

PEER UK LTD
(Company limited by guarantee no. 05757614
registered charity no. 1115091)

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2012

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For the year ended 31 March 2012

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY,
ITS TRUSTEES AND ADVISERS**
For the year ended 31 March 2012

Board of Trustees	Kirsten Dunne (Chair) Felicity Allen Achim Borchardt-Hume Fiona Murphy Simon Tuttle Mark Wallinger Alister Warman
Director/Chief Executive	Ingrid Swenson
Company reg. no.	05757614
Charity reg. no.	1115091
Registered office	99 Hoxton Street London N1 6QL
Independent examiner	John Ball FCA MHA MacIntyre Hudson New Bridge Street House 30-34 New Bridge Street London EC4V 6BJ
Bankers	National Westminster Bank Plc 135 Bishopsgate London EC2M 3UR

BOARD OF TRUSTEES' REPORT
For the year ended 31 March 2012

The Board of Trustees, who act as directors of the Company for the purposes of the Companies Act, and trustees for charity law purposes, submit their annual report and the financial statements of Peer UK Ltd for the year ended 31 March 2012. The Board of Trustees confirms that the annual report and financial statements of the Company comply with current statutory requirements, the requirements of the Company's governing document and the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities (revised 2005)'.

Structure, governance and management

The Charity is a company limited by guarantee, its members being its Trustees. Their liability in the event of insolvent liquidation is limited to £10 per member and at 31 March 2012 there were 7 members. The Charity was incorporated on 27 March 2006 and registered as a charity on 5 July 2006. The Charity is governed by its Memorandum and Articles of Association.

The Memorandum and Articles allow for new Trustees to be appointed at any time by the Board of Trustees, and the number of Trustees must not fall below three. Trustees are then elected annually and may resign during the year by written notice to the Board. Prior to their appointment, new Trustees are invited to attend a quarterly Trustees' meeting as an observer and to meet the existing Trustees.

New Trustees undergo a consultation period of no less than half a day with the Director of the Charity to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision making processes, and recent financial performance of the Charity. Trustees are also encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

The Trustees have appointed a Director who is responsible for the day to day operation of the Charity. The Board meets on a quarterly basis and oversees decisions relating to the infrastructure and strategic direction of the Charity and measures of good governance.

Objectives

The objects of the Charity are "The advancement for the benefit of the public in education in art in particular by promoting and providing public facilities for the exhibition and study of work of art which are primarily contemporary for the purposes of training and educational research and to promote a better understanding of art in all its aspects."

Achievements and performance

The financial year 2011–12 saw the strengthening and consolidation of PEER in three areas:

- organisational growth, specifically in staffing capacity
- a successful and high-profile gallery programme
- broadening our activities to local residents through our participation programme

These achievements were facilitated in part by the fact that at the beginning of the year, we learned that from April 2012 and until March 2015, we would become one of only a handful of new clients of Arts Council England's National Portfolio. This meant that we would be in receipt of a grant of £50K per year with inflation-linked increases for three years. We also learned that we had succeeded in our application to Grants for the Arts for £30K, which supported our gallery programme in the current year leading up to the NPO agreement. These results were a forceful vote of confidence for the organisation and enabled us to approach potential funders with renewed confidence. The backdrop to this, however, was the continuing global economic downturn, which has made fundraising across the board all the more challenging. This has been felt in all areas of fundraising from trusts and foundations to philanthropic giving.

BOARD OF TRUSTEES' REPORT
For the year ended 31 March 2012

In this year we gratefully received the second of three years of grant funding of £20,000 from Paul and Louise Cooke Endowment. This tremendous level of support was allocated to both our gallery programme (£8K) and also to our general operating costs (£12K). Contributions from Friends and Benefactors continued to play an important element of income generation. In addition to maintaining a healthy number of Friends, we also attracted a generous one-off donation of £3K from Jack Kirkland and also a donation of £1K from another individual. It was agreed by the board that the time and expense of presenting another fundraising event in the gallery, such as the Arts and Crafts Fair in the previous year, was not necessarily appropriate in this year, but instead we should plan for a larger, more high profile and more profitable event in 2012/13. Instead, we focused on sales of our fundraising editions and on sales of works from exhibitions, which exceeded expectations.

The activities of the PEER/Participate programme funded by the Paul Hamlyn Foundation gathered momentum during this period. In particular, the relationships established with two local schools – St Monica's RC primary and Bridge Academy – were strengthened by the successful work carried out by the two Artist Ambassadors, Maria Amidu and Louisa Martin. Their achievements culminated in a PEER/Participate showcase at the gallery in July 2011, which was presented to coincide with the Shoreditch Festival (see below). In addition to this, a range of other activities were delivered with a number of community groups and organisations including a learning disabled group based at Hackney Community College and an local elders group called The Sharp End. The two-days per week PEER/Participate Coordinator post became a consultancy role in October 2012, which coincided with the appointment of a full-time General Manager who was able to provide essential administrative support to the programme as well as be involved the strategic planning and delivery. Full details of the first year of the programme's outputs and outcomes have been expanded upon in the interim report to the Paul Hamlyn Foundation. In addition to this, an extensive evaluative report has also been written.

At the first quarter's trustees meeting in June 2011, the Treasurer on behalf of the board proposed that the part-time assistant's post become a full-time General Manager position. This increase in capacity was to enable the Director to allocate more of her time to fundraising, research and strategic development of the organisation, particularly in light of the lead-up to the signing of the Arts Council's National Portfolio agreement in April 2012. The additional cost of this was to be covered by the unrestricted brought forward reserves in the short term, but to be fundraised for in the longer term.

Recruitment and interviews took place in the summer and the appointee, Gemma Lloyd, began in October. The positive impact on the organisation was immediately evident, particularly in the support that was provided to the Director in her preparation of larger and complex funding bids for two major Arts Council schemes as well as a first-stage application to the Esmée Fairbairn Foundation for both core and programme support. As mentioned above, this position provided invaluable input to the Participation programme, but also contributed to many aspects of the gallery programme, such as better marketing and audience development and the organising of additional exhibition-related events such as talks and screenings. This appointment meant that the organisation had increased its capacity from one full time contracted Director post and a 0.4 uncontracted administrator to 2 members of permanent staff – growth of over 40%.

BOARD OF TRUSTEES' REPORT
For the year ended 31 March 2012

Marketing and Audience Development

We have made significant developments and improvements to our online presence and methods for disseminating information over the course of this year. Our mailing list has increased by 65% and we have improved our method and frequency of communicating with these contacts through online software and with the introduction of a regular newsletter. Simple but effective design improvements have been made to our website and we have a number of monitoring and evaluation tools in place to understand and track the behavior of our digital audiences. Presence on Facebook and Twitter this year has enabled us to broaden our audiences and extend the reach of our work and activities.

We increased our gallery visitors by approximately 8% this year and have supplemented and enriched the information made available to both gallery and web visitors through the introduction of free A6 artist booklets and the recording of artist talks, which now reach a wider audience online through mp3 downloads. Visitor feedback forms are now collected as standard and on one occasion we were able to employ Interpretation Assistants in the gallery to conduct their own monitoring and evaluation surveys, which record visitor statistics, responses to the work, and engagement with the work and information provided.

Programme

Andrew Lanyon – Ribbentrop in St Ives, Art and War in the last Resort – 11 May to 2 July

This complex multi-media installation contained paintings, sculptures, photographs, models, works on paper, texts and films. The delicate nature of the exhibition meant that the works needed to be invigilated during opening hours, so we used this opportunity to recruit paid interns to act as interpretation and audience development assistants who were also on hand to encourage audiences to enter the gallery and interact with the work. This was an effective strategy, particularly as it enabled us to keep the front door open, which encouraged more passers by to enter the gallery and particularly local audiences. The dense nature of the exhibition meant that many visitors spent a considerable amount of time in the exhibition. Lanyon conducted a training session with the interpretation assistants, who actively engaged with audiences and also encouraged visitors to fill in feedback forms from which an evaluation report was compiled. The artist gave two well-received talks about his work, one at the University of Westminster and one at a pub nearby PEER, attracting a total of around 80 people. Visitors' response to the work was tremendous and many left enthusiastic comments in the visitors book and feedback forms. This exhibition had been initiated by Kestle Barton in Cornwall, and after the showing at PEER it toured to Kettle's Yard in Cambridge. Three works from the exhibition were sold, with PEER's percentage amounting to £1.6K. The number of visitors to the exhibition was around 800.

Sam Porritt – Heads and Faces – 17 August to 24 September

Young British artist Sam Porritt was invited to make an exhibition for the summer and early autumn slot. Curated by Gemma Lloyd, PEER's General Manager, this show focused on one aspect of the artist's work over a period of seven years and included both drawing and sculpture. As a six week exhibition (as opposed to our usual eight weeks) and given that it took place over some of the holiday period, the visitors figures were healthy at around 450 in total. The artist carried out a talk in the gallery with a Q&A session with Gemma Lloyd to which 23 people came and he also ran a drawing workshop for BTEC students from Hackney Community College to which 15 young people attended.

The artist produced an edition for sale, which has sold modestly well and has received a positive review in Art Papers.

BOARD OF TRUSTEES' REPORT
For the year ended 31 March 2012

John Smith – Unusual Red Cardigan – 5 October to 10 December

This major new commission for PEER opened in early October to take advantage of Frieze art fair. This long-planned project proved to be the popular and critical success that we had hoped for, bringing in new audiences and significant critical acclaim. The exhibition comprised a single screen projection and an installation element of large-scale photographs, objects and nine computers. This was the first time that this artist, who is known solely for his film work, had shown installation work. We were fortunate in the timing of this exhibition as it coincided with the announcement of his being a recipient of the Paul Hamlyn Award. The show has attracted a great number of group visits from schools and colleges (including a number organised in-house for the Participation programme), several art tour groups, including a group of Israeli curators organised by Outset. The artist gave a talk about his work in the gallery to an over-capacity audience of around 55, and we were forced to turn a number of people away for lack of space. The talk was recorded and is downloadable from the PEER website. We produced an artist's edition to raise funds for our operating costs. This project attracted additional support of £1875 from the University of East London, where the artist teaches. The overall visitor figure was approximately 1200. The film work element of the commission has been purchased by the Arts Council Collection and will be shown at the end of 2012 in Leeds and as part of the national collection will be seen by large audiences for many years to come.

Selma Makela / Film Programme

Ireland-based UK artist Selma Makela made a single gallery exhibition at PEER of paintings produced during a residency at Banff in Canada. The invitation for this residency came about as a result of an exhibition at PEER in 2009. The theme of the works produced responded to the landscape, climate and environmental conditions of Banff. This exhibition was combined with a curated film programme of short artists' works that further expanded on these themes, which included works by contemporary artists Christina Mackie, Rachel Lowe, Anna Barriball and historical films by Charles and Ray Eames. Both elements of this exhibition slot proved extremely popular and a special evening of 12 additional films by Charles and Ray Eames was organised that attracted capacity audiences throughout the three-hour screening. There were a number of group visits to the exhibitions, including from the Contemporary Art Society, who also introduced two collectors to the work of Makela, resulting in the sale of five paintings. The exhibition was selected as the Director of the CAS's pick of the week, and was reviewed in Artforum on line.

Stuart Brisley

This project comprised the screening of a 28-minute film produced from the extensively edited footage of the artist's 10-day performance at PEER in May 2010 alongside still images on display in the adjacent gallery. This was a major and important project for PEER, which attracted very positive audience feedback and critical acclaim. PEER produced a free, small A6 artist's book to accompany the show and also hosted a sell-out in-conversation event between the artist and Charles Esche, Director of the Van Abbemuseum in Holland. The exhibition was again chosen as pick of the week by the Director of CAS and had an excellent review in Art Monthly magazine. The artist is currently in conversation with Modern Art Oxford about a major retrospective of his work in 2013/4, of which this film would be an important element, thereby bringing the work to yet greater audiences.

PEER Participate

Four substantial and lengthy projects with two local schools, St Monica's primary and Bridge Academy took place in this year alongside a number of more contained projects, artist-led workshop sessions, and gallery visits, which have been summarised below.

St Monica's Primary School activities with Maria Amidu

Jan – July 2011: project with 60 Year 1 & 2 pupils about the local area as part of their geography lessons.

14 – 29 July: PEER Participate showcase *In and Out of Site* at PEER including work by pupils of St Monica's Primary School and Bridge Academy. Audience approx. 150.

Oct 2011 – June 2012: Six week-long workshops on relationship between language and art making for 37 members of the After School Club (ASC) from Key Stage 1 & 2. Presentations at three assemblies to approximately 400 pupils, three sessions with a group of six parents and carers, one session with teaching staff and assistants.

BOARD OF TRUSTEES' REPORT
For the year ended 31 March 2012

Bridge Academy Secondary School with Louisa Martin and Emma Hart

Jan– Jul 2011: Project with Year 7 students looking at stories from the local neighbourhood.

14 – 29 July: PEER Participate showcase *In and Out of Site* at PEER including work by pupils of St Monica's Primary School and Bridge Academy. Audience approx. 250

7 Nov: 25 Year 9 & 10 pupils visited John Smith's exhibition and created a resulting project around secret identities.

28 Mar: First 'Manifesto Workshop' session took place with five members of staff from Bridge Academy's Art Department (three further workshops took place between April and June 2012).

19 Mar: 25 Bridge Year 11 pupils visit the gallery to see Selma Makela's work and the film programme as part of their GCSE study on 'the extraordinary'

The Sharp End over 50s Art for Beginners group

25 Aug: 12 members attended an ink drawing session at PEER inspired by techniques used by Sam Porritt in his show at the gallery.

2 Feb: 13 members of the group attended a workshop led by artist Rachel Lowe in response to the artist's work on show in the gallery.

Hackney Community College

22 September: 16 pupils from BTEC Foundation Art & Design visited Sam Porritt's exhibition and participated in an ink drawing workshop led by the artist.

7 December: 15 BTEC Level 2 Foundation Art & Design students attended a practical session led by artist Raksha Patel on secret messages in response to John Smith's exhibition.

7 December: 15 BTEC Level 2 Foundation Art & Design students attended a practical session led by artist Raksha Patel on secret messages in response to John Smith's exhibition.

10 February: Eight Media LLDD students visit the exhibition of Selma Makela's work and the related film programme in a session led by the General Manager

Future Plans

2012-13 will be the first full year since becoming a client of Arts Council England's National Portfolio and the programming objectives for this year are:-

- To present four gallery projects including one by an emerging artist, one delivered in collaboration with a third party organisation, one with an established artist to present their work to new audiences in a different context and one from a non-UK based artist.
- Deliver a partnership project with our local regeneration organisation and local NHS practice to present a temporary showcase of work by a major British artist
- Deliver four public talks/events alongside the gallery programme
- Host two group visits or workshops by members of the local community for each gallery project

For the forthcoming year our organisational objectives are:-

- Following two years of strategic investments in the organisation's infrastructure we will maintain the organisation's financial stability, including making a £4K contribution to our reserves to bring them up to £25K
- To strengthen and develop PEER's unique identity as a small-scale but world-class arts organisation serving local, national and international audiences.
- To build on the successes of our pilot Participation programme and to secure further funding to continue this work and integrate it into our Gallery programme.
- To continue to strengthen the board and broaden their skills basis.

BOARD OF TRUSTEES' REPORT
For the year ended 31 March 2012

PEER has always operated on a prudent financial basis. Over the last two years, partly out of necessity and partly as a result of investing in the future growth of the organisation, it has utilised a proportion of the unrestricted reserves that it had consciously built over previous years to support its operations. These investments are now paying dividends as recognition of the high quality of the organisation's personnel and service delivery has led to core funding applications to Arts Council England and the Esmée Fairbairn Foundation being successful. As a consequence, PEER will be in receipt of core-funding of at least £70k per annum for a minimum two years. The trustees believe that the organisation can now build on these successes and grow further and confidently expect to see a reversing of the recent trend in cash depletion.

Financial review

The results of the Charity's operation are set out in the financial statements. The net outflow of funds for the year amounted to £34,558 (2011 : outflow of £11,284). The surplus at 31 March 2012 amounted to £89,031 (2011 : £123,589), with £37,268 relating to restricted funds carried forward.

The Trustees consider the minimum level of reserves required to ensure the continuing running of the Charity to be approximately three months' general running costs. The trust's free reserves as at 31 March 2012 stood at £22,602, which the Trustees consider to be adequate, taking account of expected core costs in the coming year. Peer UK Ltd receives contributions for core costs from grant providers when taking on new projects as part of the grant agreements.

Public benefit

The Trustees consider that Peer UK benefits the public in four primary ways:

- Deliver uncompromising, innovative, world-class art in the gallery and the public realm that is lead by ideas and excellence rather than fashion and marketability.
- Offer creative opportunities to local people of all ages and from a range of economic, social and cultural backgrounds through our participation programme.
- Provide emerging, mid-career and established artists with opportunities to explore and take new risks in their working practice.
- Make a positive impact on the local environment and its communities through the provision of the highest quality art.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives, and in planning current and future activities.

Statement of Board of Trustees' responsibilities

The Board of Trustees is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company and charity law applicable to charities in England/Wales requires the Board of Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the surplus or deficit of the Charity for that period. In preparing those financial statements the Board of Trustees have:

- selected suitable accounting policies and applied them consistently,
- made judgements and estimates that are reasonable and prudent,
- stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepared the financial statements on a going concern basis (unless it is inappropriate to presume that the Charity will continue in operation).

BOARD OF TRUSTEES' REPORT
For the year ended 31 March 2012

The Board of Trustees have overall responsibility for ensuring that the Charity has an appropriate system of controls, financial and otherwise. They are also responsible for keeping proper accounting records which are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Charity 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 Charity and hence for taking reasonable steps for the detection and prevention of fraud and other irregularities.

The Board of Trustees is 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 financial statements may differ from legislation in other jurisdictions.

Preparation of the report

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

Accountants

The accountants, MHA MacIntyre Hudson have indicated their willingness to accept re-appointment for the coming year.

This report was approved and authorised for issue by the Board of Trustees on 17 Sep 2012 and signed on its behalf by:

Kirsten Dunne
Chair

Independent examiner's report to the Board of Trustees of Peer UK Ltd

I report on the financial statements for the year ended 31 March 2012 set out on pages 10 to 16

Respective responsibilities of Board of Trustees and independent examiner

As described on page 7 the Board of Trustees, which is the board of directors of Peer UK Ltd for the purposes of company law, and the board of trustees for the purposes of charity law, is responsible for the preparation of the financial statements. The Board of Trustees consider that an audit is not required for this year under section 43(2) of the Charities Act 1993 (the 1993 Act) and that an independent examination is needed.

Having satisfied myself that the Company is not subject to an audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts (under section 43 of the 1993 Act);
- follow the procedures laid down in the General Directions given by the Charity Commissioners (under section 43(7)(b) of the Act, as amended); and
- state whether particular matters have come to my attention.

Basis of Independent examiner's statement

My examination was carried out in accordance with general directions given by the Charity Commission. An examination includes a review of the accounting records kept by the Company, and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as the Board of Trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a "true and fair view" and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

1. which gives me reasonable cause to believe that in any material respect the requirements
 - to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charitieshave not been met; or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

John Ball FCA
MHA MacIntyre Hudson
Chartered Accountants
New Bridge Street House
30-34 New Bridge Street
London EC4V 6BJ
Date:

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating Income and Expenditure Account & Statement of Total Realised Gains and Losses)
For the year ended 31 March 2012

	Note	Unrestricted Funds 2012 £	Restricted Funds 2012 £	Total Funds 2012 £	Total Funds 2011 £
INCOMING RESOURCES					
Incoming resources from generated funds:					
Voluntary income	2	34,204	67,681	101,885	72,036
Activities for generating funds	3	-	-	-	4,844
Bank interest receivable		537	-	537	549
Incoming resources from charitable activities	4	18,940	-	18,940	32,740
Other incoming resources		752	-	752	4,727
TOTAL INCOMING RESOURCES		54,433	67,681	122,114	114,896
RESOURCES EXPENDED					
Costs of generating funds	6	19,220	-	19,220	16,785
Charitable activities					
Programme and Educational Activities	7	52,811	78,148	130,959	101,503
Governance costs	8	6,493	-	6,493	7,892
TOTAL RESOURCES EXPENDED	5	78,524	78,148	156,672	126,180
Net income/(expenditure) before transfer		(24,091)	(10,467)	(34,558)	(11,284)
Transfer between funds	15	1,051	(1,051)	-	-
NET MOVEMENT IN FUNDS		(23,040)	(11,518)	(34,558)	(11,284)
TOTAL FUNDS AT 1 APRIL 2011		74,803	48,786	123,589	134,873
TOTAL FUNDS AT 31 MARCH 2012		£ 51,763	£ 37,268	£ 89,031	£ 123,589

The annexed notes form part of these financial statements

BALANCE SHEET
As at 31 March 2012

	Notes	£	2012 £	£	2011 £
FIXED ASSETS					
Tangible assets	12		29,161		<i>34,838</i>
CURRENT ASSETS					
Stocks		1,260		<i>3,954</i>	
Debtors	13	3,445		<i>4,754</i>	
Cash at bank and in hand		84,915		<i>105,889</i>	
		89,620		<i>114,597</i>	
CREDITORS: amounts falling due within one year					
	14	(29,750)		<i>(25,846)</i>	
NET CURRENT ASSETS					
			59,870		<i>88,751</i>
CURRENT ASSETS					
			£ 89,031		<i>£ 123,589</i>
FUNDS					
Restricted funds			37,268		<i>48,786</i>
Unrestricted funds:					
Designated funds		29,161		<i>34,838</i>	
General fund		22,602		<i>39,965</i>	
			51,763		<i>74,803</i>
			£ 89,031		<i>£ 123,589</i>

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

Board of Trustees' 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 Board of Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008). They were approved, and authorised for issue, by the Board of Trustees on September 2012 and signed on their behalf by:-

KIRSTEN DUNNE, Chair

SIMON TUTTLE, Treasurer

The annexed notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2012

1. ACCOUNTING POLICIES

Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" published in 2005, applicable accounting standards and the Financial Reporting Standard for Smaller Entities (effective April 2008).

The effects of events relating to the year ended 31 March 2012 which occurred before the date of approval of the financial statements by the Board of Trustees has been included in the financial statements to the extent required to show a true and fair view of the state of affairs at 31 March 2012 and the results for the year ended on that date.

Company status

Peer UK Ltd is a company limited by guarantee. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the Charity.

Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objects of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors which have been raised by the Charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements. Statutory grants which are given as contributions towards the Charity's core services are treated as unrestricted.

Incoming resources

All incoming resources are included in the Statement of Financial Activities when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Donated equipment and facilities are included at the value to the Charity where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

Membership income relates to a Friends scheme initiated in 2009, with two levels of support and neither is for receiving any financial gain from the Charity or having any legal entitlement at the AGM. The income is therefore accounted for in the period received.

Gift Aid donations are recognised at the point when the related income is receivable.

Resources expended

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Support costs, which cannot be directly attributed to particular activities, have been apportioned proportionately to the direct staff costs allocated to the activities. Governance costs include the costs of servicing Trustees' meetings, audit and strategic planning.

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Office equipment	-	3 years
Leasehold improvements	-	7 years (period of lease)

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2012
Stocks

Stock of publications and editions are valued at the lower of cost and net realisable value.

Operating leases

Rentals applicable to operating leases are charged to the Statement of Financial Activities over the period in which the cost is incurred.

Comparative figures

Presentation of comparative figures is not necessarily consistent with the previous year.

2. VOLUNTARY INCOME

	Unrestricted Funds 2012 £	Restricted Funds 2012 £	Total Funds 2012 £	Total Funds 2011 £
Trusts/Foundations/Education	-	5,781	5,781	10,000
Paul & Louise Cooke	12,000	8,000	20,000	-
Arts Council of England	5,300	22,000	27,300	7,700
Paul Hamlyn Trust	5,600	31,900	37,500	25,000
Jack Kirkland	3,000	-	3,000	-
Other donations	4,754	-	4,754	16,590
Gift in kind	-	-	-	5,000
Membership	3,550	-	3,550	3,575
Recoupment of project production	-	-	-	4,171
	<u>£ 34,204</u>	<u>£ 67,681</u>	<u>£ 101,885</u>	<u>£ 72,036</u>

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted Funds 2012 £	Restricted Funds 2012 £	Total Funds 2012 £	Total Funds 2011 £
Corporate sponsorship	-	-	-	2,500
Rechargeable income	-	-	-	2,344
	<u>£ Nil</u>	<u>£ Nil</u>	<u>£ Nil</u>	<u>£ 4,844</u>

4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted Funds 2012 £	Restricted Funds 2012 £	Total Funds 2012 £	Total Funds 2011 £
Editions sales	8,815	-	8,815	18,528
Gallery sales	9,310	-	9,310	13,415
Publication sales	815	-	815	797
	<u>£ 18,940</u>	<u>£ Nil</u>	<u>£ 18,940</u>	<u>£ 32,740</u>

5. RESOURCES EXPENDED

	Staff costs £	Activities under-taken directly £	Support costs £	Total 2012 £	Total 2011 £
Programme and Educational Activities	31,111	65,780	34,068	130,959	101,503
Costs of generating funds	9,043	270	9,907	19,220	16,785
Governance costs	1,977	2,352	2,164	6,493	7,892
Support costs	9,837	36,302	(46,139)	-	-
	<u>£ 51,968</u>	<u>£ 104,704</u>	<u>£ Nil</u>	<u>£ 156,672</u>	<u>£ 126,180</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2012

6. COSTS OF GENERATING FUNDS

	Unrestricted Funds 2012 £	Restricted Funds 2012 £	Total Funds 2012 £	Total Funds 2011 £
Costs of fundraising	270	-	270	1,740
Allocation of salary costs	9,043	-	9,043	8,238
Allocation of support costs	9,907	-	9,907	6,807
	<u>£ 19,220</u>	<u>£ Nil</u>	<u>£ 19,220</u>	<u>£ 16,785</u>

7. PROGRAMME & EDUCATIONAL ACTIVITIES

	Unrestricted Funds 2012 £	Restricted Funds 2012 £	Total Funds 2012 £	Total Funds 2011 £
Fees	250	14,140	14,390	3,818
Expenses	-	1,124	1,124	1,265
Travel and accommodation	99	997	1,096	60
Hire fees	-	2,515	2,515	4,917
Equipment	-	66	66	307
Materials	-	9,318	9,318	9,428
Signage and documentation	-	943	943	1,870
Project development	-	20	20	-
Sundry direct costs	-	74	74	1,425
Transport and couriers	-	508	508	191
Sale or return	-	500	500	-
Advertising	-	1,086	1,086	455
Invites print	-	2,218	2,218	758
Mail out	-	2,362	2,362	1,303
Design & reproduction	-	1,400	1,400	894
Casual labour	-	4,108	4,108	1,306
Private views	-	1,596	1,596	469
Artists' dinners	-	538	538	341
Sundry	-	69	69	-
Education projects fees	-	5,063	5,063	6,016
Education projects expenses	-	890	890	259
Talks	-	860	860	185
Booklets	-	123	123	1,932
Direct administrative support	-	-	-	90
Monitoring and evaluation fees	-	2,900	2,900	-
Gallery sales	3,068	2,076	5,144	7,504
Editions productions	6,869	-	6,869	6,633
Direct costs subsidy	2,105	(2,105)	-	-
Allocation of salary costs	22,806	8,305	31,111	13,685
Allocation of support costs	17,614	16,454	34,068	36,392
	<u>£ 52,811</u>	<u>£ 78,148</u>	<u>£ 130,959</u>	<u>£ 101,503</u>

8. GOVERNANCE COSTS

	Unrestricted Funds 2012 £	Restricted Funds 2012 £	Total Funds 2012 £	Total Funds 2011 £
Independent examiner's fees	2,352	-	2,352	2,160
Allocation of salary costs	1,977	-	1,977	2,746
Allocation of support costs	2,164	-	2,164	2,986
	<u>£ 6,493</u>	<u>£ Nil</u>	<u>£ 6,493</u>	<u>£ 7,892</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2012

9. SUPPORT COSTS

	2012	2011
	£	£
Rent and rates	13,990	14,817
Office supplies	1,068	841
Telephone	723	201
Computer equipment	192	-
Legal fees	-	5,000
Travel & couriers	731	443
Gas, electricity & water	1,121	1,558
IT & website	1,551	910
Building maintenance	-	55
Postage & shipping	103	231
Research & development	408	35
Hospitality	282	137
Insurance	1,060	788
Administrative support	5,774	5,730
Book-keeping	1,008	1,575
Costs of membership scheme	1,447	-
Depreciation	444	641
Leasehold depreciation	5,762	5,762
Bank charges	218	302
Sundry expenses	420	316
Staff costs	9,837	6,843
	<u>£ 46,139</u>	<u>£ 46,185</u>

Support costs that cannot be directly attributed to particular activities have been apportioned proportionately to the direct staff costs allocated to the activities

10. BOARD OF TRUSTEES

During the year, no member of the Board of Trustees received any remuneration (2011 - £NIL). No member of the Board of Trustees received any reimbursement of expenses (2011 - £NIL).

11. STAFF NUMBERS AND COSTS

	2012	2011
	£	£
Salaries	46,823	28,800
Social security costs	5,145	2,712
	<u>£ 51,968</u>	<u>£ 31,512</u>

The average weekly number of employees, calculated as full time equivalents, during the period was:

	Number	Number
Costs of generating funds	0.39	0.40
Programme and Educational Activities	1.00	0.30
Governance costs	0.07	0.10
Support costs	0.54	0.20
	<u>2.00</u>	<u>1.00</u>

No employee received remuneration of more than £60,000 per annum.
The comparatives have been restated to reflect estimated staff costs relating to Support activity

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2012

12. TANGIBLE FIXED ASSETS

	Office equipment £	Leasehold improv'ts £	Total £
Cost			
At 1 April 2011	3,010	40,333	43,343
Additions	529	-	529
Disposals	(1,089)	-	(1,089)
At 31 March 2012	<u>2,450</u>	<u>40,333</u>	<u>42,783</u>
Depreciation			
At 1 April 2011	2,743	5,762	8,505
Charge for the year	444	5,762	6,206
On disposals	(1,089)	-	(1,089)
At 31 March 2012	<u>2,098</u>	<u>11,524</u>	<u>13,622</u>
Net book value			
At 31 March 2011	£ 267	£ 34,571	£ 34,838
At 31 March 2012	<u>£ 352</u>	<u>£ 28,809</u>	<u>£ 29,161</u>

The leasehold improvements have been amortised over the period of the lease expiring in May 2017.

	Unrestricted Funds 2012 £	Restricted Funds 2012 £	Total Funds 2012 £	Total Funds 2011 £
Net movement in funds	(23,040)	(11,518)	(34,558)	(11,284)
Net movement in fixed assets for the year	5,677	-	5,677	(33,930)
Movement in funds for charitable activity	<u>£ (17,363)</u>	<u>£ (11,518)</u>	<u>£ (28,881)</u>	<u>£ (45,214)</u>

13. DEBTORS

	2012 £	2011 £
Due within one year		
Trade debtors	360	870
Grants & donations receivable	1,645	2,500
Prepayments	1,440	1,384
	<u>£ 3,445</u>	<u>£ 4,754</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 £	2011 £
Trade creditors	1,994	3,440
Deferred grant income	12,500	14,500
Social security and other taxes	2,174	393
Accruals	13,082	7,513
	<u>£ 29,750</u>	<u>£ 25,846</u>
<i>Deferred income</i>		
Balance at 1 April 2011	14,500	-
Amount released to incoming resources	(14,500)	-
Amount deferred in the year	12,500	14,500
Balance at 31 March 2012	<u>£ 12,500</u>	<u>£ 14,500</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2012

15. RESERVES

	Brought Forward £	Incoming Resources £	Resources Expended £	Transfers between funds £	Carried Forward £
DESIGNATED FUNDS					
Fixed Asset Fund	£ 34,838	£ Nil	£ Nil	£ (5,677)	£ 29,161
RESTRICTED FUNDS					
Stuart Brisley		7,000	(7,000)	-	-
John Smith	-	10,075	(10,075)	-	-
Michael Fortune	-	1,706	(655)	(1,051)	-
Andrew Lanyon	-	10,000	(10,000)	-	-
Sam Porritt	-	2,000	(2,000)	-	-
Paul Hamlyn - education programme	6,664	31,900	(38,564)	-	-
Makela Films	-	5,000	(5,000)	-	-
Expansion project	42,122	-	(4,854)	-	37,268
	£ 48,786	£ 67,681	£ (78,148)	£ (1,051)	£ 37,268
SUMMARY OF FUNDS					
Designated Funds	34,838	-	-	(5,677)	29,161
General Funds	39,965	54,433	(78,524)	6,728	22,602
	74,803	54,433	(78,524)	1,051	51,763
Restricted Funds	48,786	67,681	(78,148)	(1,051)	37,268
	£ 123,589	£ 122,114	£ (156,672)	£ Nil	£ 89,031

The restricted funds represent the various different projects carried out by the Charity but, in accordance with SORP 2005, expenditure is shown limited to the corresponding restricted income with the balance funded by unrestricted income. The Michael Fortune project surplus offsets a deficit incurred in the previous year.

The Expansion Project includes the sum allocated to the Additional Public Realm Project as agreed with funders, Shoreditch Trust, in 2008-09. The funding condition relating to the capital works are considered to have been fulfilled and therefore the cost of the works have been transferred to Designated funds.

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds			Total Funds £
	Designated Funds £	General Funds £	Restricted Funds £	
Tangible fixed assets	29,161	-	-	29,161
Net current assets	-	22,602	37,268	59,870
	£ 29,161	£ 22,602	£ 37,268	£ 89,031

17. RELATED PARTY TRANSACTION

Felicity Allen, a trustee, was appointed as a consultant with a fee of £2,900 to undertake monitoring evaluation in the year. She did not attend the meeting at which the decision was made and the Trustees consider the appointment to be on an 'at arms' length basis'. Following discussions with the Charity Commission, the Charity's Memorandum and Articles of Association were altered to allow the payment to take place.