensington and Edge Hill to create public work and provocations on empty unused plots of land

Our highlights in Southend include -

- We extended our Village Green festival offer into Grays in Thurrock – creating a sister festival called Village Beach, supported by Thurrock Council and Arts Council England. We worked with 486 local participants, 33 community groups and attracted an audience of 6000 people
- We launched NetPark, the world's first digital art park in October 2015 with 10 new digital artwork APPs – as a permanent new visitor attraction for Southend
- We renovated the old stable block in Chalkwell Park to create and launch Metal Art School in October 2015 enabling us to extend our arts education offer to young people and adults across Southend
- In January 2016 we launched the NetPark Wellbeing Project in partnership with Southend Borough Council – an 18 month project that will work with people living with mental health concerns, using the NetPark apps and the park environment as a starting point for contributing to addressing their needs

Many more small and medium scale projects were delivered

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TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 MARCH 2016

Achievements and performance

We are pleased and proud to report that the Chanty has had a very successful year during 2015/16. We would like to thank staff, artists and our committed team of volunteers who have contributed to this success, and to the ideas and plans for the Chanty's development into the future.

We have successfully maintained a large selection of partnership agreements, financial, artistic 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.

We worked with 1,825 artists, 15,818 active participants, 420,820 live audiences and over 831,133 online audiences.

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 show a significant rise in income of £528K from last year – this is following a period of growth which has seen income rise by £141k in 2014/15, £90k in 2013/14 and £286K in 2012/13. This reflects our continued commitment to obtain funding from a variety of sources including Arts Council England which has committed funding for the charity through to 2018.

Our accounts show income received in excess of expenditure incurred in the year of £218,948. This is due to the fact that some projects have received funding in this financial year and will continue after the end of the financial year.

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 approximately three months of support costs. 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.

The Trustees encourage diverse sourcing of income, including sponsorship and where possible earned income. During 2015/16 partnerships with a wide range of supporters of the charity have been maintained with some new partnerships forged including -

- Thurrock Council
- South Essex College - extended into Thurrock
- The Seedbed Trust - extended across the whole organisation

We have continued to undertake some income generation work including the introduction of ticket sales to our largest event Village Green.

The Board of Trustees, Artistic Director and other senior staff are continually researching and examining opportunities for additional and longer term funding.

The Trustees have assessed the major risks to which the Charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

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
A COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 MARCH 2016

The Metal Board continue to work towards achieving the following areas for development which were set out in the business plan for 2015-2018. Some have been completed, including -

- Build the capacity of the organisation by two new key members of staff
- Create a new dedicated education space at Chalkwell Park in Southend on Sea
- Expand our engagement with schools, colleges and higher education institutions local to all three Metal sites

Some still to be completed, including -

- Finding investment and a research partner to test our 'model' for an alternative civic arts centre
- Improve our analysis of data captured from audiences across the organisation

Our business plans sets out in detail how these aims will be met

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
Ms Y Alibhai-Brown
Mr I Thompson
Mr N Arthanayake
Mr P Morley
Ms R Lichtenstein
Mr M Blenkinsop
Ms S Tallant

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 their 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 daily management of the Charity is in the hands of the Artistic Director & Chief Executive Officer (AD & CEO), Colette Bailey, who ensures that the services and activities of the Charity continue to grow. She works with a team of employees, freelance specialists and a team of volunteers who deliver the charity's programme of work. The AD & CEO 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
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TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 MARCH 2016

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the Charity continues and that the appropriate training is arranged. It is the policy of the Charity that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee involvement

The Charity's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information of matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

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

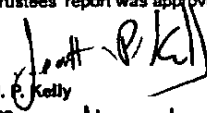
- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts, 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.

Auditor

In accordance with the company's articles, a resolution proposing that RDP Newmans LLP be reappointed as auditor of the company will be put at a General Meeting.

The Trustees' report was approved by the Board of Trustees


Mrs J. P. Kelly
Trustee
Dated 8 November 2016

METAL CULTURE LIMITED
A COMPANY LIMITED BY GUARANTEE
INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF METAL CULTURE LIMITED

We have audited the financial statements of Metal Culture Limited for the year ended 31 March 2016 set out on pages 8 to 21. 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) including Financial Reporting Standard 102.

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 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 charity 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 auditor

As explained more fully in the statement of Trustees' responsibilities set out on pages 1 - 5, 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 2011 rather than the Companies Act 2006. Accordingly, we have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 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. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2016 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
A COMPANY LIMITED BY GUARANTEE
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS 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 2011 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 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.

**Paul Stafford (Senior Statutory Auditor)
for and on behalf of RDP Newmans LLP**

**Chartered Accountants
Statutory Auditor**

457 Southchurch Road
Southend on Sea
Essex
SS1 2PH

RDP Newmans LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

METAL CULTURE LIMITED
A COMPANY LIMITED BY GUARANTEE
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2016

	Notes	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Income from:					
Donations and legacies	3	15,990	-	15,990	9,573
Charitable activities	4	925,944	430,307	1,356,251	937,525
Other trading activities	5	287,586	-	287,586	184,433
Total income		1,229,530	430,307	1,659,837	1,131,531
Expenditure on:					
Raising funds	6	45,569	-	45,569	58,247
Charitable activities	7	1,267,938	127,382	1,395,320	1,054,563
Total resources expended		1,313,507	127,382	1,440,889	1,112,808
Net (expenditure)/income for the year/ Net movement in funds		(83,977)	302,925	218,948	18,723
Fund balances at 1 April 2015		207,276	6,527	213,803	195,080
Fund balances at 31 March 2016		123,299	309,452	432,751	213,803

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

METAL CULTURE LIMITED
A COMPANY LIMITED BY GUARANTEE
BALANCE SHEET
AS AT 31 MARCH 2016

	Notes	2016 £	£	2015 £	£
Fixed assets					
Tangible assets	11		145,451		67,884
Current assets					
Debtors	13	70,418		149,521	
Cash at bank and in hand		339,589		178,920	
		<u>410,005</u>		<u>328,441</u>	
Creditors amounts falling due within one year	14	<u>(122,705)</u>		<u>(182,322)</u>	
Net current assets			287,300		146,119
Total assets less current liabilities			<u>432,751</u>		<u>213,803</u>
Income funds					
Restricted funds	16	309,452		6,526	
Unrestricted funds		123,299		207,277	
		<u>432,751</u>		<u>213,803</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 2016, although an audit has been carried out under section 144 of the Charities Act 2011. 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 Trustees' responsibilities for ensuring that the charity 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.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The accounts were approved by the Trustees on 8/Nov 2016

Mrs J. P. Kelly
 Trustee

Company Registration No 04738521

METAL CULTURE LIMITED
A COMPANY LIMITED BY GUARANTEE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2016

	Notes	2016 £	£	2015 £	£
Cash flows from operating activities					
Cash generated from operations	19		284,739		54,254
Investing activities					
Purchase of tangible fixed assets		(130,001)		(30,521)	
Proceeds on disposal of tangible fixed assets		5,931		-	
Net cash used in investing activities			(124,070)		(30,521)
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			160,669		23,733
Cash and cash equivalents at beginning of year			178,920		155,187
Cash and cash equivalents at end of year			<u>339,589</u>		<u>178,920</u>

METAL CULTURE LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies

Company information

Metal Culture Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Chalkwell Hall, Chalkwell Avenue, Southend on Sea, Essex, SS0 8NB.

1.1 Accounting convention

The accounts have been prepared under the historical cost convention.

The accounts are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared on the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These accounts for the year ended 31 March 2016 are the first accounts of Metal Culture Limited prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 April 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Going concern

At the time of approving the accounts, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees' continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

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.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the Charity.

1.4 Incoming resources

Income is recognised when the Charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the Charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the Charity has been notified of an impending distribution, the amount is known and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

1.5 Resources expended

METAL CULTURE LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies

(Continued)

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses

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
--------------------------------	-------------------------

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is recognised in net income/(expenditure) for the year.

1.7 Impairment of fixed assets

At each reporting end date, the Charity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/(expenditure) for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if and only if the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial Instruments

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Charity's balance sheet when the Charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

METAL CULTURE LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method

Derecognition of financial liabilities

Financial liabilities are derecognised when the Charity's contractual obligations expire or are discharged or cancelled

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received

Termination benefits are recognised immediately as an expense when the Charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits

1.11 Irrecoverable VAT

Irrecoverable VAT is included in governance costs

2 Critical accounting estimates and judgements

In the application of the Charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods

METAL CULTURE LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2016

3 Donations and legacies

	2016	2015
	£	£
Donations and gifts	<u>15,990</u>	<u>9,573</u>

4 Charitable activities

	2016	2015
	£	£
Services provided under contract	109,667	128,052
Performance related grants	1,210,449	824,954
Rental income	7,657	6,019
Other income	1,978	-
Less deferred income	26,500	(21,500)
	<u>1,356,251</u>	<u>937,525</u>

Analysis by fund	
Unrestricted funds	925,944
Restricted funds	<u>430,307</u>
	<u>1,356,251</u>

For the year ended 31 March 2015	
Unrestricted funds	924,284
Restricted funds	<u>13,241</u>
	<u>937,525</u>

Deferred income
 Restricted deferred income consists of £26,500 of grant income released from the previous year

5 Other trading activities

	2016	2015
	£	£
Event Income	<u>287,596</u>	<u>184,433</u>

METAL CULTURE LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2016

6 Raising funds

	2016	2015
	£	£
<u>Fundraising trading costs of services provided</u>		
Support costs	45,569	58,247
	<u>45,569</u>	<u>58,247</u>
For the year ended 31 March 2015		58,247
Fundraising trading costs of services provided		<u>58,247</u>

7 Charitable activities

	2016	2015
	£	£
Depreciation and impairment	27,451	2,108
Other charitable expenditure	860,188	529,987
	<u>887,637</u>	<u>532,073</u>
Share of support costs (see note 8)	495,873	508,900
Share of governance costs (see note 8)	12,010	13,590
	<u>1,395,320</u>	<u>1,054,563</u>
Analysis by fund		
Unrestricted funds	1,267,938	
Restricted funds	127,382	
	<u>1,395,320</u>	
For the year ended 31 March 2015		1,039,216
Unrestricted funds		15,347
Restricted funds		<u>1,054,563</u>

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8 Support costs	Support costs	Governance costs	2016	2015	Basis of allocation
	£	£	£	£	
Staff costs	381,602	-	381,602	383,279	Employee time spent
Depreciation	18,852	-	18,852	19,175	Usage of assets
Property expenses	46,899	-	46,899	47,247	Employee time spent
Repairs, insurance and miscellaneous expenses	93,889	-	93,889	117,446	Employee time spent
Audit fees	-	6,000	6,000	6,000	Governance
Accountancy	-	6,010	6,010	7,590	Governance
	<u>541,242</u>	<u>12,010</u>	<u>553,252</u>	<u>580,737</u>	
Analysed between					
Trading	45,569	-	45,569	58,247	
Charitable activities	495,673	12,010	507,683	522,490	
	<u>541,242</u>	<u>12,010</u>	<u>572,104</u>	<u>580,737</u>	

9 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or reimbursement of expenses during the year, except for those disclosed in the related party note

During the year, the Charity made payments to R Lichtenstein amounting to £4,200 (2015 £nil). These payments were made on normal commercial terms in respect of services provided outside of the Trustee role

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10 Employees

Number of employees

The average monthly number employees during the year was

	2016 Number	2015 Number
Southend on Sea	6	5
Liverpool	3	3
Peterborough	3	3
	<u>12</u>	<u>11</u>

Employment costs

	£	£
Wages and salaries	346,933	350,568
Social security costs	32,258	31,545
Other pension costs	2,411	1,166
	<u>381,602</u>	<u>383,279</u>

The number of employees whose annual remuneration was £80 000 or more were

	2016 Number	2015 Number
£80 000 - £70 000	<u>1</u>	<u>1</u>

Contributions of £386 (2015 £180) were made to defined contribution pension schemes on behalf of employees whose emoluments exceed £60,000

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11	Tangible fixed assets	Fixtures, fittings & equipment	
		£	
	Cost		
	At 1 April 2015		163,008
	Additions		130,001
	Disposals		(5,931)
	At 31 March 2016		<u>287,078</u>
	Depreciation and impairment		
	At 1 April 2015		95,324
	Depreciation charged in the year		48,478
	Eliminated in respect of disposals		(173)
	At 31 March 2016		<u>141,627</u>
	Carrying amount		
	At 31 March 2016		<u>145,451</u>
	At 31 March 2015		<u>67,684</u>
12	Financial instruments	2016	2015
		£	£
	Carrying amount of financial assets		
	Debt instruments measured at amortised cost	<u>32,370</u>	<u>115,994</u>
	Carrying amount of financial liabilities		
	Measured at amortised cost	<u>50,778</u>	<u>45,973</u>
13	Debtors	2016	2015
		£	£
	Amounts falling due within one year		
	Trade debtors	32,332	97,643
	Other debtors	38	18,351
	Prepayments and accrued income	38,048	33,527
		<u>70,418</u>	<u>149,521</u>

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14 Creditors amounts falling due within one year

	Notes	2016 £	2015 £
Other taxation and social security		25,300	33,819
Deferred income	15	46,629	102,730
Trade creditors		34,147	27,975
Other creditors		2,250	1,823
Accruals and deferred income		14,379	16,175
		<u>122,705</u>	<u>182,322</u>

15 Deferred income

	2016 £	2015 £
Other deferred income	<u>46,629</u>	<u>102,730</u>

Deferred income is included in the financial statements as follows

2016 £	2015 £
<u>46,629</u>	<u>102,730</u>

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FOR THE YEAR ENDED 31 MARCH 2016

16 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes

	Balance at 1 April 2015 £	Movement in funds Incoming resources £	Resources expended £	Balance at 31 March 2016 £
Edge Hill studio renovation work	6 527	-	(1,579)	4,948
Royal Opera House Bridge grant	-	26 500	(26,500)	-
Arts Council Ambition for Excellence grant	-	138 750	(22,713)	116 037
Arts Council Small Capital Projects grant	-	136,852	(59,237)	77,615
Arts Council Exceptional Awards grant	-	128,205	(17,353)	110,852
	<u>6,527</u>	<u>430,307</u>	<u>(127,382)</u>	<u>309,452</u>

Edge Hill studio Renovation work relates to the net book value of assets held

Royal Opera House Bridge grant relates to a funding received for an education centre in Southend

Arts Council England Ambition for Excellence grant relates to funding provided towards the Estuary Festival and the balance relates to funding for the remaining part of the project which takes place in the next financial year

Arts Council England Small Capital grant was used to fund Metal Art School in Southend The balance remaining is the net book value of the asset held by the charity

Arts Council England Exceptional Awards grant relates to a project run in Peterborough called 'Harvest' The project is running into the next financial year and the balance related to unspent funding which will be used in the next financial year

17 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 March 2016 are represented by			
Tangible assets	63,099	82 352	145,451
Current assets/(liabilities)	60,200	227,100	287,300
	<u>123,299</u>	<u>309,452</u>	<u>432,751</u>

18 Related party transactions

During the year the company made purchases, on normal commercial terms, amounting to £11 322 (2015 £2,572) from Thompson Brand Partners, a business in which I Thompson is a partner
At the balance sheet date there were no outstanding balances

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19	Cash generated from operations	2016	2015
		£	£
	Surplus for the year	218,948	18 721
	Adjustments for:		
	(Gain)/loss on disposal of tangible fixed assets	(173)	1 232
	Depreciation and impairment of tangible fixed assets	48,476	20,049
	Movements in working capital		
	Decrease/(increase) in debtors	79,105	(67,589)
	(Decrease)/increase in creditors	(3,516)	22,070
	(Decrease)/increase in deferred income	(56,101)	59,771
	Cash generated from operations	284,739	54 254