

PEER UK LTD

**(Company limited by guarantee no. 05757614
registered charity no. 1115091)**

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2016

PEER UK LTD

(Company limited by guarantee no. 05757614, registered charity no. 1115091)

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2016

CONTENTS

	Page
Legal and administrative information	1
Board of Trustees' report	2
Independent examiner's report	8
Statement of financial activities	9
Balance sheet	10
Notes to the financial statements	11

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY,
ITS TRUSTEES AND ADVISERS**
For the year ended 31 March 2016

Board of Trustees	Felicity Allen Achim Borchardt-Hume Craig Burnett Juan Cruz Jeffrey McMillan Fiona Murphy Simon Tuttle Alister Warman Antoinette O'Loughlin	(Chair to 26 October 2015) (Acting chair from 26 October 2015, Chair from 26 January 2016) (appointed 9 March 2016) (appointed 9 March 2016) (Treasurer) (resigned 28 May 2015)
Director/Chief Executive	Ingrid Swenson	
Company reg. no.	05757614	
Charity reg. no.	1115091	
Registered office	99 Hoxton Street London N1 6QL	
Independent examiner	Chris Harris CPFA 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 2016

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 2016. 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 (FRS102) .

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 2016 there were 9 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 works 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

Much of the organization's energy and focus - while maintaining a lively programme - was taken up by planning and executing the Capital Project which led to the much anticipated opening of substantially improved gallery facilities in April 2016.

During 2015 – 2016 PEER carried out and completed its ambitious two-phase capital improvement project. This report therefore reflects the focus of our activity as being the project management of the construction works and carrying out the remaining fundraising. The financial management of the organisation was very carefully monitored throughout this period to minimise risk and ensure that incoming resources were always sufficient to cover expenditure. This was aided by the phasing of the capital improvement works.

BOARD OF TRUSTEES' REPORT
For the year ended 31 March 2016

In the previous year PEER had been granted £140K from an Arts Council Small Scale Capital Award, to which it was able to add £37K from an historical ringfenced Deutsche Bank award, and £15K from the Mayor's Pocket Park scheme. A further £88K was raised in this financial year to match the Arts Council England award, enabling PEER to complete the capital works.

To achieve this the main areas of fundraising were:

- Applications to trusts and foundations
- An application to The Mayor's High Street Fund, which was dependent on a successful Spacehive crowd funding campaign.
- Participation in a sale at a major auction house
- Individual supporters

The Arts Council Small Scale Capital Award had been awarded in November 2014 and was time sensitive, which meant that it had to be spent by March 31, 2016. This provided a powerful impetus to achieve the fundraising target and progress the works as quickly as possible. We were also determined to minimise the interruption to the gallery programme during the building works and to maintain contact with our audiences as much as possible.

The tendering process for the first phase of works was more protracted than first anticipated because of the relatively modest size of the job coupled with the complexities of working on the public highway, which required a specialist contractor. The first phase of works to improve the public realm area to the front and west of PEER began in early July. The initial plan for a six-week construction period encountered some delays as a result of live underground utilities and very extensive concrete foundations. This first phase was completed in early September with the public celebration specifically targeting the local community on September 19.

The second phase of works to install a new façade, create a single entrance and carry out significant upgrades to the gallery spaces began in late January and was completed by the end of March 2016. This phase of works was completed on time and was within budget. The Mayor of London held a press event during the building works to launch their second round of funding for the Mayor's High Street Fund which the Deputy Mayor and the Hackney Councillor for Regeneration attended.

In March 2016 PEER took part in a day sale at Sotheby's. The auction house waived their usual percentage of sales and provided all services and marketing free of charge. Seventeen works of art were donated by a wide range of artists to be sold to benefit the organization showing the wider support in the artistic community for PEER's work. The contributing artists were: Phyllida Barlow, Jake & Dinos Chapman, Hannah Collins, Keith Coventry, Martin Creed, Angela de la Cruz, Tracey Emin, Anya Gallaccio, Joy Gerrard, Antony Gormley, Callum Innes, Elizabeth Magill, Chris Ofili, Cornelia Parker, Grayson Perry, Gavin Turk and Mark Wallinger. A total of £45,500 of unrestricted funds were raised.

BOARD OF TRUSTEES' REPORT
For the year ended 31 March 2016

Staffing and organisational development

In order to benefit from the flexibility of freelance opportunities offered to her, the Deputy Director, Gemma Lloyd, stepped down in December 2015. This post had initially been full time, but had become three days per week after her return from maternity leave. In January 2016, the Deputy Director post was replaced by a four days per week General Manager Natasha Vicars, initially for four months to the end of April to see through the capital works programme.

In May 2015, PEER received confirmation from The Cockayne Foundation that its application for £25,000 had been successful. This funding enabled PEER to engage a freelance consultant as Curator of Local Audiences to which £20,000 of the grant was allocated to programme costs. The remaining £5,000 was allocated to the capital development project or programme.

In September 2015 PEER received confirmation from The Paul and Louise Endowment that they would renew their support of £20,000 per annum for a further two years in 2015/16 and 2016/17. This generous and greatly valued income marked the sixth and seventh year of support. The Endowment further agreed that this funding would again be unrestricted, and could be allocated to core costs, capital development or programme.

PEER signed up with Creative Access, a government supported scheme for young graduates from Black, Asian and minority ethnic backgrounds to have paid internships in the UK's top creative and media organisations. In July 2015, Khadija Saye began her three days per week, six month internship, which was extended by a further three months to the end of April 2016.

A consultant fundraiser, Zoe McLeod from Counterculture Partners was engaged to work specifically on the capital development fundraising during the spring and summer, with a specific focus on making approaches to trusts and foundations.

PEER welcomed two new trustees to the board at its meeting of 9 March 2016 – artist Jeff McMillan and art historian Craig Burnett, Director at Blain Southern Gallery. Together they bring fresh views to the Board adding the voices of a local artist of significant stature and of commercial expertise.

Programme

The capital improvement works necessarily curtailed the regular gallery programme, but PEER worked hard to ensure that local audiences were kept informed of developments and could be engaged in the developments as far as possible.

In 2015/16 PEER reached a total audience of 24,800 through exhibitions and events at the gallery and outside it around Hoxton Street. Additional figures of 72,000 were recorded through works originally commissioned by PEER, including works by Fiona Banner and William Hunt in 2014–15 that were subsequently shown at Ikon Gallery, Birmingham and Crawford Art Gallery in Ireland respectively.

Fourthland – Everything Happens on the Street – June to September 2015

The art collective Fourthland (Louise Sayerer and Eva Vikstrom) carried out a process-led residency, which comprised six workshops on the street in front of PEER and in the gallery and culminated in an exhibition, two storytelling sessions and a performance for the launch celebrations at PEER. The focus of their project was to communicate the Phase One works to the local community and its residents and in so doing to help foster goodwill and good neighbourly relationships in relation to the re-landscaping and development work that took place.

BOARD OF TRUSTEES' REPORT
For the year ended 31 March 2016

Joanne Dorking – ‘Opping

Local resident and artist, Joanne Dorking, was commissioned to create an installation that directly referenced a specific element of the history of working class culture and values in Hoxton. The work was in commemoration of ‘hopping’ – the summertime tradition of London’s East Enders from the turn of the century to the 1960s to travel to Kent for a working holiday for multigenerational groups of families and friends to spend time in the countryside.

Kathy Prendergast – residency – May to October 2015

During the first phase of external works, only limited use could be made of PEER’s participation space. To make sure its full potential was realized nonetheless, it was offered to artist, Kathy Prendergast as a residency space for six months from May to October 2015, during which time she produced a major new body of work, which will be exhibited in Dublin in autumn 2016.

Joy Gerrard – Protest Crowd – October to November 2015

A gap between the two phases of building works enabled this exhibition of large paintings and small-scale ink drawings to take place. The depiction of large crowds of political protestors taken from newspapers and web-based media linked with the project at the beginning of the year with Fugitive Images. The artist produced a series of 10 small works as an edition to sell to benefit PEER of which three were sold. Two works from the exhibition were sold, of which PEER received a percentage. A public discussion with fellow artist, Rut Blees Luxemburg was held on November 14. The artist was invited to present a solo exhibition at the Royal Hibernian Academy in January 2017 as a result of her exhibition at PEER.

Collateral events

Hoxton Market tombola and raffle August 22 for Spacehive fundraising campaign
Book launch for Derrick Porter ‘The Hoxton Poet’s first book of poetry, Voices of Hoxton 13 November
Book launch for Matt Calderwood book, 13 January 2016
Experimental photography workshop led by Will Bock for 8 UAL students, 10 November 2015

Local Partnerships

In early 2016 PEER began developing a public art project in partnership with North & South Arden Tenant Management Organisation, Shoreditch Library, Shakespeare in Shoreditch and people living and working in Hoxton. The project culminated in summer 2016 with a 25-metre mural in an underused play space celebrating local connections to Shakespeare.

The art collective London Fieldworks (Jo Joelson and Bruce Gilchrist) were commissioned to make a large public sculpture in the form of over 200 bird boxes for the new ‘pocket park’. This project began during 2015-16 and was installed the following year. To supplement the Henry Moore Foundation grant, a limited edition print was produced with the proceeds going towards this project.

BOARD OF TRUSTEES' REPORT
For the year ended 31 March 2016

During 2015/16 PEER worked with the following funders and partners

Acme	Lux
Arts Council England	North & South Arden Tenant Management Organisation
Blakedown	Paul and Louise Cooke Endowment
Blou construction	Shakespeare in Shoreditch
Burnley Wilson Fish	Shoreditch Library
Counterculture Partners	Sotheby's
Crawford Art Gallery, Cork, Ireland	Spacehive
Creative Access	St Anne's Church, Hoxton
Fabrique	Thamesis Publications
Groundwork Hackney	The Ampersand Foundation
Hackney Community College	The Cockayne Foundation
Hackney Council Cultural Development Team	The Henry Moore Foundation
Hackney Council VCS	The Mayor of London
Hato Press	The Shoreditch Trust
Hoxton Hall	Trevor Horne architects
Hoxton Trust	Whitechapel Gallery
International Association of Art Critics	
Ivy Street Family Centre	

Financial review

The results of the Charity's operation are set out in the financial statements. The net inflow of funds for the year amounted to £183,050 (2015 : £18,745). The surplus at 31 March 2016 amounted to £329,959 (2015 : £146,909), with £24,600 relating to restricted funds carried forward.

Reserve Policy

The Trustees consider the minimum level of reserves required to ensure the continuing running of the Charity to be approximately four months' general running costs being £35,000. The Trust's free reserves as at 31 March 2016 stood at £99,126. This amount includes an estimated valuation of £13,000 of PEER's stock of artists' editions, thus making the cash reserves at around £86,000. This unusually high level of reserves is the result of PEER's successful participation in an auction at Sotheby's in March 2016, which raised £45,500 and was received into the account in April 2016.

PEER acknowledges that there is significant economic uncertainty at the present time that has seen pressure put upon both private and corporate giving. This in turn has put an additional burden on Trusts and Foundations and how they allocate their fixed resources. While PEER is seeking ways to mitigate these risks with specific fundraising initiatives, it also believes that it is currently prudent to have healthy cash balances on hand that will allow it to manage any unforeseen decreases in income generation that may arise from the economic situation and the uncertain funding climate over the coming year(s).

BOARD OF TRUSTEES' REPORT
For the year ended 31 March 2016

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).

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.

BOARD OF TRUSTEES' REPORT
For the year ended 31 March 2016

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 07 December 2016 and signed on its behalf by:

Achim Borchardt-Hume
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 2016 set out on pages 9 to 18.

Respective responsibilities of Board of Trustees and independent examiner

The Board of Trustees, who are the directors of Peer UK Ltd for the purposes of company law, and the Trustees for the purposes of charity law, are responsible for the preparation of the financial statements. The Board of Trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of CPFA.

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 145 of the 2011 Act;
- follow the procedures laid down in the general Directions given by the Charity Commissioners under section 145(5)(b) of the 2011 Act; 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.

Chris Harris CPFA
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 2016

	Note	Unrestricted Funds 2016 £	Restricted Funds 2016 £	Total Funds 2016 £	Total Funds 2015 £
INCOME FROM:					
Donations and legacies	2	134,439	217,257	351,696	132,189
Bank interest receivable		64	-	64	86
Charitable activities	3	12,315	615	12,930	15,312
Other income		938	-	938	3,685
TOTAL INCOME		147,756	217,872	365,628	151,272
EXPENDITURE ON:					
Staffing costs	4	35,428	15,184	50,612	50,242
Programme & Educational activities:			-		
Fees and expenses		10,705	4,875	15,580	14,961
Exhibitions, events and project production		2,812	-	2,812	13,808
Marketing		435	260	695	3,447
CAT expenses		683	24,061	24,744	20,499
Gallery and edition sale costs		755	-	755	480
Support costs:					
Rent and rates		22,902	-	22,902	8,526
Office costs		7,089	44	7,133	3,364
Communications		3,735	-	3,735	3,634
Utilities		1,217	-	1,217	1,108
Insurance		1,147	-	1,147	1,115
Depreciation		40,893	-	40,893	6,378
Bank charges		190	-	190	317
Accountancy		1,000	-	1,000	1,020
Legal & professional		5,263	-	5,263	748
Independent Examiner's fees		3,900	-	3,900	2,880
TOTAL EXPENDITURE		138,154	44,424	182,578	132,527
Net income/(expenditure) before transfer		9,602	173,448	183,050	18,745
Transfer between funds	8	207,630	(207,630)	-	-
Net incoming/(outgoing) resources before other recognised gains and losses		217,232	(34,182)	183,050	18,745
NET MOVEMENT IN FUNDS		217,232	(34,182)	183,050	18,745
TOTAL FUNDS AT 1 APRIL 2015		88,127	58,782	146,909	128,164
TOTAL FUNDS AT 31 MARCH 2016		£ 305,359	£ 24,600	£ 329,959	£ 146,909

The annexed notes form part of these financial statements

BALANCE SHEET
As at 31 March 2016

	Notes	2016	2015
		£	£
FIXED ASSETS			
Tangible assets	5	206,233	12,233
CURRENT ASSETS			
Stocks		13,255	11,500
Debtors	6	47,853	8,020
Cash at bank and in hand		107,117	121,705
		<u>168,225</u>	<u>141,225</u>
CREDITORS: amounts falling due within one year	7	<u>(44,499)</u>	<u>(6,549)</u>
NET CURRENT ASSETS		123,726	134,676
CURRENT ASSETS		<u>£ 329,959</u>	<u>£ 146,909</u>
FUNDS			
Restricted funds		24,600	58,782
Unrestricted funds:			
Designated funds		206,233	12,233
General fund		99,126	75,894
		<u>305,359</u>	<u>88,127</u>
		<u>£ 329,959</u>	<u>£ 146,909</u>

For the year ended 31 March 2016 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. They were approved, and authorised for issue, by the Board of Trustees on 7 December 2016 and signed on their behalf by:

ACHIM BORCHARDT-HUME, Chair

The annexed notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2016

1. ACCOUNTING POLICIES

General information and basis of preparation

Peer UK LTD is a company limited by guarantee in the United Kingdom. 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. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are promoting and providing public facilities for the exhibition and study of work of art.

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements have been prepared in accordance with 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) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the charity has taken advantage of the early adoption of the Charity SORP 2015 Update Bulletin issued on 2 February 2016, the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

The charity has adopted the SORP (FRS 102) in the current year. The effect of the transition from SORP (2005) to SORP (FRS 102) has been considered. In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was needed. No restatements were required.

Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives 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 or 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.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2016

Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Trustees' Annual Report.

Where practicable, gifts in kind donated for distribution to the beneficiaries of the charity are included in stock and donations in the financial statements upon receipt. If it is impracticable to assess the fair value at receipt or if the costs to undertake such a valuation outweigh any benefits, then the fair value is recognised as a component of donations when it is distributed and an equivalent amount recognised as charitable expenditure.

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.

Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised.

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2016

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

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

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing stock to its present location and condition. Provision is made for damaged, obsolete and slow-moving stock where appropriate.

The majority of the stock consists of donated items. The attributed value has been discounted from the advertised market price to reflect the uncertainty as to the date of sale and recognition that some of the items may finally be sold at amounts significantly lower than this price.

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Provisions

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

Operating leases

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

Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes

Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2016

2. DONATIONS & LEGACIES

	Unrestricted Funds 2016 £	Restricted Funds 2016 £	Total Funds 2016 £	<i>Total Funds 2015 £</i>
The Paul and Louise Endowment	20,000	-	20,000	20,000
Arts Council of England	52,090	140,000	192,090	50,290
Arts Council - Catalyst	-	6,395	6,395	25,580
Ampersand Foundation	-	-	-	15,000
Henry Moore Foundation	-	-	-	2,000
Local authorities	-	15,000	15,000	-
Other trusts & foundations	-	34,875	34,875	6,450
Other donations	43,889	20,987	64,876	7,687
Gift in kind	16,750	-	16,750	-
Membership	1,710	-	1,710	5,182
	£ 134,439	£ 217,257	£ 351,696	£ 132,189

Income from donations and legacies was £306,196 (2014-15: £132,189) of which £88,939 was unrestricted (2014-15: £83,809) and £217,257 was restricted (2014-15: £48,380).

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds 2016 £	Restricted Funds 2016 £	Total Funds 2016 £	<i>Total Funds 2015 £</i>
Movement in value of donated goods	1,755	-	1,755	(3,500)
Editions sales	5,855	-	5,855	4,581
Gallery sales	4,250	-	4,250	13,963
Publication sales	313	-	313	268
Event income	142	615	757	-
	£ 12,315	£ 615	£ 12,930	£ 15,312

Income from charitable activities was £12,930 (2014-15: £15,312) of which £12,315 (£15,312) was unrestricted and £615 (2014-15: Nil) was restricted.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2016

4. EMPLOYMENT COSTS AND STAFF NUMBERS

	2016 £	2015 £
Salaries	48,211	47,448
Social security costs	2,401	2,794
	<u>£ 50,612</u>	<u>£ 50,242</u>

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

	Number	Number
Costs of generating funds	1.00	1.00
Programme and Educational Activities	0.70	0.70
Governance costs	0.10	0.10
Support costs	0.20	0.20
	<u>2.00</u>	<u>2.00</u>

No employee received remuneration of more than £60,000 per annum.

5. TANGIBLE FIXED ASSETS

	Office equipment £	Leasehold improv'ts £	Total £
Cost			
At 1 April 2015	4,291	40,333	44,624
Additions	1,879	233,014	234,893
Disposals	(800)	-	(800)
At 31 March 2016	<u>5,370</u>	<u>273,347</u>	<u>278,717</u>
Depreciation			
At 1 April 2015	3,575	28,816	32,391
Charge for the year	1,843	39,050	40,893
On disposals	(800)	-	(800)
At 31 March 2016	<u>4,618</u>	<u>67,866</u>	<u>72,484</u>
Net book value			
At 31 March 2015	£ 716	£ 11,517	£ 12,233
At 31 March 2016	<u>£ 752</u>	<u>£ 205,481</u>	<u>£ 206,233</u>

The leasehold improvements have been amortised over the period of the new lease expiring in September 2022.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2016

6. DEBTORS

	2016	2015
	£	£
Due within one year		
Trade debtors	247	4,715
Grants & donations receivable	45,500	-
Sundry debtors	510	510
Prepayments	1,596	2,795
	<u>£ 47,853</u>	<u>£ 8,020</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Trade creditors	26,497	1,436
Social security and other taxes	1,820	1,123
Other creditors	1,633	90
Accruals	14,549	3,900
	<u>£ 44,499</u>	<u>£ 6,549</u>

<i>Deferred income</i>	£	£
Balance at 1 April 2015	-	9,500
Amount released to incoming resources	-	(9,500)
Amount deferred in the year	-	-
Balance at 31 March 2016	<u>£ Nil</u>	<u>£ Nil</u>

8. RESERVES

	Brought Forward	Incoming Resources	Resources Expended	Transfers between funds	Carried Forward
	£	£	£	£	£
DESIGNATED FUNDS					
Fixed Asset Fund	<u>£ 12,233</u>	<u>£ Nil</u>	<u>£ (40,893)</u>	<u>£ 234,893</u>	<u>£ 206,233</u>

RESTRICTED FUNDS

	Brought Forward	Incoming Resources	Resources Expended	Transfers between funds	Carried Forward
	£	£	£	£	£
ACE Catalyst	14,725	6,395	(21,120)	-	-
Real Estates Project	1,605	615	(2,220)	-	-
Ampersand Foundation - Deputy Director Post	12,452	-	(12,452)	-	-
Cockayne Foundation - Local Audiences Programme	-	20,000	(3,195)	-	16,805
Creative Access Grants	-	2,500	(2,500)	-	-
Neil Clements	-	3,000	-	-	3,000
Barry Thompson	-	5,000	(205)	-	4,795
Capital Development Project	30,000	180,362	(2,732)	(207,630)	-
	<u>£ 58,782</u>	<u>£ 217,872</u>	<u>£ (44,424)</u>	<u>£ (207,630)</u>	<u>£ 24,600</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2016

The restricted funds represent the various different projects carried out by the Charity as commented on in more detail in the Trustees Report. As the funding for the deputy director post was received late in the year this post was not recruited at the year end and so this donation has been carried forward to be spent in the forthcoming year.

The Capital Development Project includes the sum allocated to a public realm project as agreed with funders, Deutsche Bank in 2007. The gallery refurbishment commenced in 2015-16. However it was agreed with the funder that an element of the grant could be used to fund the General Manager's salary during the course of the year. In relation to the rest of the capital income as there was no continuing restriction on the use of funds the balance on the fund has been transferred to the designated fixed asset fund.

	Brought Forward £	Incoming Resources £	Resources Expended £	Transfers between funds £	Carried Forward £
SUMMARY OF FUNDS					
Designated Funds	12,233	-	(40,893)	234,893	206,233
General Funds	75,894	147,756	(97,261)	(27,263)	99,126
	<u>88,127</u>	<u>147,756</u>	<u>(138,154)</u>	<u>207,630</u>	<u>305,359</u>
Restricted Funds	58,782	217,872	(44,424)	(207,630)	24,600
	<u>£ 146,909</u>	<u>£ 365,628</u>	<u>£ (182,578)</u>	<u>£ Nil</u>	<u>£ 329,959</u>

9. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds			Total Funds £
	Designated Funds £	General Funds £	Restricted Funds £	
Tangible fixed assets	206,233	-	-	206,233
Net current assets	-	99,126	24,600	123,726
	<u>£ 206,233</u>	<u>£ 99,126</u>	<u>£ 24,600</u>	<u>£ 329,959</u>

10. TRUSTEES' AND KEY MANGEMENT PERSONNEL REMUNERATION AND EXPENSES

The trustees neither received nor waived any remuneration during the year (2015: £Nil).

The total amount of employee benefits received by key management personnel is £32,000 (2015 - £32,000). The Trust considers its key management personnel comprise of trustees and Chief Executive.

None of (2015 – None) trustees are accruing pension arrangements.

The trustees did not have any expenses reimbursed during the year (2015 - £Nil).