

ART SERVICES GRANTS LIMITED
known as [space]

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2007

ART SERVICES GRANTS LIMITED
known as [space]

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ART SERVICES GRANTS LIMITED
known as [space]

REFERENCE AND ADMINISTRATIVE DETAILS

COMPANY NUMBER	1157240
REGISTERED CHARITY NUMBER	267021
BOARD OF TRUSTEES	M Chanarin (resigned 1 October 2006) L Byrne C Wainwright F Holliss K Schubert L Hodges (appointed 23 January 2007) S Beddoe (appointed 23 January 2007) S Crab (appointed 23 January 2007) M Hillier MP (appointed 23 January 2007) A Leibowitz (appointed 17 July 2007) F Abduh'Allah (appointed 17 July 2007)
SECRETARY	A Harding
CHIEF EXECUTIVE	A Harding
REGISTERED OFFICE AND BUSINESS ADDRESS	The Triangle 129-131 Mare Street London E8 3RH
AUDITORS	Blackstone Franks LLP Chartered Accountants and Registered
Auditors	26-34 Old Street London EC1V 9QR
SOLICITORS	Stones Solicitors 21 Fore Street Okehampton Devon EX20 1AJ Clyde & Co Solicitors 51 Eastcheap London EC3M 1JP
BANKERS	Natwest Bank Plc 140 Victoria Street London SW1E 5LF COIF Charities Deposit Fund St Alphage House 2 Fore Street London EC2Y 5AQ

TRUSTEES' ANNUAL REPORT

The Trustees present their annual report and the audited financial statements for the year ended 31st March 2007.

The reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum of articles of association and the Statement of Recommended Practice Accounting and Reporting by Charities (SORP 2005).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

Art Services Grants Ltd (SPACE Studios) was set up in 1968. In 1974 it was formally registered as a Charity and incorporated as a company limited by guarantee which does not have a share capital. The company is established under a memorandum of association and is governed by its articles of association.

The Trustees who are also the directors of the company do not have any financial interest in the company nor are there any significant contracts in which any Trustee has a material interest.

Organisational Structure and Board of Trustees

The charity is managed by the Board of Trustees who may serve up to six years retiring for re-election on a tri-annual basis. Trustees may co-opt further advisors and also Patrons. The Trustees are responsible for the strategic direction and policy of the charity and meet quarterly. There are additional meetings of sub groups to discuss specific topics. The Trustees appoint the Chief Executive to whom the day to day running of the Charity is devolved.

In order to address vacancies left by the retirement of Trustees during the year, the Board has filled identified gaps by advertising for and recruiting new Trustees. Five new Trustees have been appointed as a result of this process. New Trustees meet with the Chairman, Chief Executive and other key staff as part of an induction process, and are provided with a full induction pack covering constitutional, policy and financial background, and Trustee responsibilities.

Risk Management

Risk management takes place at all levels. Operational risks are passed up for review and approval and organisation level risks are communicated down. Risk is addressed in the appraisal stages of project development. Each staff member and SPACE Trustee is responsible for managing risks. SPACE acknowledges the need to tolerate a level of risk with risks clearly identified in financial and artistic planning, with practices in place to manage them:

- An annual review of priorities ensures we meet objectives effectively.
- Our risk profile is driven by our core mission of providing for artists' production needs in a cost-effective and artist-focused way.
- Additional programmes are provided as and when funds are available and when they enhance the organisation's mission strategically.
- SPACE tolerates a level of risk with some studio building leases being held on a short-term basis.

TRUSTEES' ANNUAL REPORT (continued)

Risk management practices:

- Lease agreements have been improved in recent years to ensure that our obligations are not onerous.
- Artist tenancy agreements allow us to give one month's notice.
- Income generation targets are reviewed quarterly and appropriate action taken.
- SPACE evaluates and responds to risk at regular management meetings including:
 - quarterly Trustee meetings;
 - fortnightly studios management meetings;
 - monthly programmes meetings;
 - monthly operations meetings;
 - annual comprehensive property portfolio review.

OBJECTS AND ACTIVITIES

SPACE is an Arts Educational charity. The objects of the charity are:

- a) To aid, assist and educate necessitous artists.
- b) To foster, promote, advance, maintain and improve public education and to promote interest in and appreciation of all forms of art.

The differences it seeks to make are:

Studios: To enable artistic production by providing affordable accommodation and equipment for artists who by reason of their circumstances are unable to provide such accommodation and equipment unaided.

Programmes (Collaborations, Media Arts, Exhibitions and Professional Development): To provide educational and training opportunities enabling creative individuals from a wide range of backgrounds to work at a professional level.

ACHIEVEMENTS AND PERFORMANCE

The significant turn-around in financial performance achieved last year has been sustained in the current year. This has been an exceptionally successful year in terms of programme grants and delivery and the provision of affordable studio space.

Management

A three year strategic review and action plan were completed, which is an essential tool for our forward planning over the next five years. Key themes are: Supporting artists and art-related creative and cultural industries; Innovation and risk; Leading regeneration; Addressing diverse needs; Playing a key advocacy role; and Promoting education and research.

Our strategy focuses on:

- Providing 450-500 studios of appropriate quality and affordability for 600 artists, thereby retaining our position as London's largest affordable studio provider.

TRUSTEES' ANNUAL REPORT (continued)

- Developing strategies to replace buildings where leases come to an end, including securing diverse funding sources.
- Artist-facing and community-facing services in areas where we are developing studios.
- Working in partnership with a wide range of other parties.
- Implementing a cultural diversity action plan.

We also took the following strategic steps:

- Produced a detailed schedule of our 15 properties to inform management decisions.
- Commissioned a study on financing routes for property development.
- Established a comprehensive building maintenance programme.

Governance

A year ago we identified finance, property, legal and cultural diversity as board development needs. New trustees recruited provide expertise in finance (Lew Hodges), higher education (Stephen Beddoe), emergent technology/Marketing (Simon Crab), and advocacy (Meg Hillier MP), and property (Alan Leibowitz).

Michael Chanarin retired from the trustees during the year after many years of dedicated support, including his time as Chairman. Post the financial year end, Chris Wainwright relinquished his role as Chairman and was replaced by new Trustee, Alan Leibowitz. The Board records its thanks and appreciation to Michael Chanarin for his dedicated years of service; and to Chris Wainwright for his guidance and leadership while Chairman and in particular for seeing the organization successfully through a period of radical change. The Board is very pleased that he has agreed to stay on as a Trustee. Karsten Schubert has been appointed to the new position of Vice Chairman and Lew Hodges has been appointed Hon Treasurer.

We are delighted to have recruited British Land as pro bono property advisors, and a pro bono commercial property law advisor via Arts and Business. We continue to retain Dalton Warner Davies, chartered surveyors, as our specialist property advisors.

Financial Management

After staff restructuring and a reduction in overheads, SPACE ended the year with a much improved financial position. Designated funds have been set aside to cover maintenance and repair obligations in the property portfolio, as well as pending rent reviews.

Staff development

Staff participated in the Hackney Skills Development project with staff attending IT and management courses.

MAJOR ACHIEVEMENTS:

Studios: We provided effective studios management with very low arrears. Bad debts were under £10,000 pa and voids under 5%. Work on upgrading fire and emergency systems across sites is well under way. Additional studio units have been created in the basement of the Triangle, and excellent progress made in exploring new development opportunities.

TRUSTEES' ANNUAL REPORT (continued)

The lease on Success House, Old Kent Road expired during the year. New leases were completed for Martello Street and Vauxhall Street. A public inquiry on the future of Richmond House secured considerable awareness of SPACE studio needs and some retention of studios in the new development.

Advocacy: SPACE played a leading advocacy role for artists and affordable studios. Our annual Legacy Now symposium addressing the impact of Olympic regeneration on East London's cultural sector, looked this year at the theme Visioning the Future of the Olympic Broadcast Media Centre. Legacy Now 2 included speakers Ralph Luck, Head of Properties at the ODA, Councillor Guy Nicholson, property developers and media company Lateral. The event was supported by London Borough of Hackney's Olympic Office.

A new website was launched in January 2007.

Programmes:

SPACE demonstrated this past year its ability to deliver quality programmes which engage and inspire diverse audiences. Without these public benefits our studios would be significantly disadvantaged.

The Triangle HQ building was reopened on 7th June 2006 by Fergus Muir, Director of Culture at LOCOG and former director of the AIR Gallery. This was the first of a series of inclusive events which promoted our accessible facilities and created dynamic meeting points between artists, trainees and local communities. A priority this year was to demonstrate our capacity to deliver and host dynamic programmes and provide a platform for networking and debate. A high level of international programming was achieved with an increased diversity of visitors and those engaging in programmes. 1,100 people participated in employment related training at SPACE and 8,500 participated in programmes.

Programmes were delivered through partnerships with Cornerhouse, Asia Art+, Canada Council for the Arts, Hi8us, Old Ford Housing, Circle Anglia Housing Association, Hackney College, Hackney Museum, Leaside Regeneration and The Learning Trust.

SPACE Media are making and enhancing links between academic research, art practice and community based organisations.

Channel 5.2 art and technology education programme opened up entry to the sector for diverse participants. It attracted high levels of participation from women and black and ethnic minority backgrounds and successfully supported people into employment or higher education.

UK Sound TV www.uksoundtv.com youth led internet channel and training promoted urban street culture from East London to a global audience. Young people in Bow have engaged through training and production of broadcast and live shows. The channel attracted 2.5 million visitors. Locally, the channel is an important vehicle to promote and celebrate creative activity and contribute to community cohesion.

Training Accessible software training courses introducing the latest software developments to the creative sector included introduction to PD, Blogging, Web 2.0, XHTML and CSS training. An intensive summer school dedicated to free software and open hardware was a huge success.

TRUSTEES' ANNUAL REPORT (continued)

Tagged explored themes of electronic tagging with artist commissions from Assim Butt, Boredom Research, Mute-Dialogue, Paula Rousch and Louis-Philippe Demers and Philippe Jean. Workshops for young people, an event by Bruce Sterling, an exhibition, writing from Armin Medosch 'The Spy Chip Under your Skin', and participation in Engage HCI conference were part of the legacy of information and networks resulting from this project.

Being at St Clements commissioned artists Elizabeth Hobbs, Douglas Nicolson and Jo Lucas, mentored by Core Arts, to make work with patients in a Psychiatric hospital, producing high quality art work as well as health benefits. The project was delivered in partnership with ELCMHT.

A networking event in partnership with LB Hackney was held for organisations and individuals operating in art and technology.

Exhibitions achieved a truly international programme:

The Sweetest Dream curated by B+B included artists Nada Prlja, Tamas Kaszas and Aniko Lorant, Allsopp & Weir, Horkeskart and Nemanja Cvijanovic.

Tijuana Organic presented 10 contemporary female Mexican artists coinciding with Hackney SPICE festival. Opened by Fiona Fletcher-Smith with embassy support.

Juan Delgado commission as part of Arts Council England's strategic disability arts, performance event PIN-UP curated by Bridget Crone and exhibition by Ed Pien, Canada Council residency artist.

Lorraine Leeson retrospective in association with NGBK Berlin was a critically important exhibition accompanied by a collaboration with the Learning Trust on teacher training for 6 Hackney primary schools.

Central Asian Project simultaneous exhibitions at SPACE and Cornerhouse Manchester and 4 short residencies, followed by a tour to Central Asian venues.

Collaborations:

This year saw the start of BOPP (Bow Older Peoples Programme), a programme of artist-led collaborative projects with older people in partnership with Old Ford Housing, Age Concern and Tower Hamlets. The project challenges preconceptions about art and ageing, provides access for older people to artist-led activities, breaks down barriers and offers means to greater well-being, fulfillment and quality of life.

FreeMedia Day with MediaShed was a taster day for developing youth programmes. Engaging Young People was a symposium with speakers from Tate, Roundhouse and Kikass, the youth communications charity.

A 5-week residency by artist Godfried Donkor with Hackney Museum:

- Created a new work for the museum's Abolition 07 exhibition.
- Donkor worked with 6th form students and teachers from Cardinal Pole and Skinners schools in our new commissioning studio.

TRUSTEES' ANNUAL REPORT (continued)

- Contributed to the engage Enquire national research programme into best practice in gallery education.

Artists' Professional Development:

Trajectory artists professional development was completed, with a book published and artist event at the Groucho Club.

International residency artists were Ed Pien and Arni Haraldsson supported by Canada Council for the Arts, Alexander Ugay from Kazakhstan supported by Arts Council England, Tanya Candiani from Mexico, and SKART from Belgrade.

FINANCIAL REVIEW

The staff restructure in the year to March 2006, coupled with a cost reduction exercise across all areas, continued to produce substantial savings in the year to March 2007. The restructured staff team showed remarkable determination to produce this year's success.

Income from studios represented 71% of SPACE's revenue (2006: 73%) Occupancy in the studios was over 95%. Grant income increased by £80,321 as a result of several new projects in the year, and represented 27% of income (2006: 25%).

In addition to grants received which were restricted to specific projects, Arts Council England has continued to recognise the work of SPACE through providing a grant towards studio provision of £101,175, and £37,686 core funding towards Media Arts. The Board are very grateful for this continued recognition and support.

The excellent results for the year have allowed SPACE to rebuild its reserves and have strengthened the financial position of the organisation.

The company generated a surplus on general funds of £299,555, moving the organization back into a net current assets position.

Investment policy

The Charity's investments are managed in accordance with the Trust's governing document, having regard to the Trustee Act 2000. Monies not immediately required for the activities of the Charity were held in cash deposits at the year end.

Reserves policy

The Trustees have put in place a strategy to ensure a reserves position which will restore working capital levels, and provide a small fund to take advantage of opportunities to develop new studio properties, and have set a target range of £225,000 to £450,000 for unrestricted reserves.

At the year end the Trustees designated a fund from the unrestricted reserves to cover upgrade and repair work needed to meet obligations under Health and Safety legislation and maintenance responsibilities under current property leases, estimated at £150,000 for the coming year.

TRUSTEES' ANNUAL REPORT (continued)

PLANS FOR FUTURE PERIODS

To achieve our strategic objectives we will focus on:

- Consolidating effective partnership working.
- Diversifying funding sources and income generation.
- Securing property development opportunities and development partners.
- Establishing a 40th anniversary fund-raising campaign to commence in 2008.
- Start of Future Studio initiative to explore means of supporting artists in the twenty-first century.
- Continue promoting the Triangle as an accessible centre for engaging in creative production.
- Artist-facing and community-facing programming which enhances development opportunities.

Directors' responsibilities in respect of the financial statements

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

A resolution to re-appoint Blackstone Franks LLP as auditors will be put to the members at the Annual General Meeting.

ON BEHALF OF THE BOARD



Chairman: Alan Leibowitz

Date: 21/11/07

**INDEPENDENT AUDITORS REPORT TO THE DIRECTORS OF
ART SERVICES GRANTS LIMITED**

We have audited the financial statements on pages 11 to 18 of Art Services Grants Ltd for the year ended 31st March 2007. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2005).

The report is made solely to the charity's members as a body, in accordance with S235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's 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 the charity's members as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of trustee directors and auditors

The trustees' (who are also the directors of Art Services Grants Ltd for the purpose of company law) responsibilities for preparing the Directors' Annual Report and the financial statements in accordance with applicable law and United Kingdom Auditing Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards of Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Annual Report is not consistent with the financial statements, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charity is not disclosed.

We read the other information contained in the Directors' Annual Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of opinion

We conducted our audit in accordance with International Standards of Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and properly disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

ART SERVICES GRANTS LIMITED
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INDEPENDENT AUDITORS REPORT TO THE DIRECTORS OF
ART SERVICES GRANTS LIMITED

Opinion

In our opinion:

- the financial statements give a true and fair view of the state of the charity's affairs as at 31st March 2007 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended.
- the financial statements have been properly prepared in accordance with the Companies Act 1985.
- the information given in the Report of the Directors is consistent with the financial statements.



BLACKSTONE FRANKS LLP
Chartered Accountants and
Registered Auditors
Barbican House
26-34 Old Street
London EC1V 9QR

Date: 21/1/07

Ref: LRB/A268

ART SERVICES GRANTS LIMITED
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STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 March 2007
(Incorporating Income and Expenditure Account)

	Note	General Funds £	Restricted Funds £	Total Funds 2007 £	<i>Total Funds 2006 £</i>
Incoming Resources					
Incoming resources from generated funds:					
<i>Voluntary income:</i>					
Donations		20,768	-	20,768	-
<i>Investment income:</i>		12,973	-	12,973	437
Incoming resources from charitable activities:					
Grants		149,355	385,523	534,878	454,557
Rental income		1,385,482	-	1,385,482	1,346,538
Training income		21,143	298	21,441	20,033
Other incoming resources:		17,885	508	18,393	18,878
Total incoming resources	2	<u>1,607,606</u>	<u>386,329</u>	<u>1,993,935</u>	<u>1,840,443</u>
 Resources Expended					
Charitable expenditure :					
Studio and programme costs	3	1,296,548	398,889	1,695,437	1,631,489
Governance costs		11,503	-	11,503	13,137
Total resources expended	3	<u>1,308,051</u>	<u>398,889</u>	<u>1,706,940</u>	<u>1,644,626</u>
 Net incoming/(outgoing) resources		299,555	(12,560)	286,995	195,817
 Transfer between funds		-	-	-	-
Net incoming/(outgoing) resources after transfers		299,555	(12,560)	286,995	195,817
 Total funds at 1 April 2006		77,456	1,296,608	1,374,064	1,178,247
 Total funds at 31 March 2007	12	<u>377,011</u>	<u>1,284,048</u>	<u>1,661,059</u>	<u>1,374,064</u>

All amounts relate to continuing activities in respect of both years.
There were no other recognised gains or losses during the two financial years.

ART SERVICES GRANTS LIMITED
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BALANCE SHEET
as at 31 March 2007

		2007		2006	
		£	£	£	£
FIXED ASSETS					
Tangible assets	7	1,582,735		1,658,594	
CURRENT ASSETS					
Debtors	8	336,299		234,906	
Cash on short term deposit at bank and in hand		303,111		120,433	
		639,410		355,339	
CREDITORS: Amounts falling due within one year	9	(369,832)		(428,303)	
NET CURRENT ASSETS/(LIABILITIES)		269,578		(72,964)	
TOTAL ASSETS LESS CURRENT LIABILITIES		1,852,313		1,585,630	
CREDITORS: Amounts falling due after more than one year	10	(191,254)		(211,566)	
TOTAL NET ASSETS		1,661,059		1,374,064	
FUNDS					
Unrestricted Funds:					
General funds	12	227,011		77,456	
Designated funds	12	150,000		-	
Restricted Funds	12	1,284,048		1,296,608	
TOTAL FUNDS		1,661,059		1,374,064	

The accounts are prepared in accordance with the special provision of part VII of Companies Act 1985 relating to small entities.

Approved by the Board of Directors on 21 November 2007 and signed on its behalf by:



Chairman: Alan Leibowitz

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2007

1. ACCOUNTING POLICIES

a) Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005), the Companies Act 1985, the Charities Act 1993 and the Statement of Recommended Practice Accounting and Reporting by Charities issued in March 2005.

b) Fixed Assets

Fixed assets are recorded at cost. Amounts incurred on capital items over £500 are capitalised (2006: £100).

Tangible fixed assets are depreciated at annual rates to write off the cost of the assets over their estimated useful lives using the following methods and rates:-

	% per annum	Method
Equipment	10% - 33 1/3%	Straight line
Motor vehicle	25%	Straight line
Computer software	50%	Straight line
Development costs	4% - 25%	Straight line

c) Incoming resources

Rental income is recognised when receivable. Donations are recognised in the year they are received.

Grants, where entitlement is not conditional on the delivery of a specific performance by the charity are recognised when the charity becomes unconditionally entitled to the grant.

d) Expenditure and its basis of allocation

All expenditure is dealt with on the accruals basis and includes value added tax where appropriate. Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services. It includes direct costs of activities and those costs of an indirect nature necessary to support those activities, allocated between expenditure categories on an appropriate basis as set out in note 3.

Governance costs are those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

e) Dilapidation costs

No provision is made in the accounts for dilapidation costs of leased properties until the expenditure is actually incurred.

f) Cash flow statement

The company has taken advantage of the exemption from preparing a cash flow statement as set out in FRS1 as it qualifies as a small company.

g) Operating Leases

All payments under operating leases are charged to the statement of financial activities in the year in which they fall due.

ART SERVICES GRANTS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2007

1. ACCOUNTING POLICIES (continued)

h) Fund accounting

The unrestricted funds are rent and other income receivable or generated for the objectives of the charity without further specified purpose, and are available as general funds.

The 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.

2. INCOMING RESOURCES

	General Funds	Restricted Funds	Total 2007	2006
	£	£	£	£
Voluntary income:				
Donations	20,768	-	20,768	-
Investment income:	12,973	-	12,973	437
Grants:				
Arts Council of England:				
RFO: Strategic Grant Space Core	101,175	-	101,175	101,135
RFO: Strategic Grant Media Arts	37,686	-	37,686	35,000
Capital grants: Triangle expansion	-	9,999	9,999	89,996
Creative Partnerships: IAMS	-	4,400	4,400	3,000
Disability project	-	14,000	14,000	-
Electronic Tagging project	-	20,751	20,751	20,751
Trajectory project	-	7,485	7,485	23,944
International Arts fellowship residency	-	-	-	10,000
Canada Council for the Arts: Residency grant	-	43,070	43,070	35,429
Big Lottery Fund:				
UK Sound	-	27,668	27,668	18,334
New opportunities fund capital grant	-	-	-	4,000
ERDF Triangle refurbishment	-	41,409	41,409	15,869
Hackney Community College - Chanel 5.2	-	115,230	115,230	-
LB Hackney:				
Legacy Now	5,000	-	5,000	-
Grant cluster	3,500	-	3,500	-
Art for Change	-	5,000	5,000	-
NRF - BOPP	-	40,389	40,389	-
Art for Change (Lorraine Leeson)	-	13,503	13,503	-
LB Tower Hamlets:				
Bow Festival	-	-	-	4,000
UK Sound	-	-	-	10,000
Roman Road Revel Group - Bow Festival	-	-	-	12,500
Strangers with Angelic faces (Denizhan Ozer)	-	-	-	16,371
Other (individual grants less than £10,000)	1,994	42,618	44,612	54,228
Total grants	149,355	385,523	534,878	454,557
Rental income	1,385,482	-	1,385,482	1,346,538
Training income	21,143	298	21,441	20,033
Other incoming resources:	17,885	508	18,393	18,878
TOTAL INCOMING RESOURCES	1,607,606	386,329	1,993,935	1,840,443

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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2007

3. TOTAL RESOURCES EXPENDED

	Studios costs	Programme costs	Governance costs	Support costs	2007	2006
	£	£	£	£	£	£
Rent, rates, maintenance and other property costs	822,626	-	-	71,052	893,678	830,008
Staff and related costs	86,153	106,754	-	145,080	337,987	417,488
General office expenses	4,406	8,025	-	1,349	13,780	18,695
Publicity and marketing	-	14,258	-	525	14,783	15,892
Print, post, stationery	204	4,511	-	7,480	12,195	11,501
Information systems and equipmen	775	14,750	-	17,381	32,906	37,810
Audit	-	-	6,076	-	6,076	10,575
Bad debts	8,500	-	-	-	8,500	8,608
Legal and professional	76,376	-	5,427	-	81,803	21,559
Depreciation	98,334	1,101	-	7,790	107,225	147,622
Bank charges and interest	19,354	109	-	2,728	22,191	26,959
Other programmes costs	7,075	164,443	-	4,298	175,816	97,909
	<u>1,123,803</u>	<u>313,951</u>	<u>11,503</u>	<u>257,683</u>	<u>1,706,940</u>	<u>1,644,626</u>
Allocation of support costs	153,953	103,730	-	(257,683)	-	-
Total resources expended	<u>1,277,756</u>	<u>417,681</u>	<u>11,503</u>	<u>-</u>	<u>1,706,940</u>	<u>1,644,626</u>

Support costs have been allocated to activities on the basis of time spent for staff costs, floor area for property costs and activity levels for all other costs, in accordance with the Statement of Recommended Practice (issued March 2005).

4. NET INCOMING RESOURCES

	2007	2006
	£	£
Net incoming resources are stated after charging:		
Auditors' remuneration	6,500	10,575
Depreciation	107,226	147,623
Rentals paid under operating leases – property	<u>573,597</u>	<u>597,833</u>

5. TRUSTEE DIRECTORS AND STAFF COSTS

	2007	2006
	£	£
a) The total remuneration was:		
Wages and salaries	289,916	320,581
Pensions	4,766	2,625
Social Security costs	26,755	30,740
	<u>321,437</u>	<u>353,946</u>

b) There were no employees during the current and previous year whose emoluments amounted to over £60,000.

c) No emoluments or expenses were paid to the trustee directors during the year.

d) The average weekly number of employees, employed by the company, during the year was 11 (2006: 17).

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6. TAXATION

The company was registered as a charity in February 1974 and consequently no corporation tax is payable on the results for the year.

7. TANGIBLE FIXED ASSETS

	Development Costs £	Equipment £	Motor Vehicles £	Total £
Costs:				
At 1 April 2006	2,315,495	221,601	7,867	2,544,963
Additions	22,725	8,642	-	31,367
Disposal	-	-	-	-
At 31 March 2007	<u>2,338,220</u>	<u>230,243</u>	<u>7,867</u>	<u>2,576,330</u>
Depreciation:				
At 1 April 2006	667,839	210,663	7,867	886,369
Charge for year	98,334	8,891	-	107,226
Depreciation on disposal	-	-	-	-
At 31 March 2007	<u>766,173</u>	<u>219,554</u>	<u>7,867</u>	<u>993,595</u>
Net book value:				
As at 31 March 2007	<u>1,572,047</u>	<u>10,688</u>	<u>-</u>	<u>1,582,735</u>
As at 31 March 2006	<u>1,647,656</u>	<u>10,938</u>	<u>-</u>	<u>1,658,594</u>

8. DEBTORS

	2007 £	2006 £
Rental debtors (including electricity costs recharged to tenants)	28,457	60,738
Other debtors	197,084	53,964
Prepayments	110,758	120,204
	<u>336,299</u>	<u>234,906</u>

9. CREDITORS: Amounts falling due within one year

	2007 £	2006 £
Tenant deposits held on account	64,570	61,629
Other taxes and social security costs	16,151	11,107
Bank loan	39,627	58,941
Trade Creditors	132,674	163,749
Accruals and deferred income	116,810	132,877
	<u>369,832</u>	<u>428,303</u>

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10. CREDITORS FALLING DUE AFTER ONE YEAR	2007	2006
	£	£
Bank Loans	<u>191,254</u>	<u>211,566</u>

The bank loans are secured by fixed charges over various of the property leases.

11. SHARE CAPITAL

The company is limited by guarantee and has no share capital

12. RESERVES	At 1st April 2006	Incoming Resources	Resources Expended	Transfers	At 31st March 2007
	£	£	£	£	£
General reserve	77,456	1,607,606	1,308,051	(150,000)	227,011
Designated fund: schedule of works	-	-	-	150,000	150,000
Total unrestricted funds	<u>77,456</u>	<u>1,607,606</u>	<u>1,308,051</u>	<u>-</u>	<u>377,011</u>
Triangle fund	955,626	51,408	47,044	-	959,990
Sarah Lane fund	210,363	-	12,374	-	197,989
Bridget Riley Studios fund	18,805	-	990	-	17,815
Eastway fund	14,000	-	7,000	-	7,000
Bow Festival	(2,610)	2,610	-	-	-
Enquire	456	5,000	942	-	4,514
Islington Arts Media School	1,000	4,400	5,400	-	-
Ranwell Tower Hamlets Project	2,783	4,500	2,600	-	4,683
Bow Older Peoples Project	-	40,389	32,111	-	8,278
Abolition '07	-	-	2,049	-	(2,049)
Discover Young Hackney	-	-	3,168	-	(3,168)
Bio Mapping	-	5,000	-	-	5,000
UK Sound	25,839	39,204	50,254	-	14,789
Media Arts Strategic Development	-	-	1,050	-	(1,050)
Emergent Media Summer School	-	1,500	1,500	-	-
Tagged	15,737	21,048	36,785	-	-
Channel 5.2	-	115,230	115,230	-	-
St Clements Hospital	-	5,773	5,662	-	111
Trajectory	22,162	7,485	22,663	-	6,984
Resonance	-	-	374	-	(374)
Central Asia Exhibition	-	6,700	5,660	-	1,040
Strangers with Angelic Faces	2,907	-	2,907	-	-
Canadian Residency	19,940	43,070	9,542	-	53,468
Kazakhstan Residency	9,600	-	9,600	-	-
Disability project	-	14,000	14,000	-	-
The Sweetest Dream	-	508	508	-	-
Lorraine Leeson: Art for Change	-	18,504	9,477	-	9,027
Total restricted funds	<u>1,296,608</u>	<u>386,329</u>	<u>398,889</u>	<u>-</u>	<u>1,284,048</u>
Total funds	<u>1,374,064</u>	<u>1,993,935</u>	<u>1,706,940</u>	<u>-</u>	<u>1,661,059</u>

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12. RESERVES (continued)

Restricted property funds are held in respect of capital development projects for studio properties. The cost of such developments is depreciated over the life of the lease.

Restricted programme funds are held in respect of grants received in relation to specific programmes which are restricted to programme activities in accordance with the terms agreed with the funder. Funds in deficit arise where expenditure on the project is incurred in advance of receipt of the grant.

At the year end the Trustees designated a fund from the unrestricted reserves to cover upgrade and repair work needed to meet obligations under Health and Safety legislation and maintenance responsibilities under current property leases for the coming year.

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	General Funds	Designated Funds	Restricted Funds	Total
	£	£	£	£
Fund balances at 31 March 2007 are represented by:				
Tangible fixed assets	361,188	-	1,221,547	1,582,735
Current assets	426,909	150,000	62,501	639,410
Current liabilities	(369,832)	-	-	(369,832)
Long term liabilities	(191,254)	-	-	(191,254)
	-	-	-	-
Total net assets	<u>227,011</u>	<u>150,000</u>	<u>1,284,048</u>	<u>1,661,059</u>

14. OTHER FINANCIAL COMMITMENTS

At 31 March 2007, there were annual commitments under non-cancellable operating leases as follows:

	Equipment		Land and buildings	
	2007	2006	2007	2006
	£	£	£	£
Operating leases which expire:				
Within one year	-	-	33,746	26,500
Between two to five years	4,796	4,396	41,475	76,683
Over five years	-	-	556,495	488,200
	<u>4,796</u>	<u>4,396</u>	<u>631,716</u>	<u>591,383</u>