

ART SERVICES GRANTS LIMITED
known as [space]

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2008

ART SERVICES GRANTS LIMITED
known as [space]

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ART SERVICES GRANTS LIMITED
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LEGAL AND ADMINISTRATIVE DETAILS

COMPANY NUMBER	1157240
REGISTERED CHARITY NUMBER	267021
BOARD OF TRUSTEES	F Abduh'Allah (appointed 17 July 2007) S Beddoe L Byrne S Crab L Hodges Hon Treasurer F Holliss M Hillier MP (resigned 5 October 2007) A Leibowitz Chairman (appointed 17 July 2007) K Schubert Vice Chairman C Wainwright
SECRETARY	A Harding
CHIEF EXECUTIVE	A Harding
REGISTERED OFFICE AND BUSINESS ADDRESS	The Triangle 129-131 Mare Street London E8 3RH
INDEPENDENT AUDITORS	Blackstone Franks LLP Chartered Accountants and Registered Auditors 26-34 Old Street London EC1V 9QR
SOLICITORS	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 2008.

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.

The Board has had a full compliment of Trustees throughout the year. 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.

During the year, the trustee board has been supported by the establishment of working groups which include co-opted experts, reporting to the trustee board. Meg Hillier MP retired as a trustee during the year due to work pressures. We would like to thank her for her continuing support of SPACE.

The Property Working Group is grateful for generous pro bono support on this Group from British Land; Rory Brooke from URS and Stephen Garford as well as Dalton Warner Davies, our property advisors, who acted on our behalf throughout the year.

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:

- 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

Risk management practices:

- Lease agreements are negotiated 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 meetings including:

- quarterly Trustee meetings;
- fortnightly studios management meetings;
- monthly programmes meetings;
- monthly operations meetings;
- annual comprehensive property portfolio review and quarterly property working group meetings.

OBJECTS AND ACTIVITIES

The objects of the charity are to provide:

Space to Create: supporting artistic production through provision of creative environments

Space to Engage: widening engagement in the practice and experience of art

Space to Develop: supporting the development of creative individuals and communities

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

A strong financial performance has been sustained in the current year. This has been a successful year in terms of provision of affordable studio space as well as programme delivery.

Management

We are delivering on the action plan arising from the strategic review completed in 2007. 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.
- Implementing strategies to replace buildings with leases coming to an end, including securing diverse funding sources and partnerships to enable this.
- Artist-facing and community-facing programmes in areas where we are developing studios.
- Partnership working.
- Implementing our cultural diversity action plan.

TRUSTEES' ANNUAL REPORT

This year we also took the following strategic steps:

- Set up a Property Working Group to provide high level strategic advice
- Set up a Development Group to provide strategic advice on fundraising
- Devised a new Patrons scheme as part of our 40th anniversary celebrations during the 2008 year

Studios

We provided effective studios management with exceptionally low rent arrears. We have been very busy exploring new development opportunities, upgrading properties to comply with new regulations and carrying out works according to our comprehensive building maintenance programme.

SPACE were appointed by London Thames Gateway Development Corporation to take on the lease and manage the Barking Malthouse, and to advise on development of the rest of this major new creative quarter. SPACE set up a Barking Creative Quarter Steering Group and employed an Arts Development officer for the quarter to work closely with the UDC, London Borough of Barking and Dagenham and Arts Council England on this development.

An agreement with The Shoreditch Trust will enable us to fit-out a new build site at Timber Wharf, Kingsland Road, Hackney which will open later in 2008. We have been fully involved in discussions around legacy use of the Olympic Broadcast Media Centre and the Hackney Wick masterplan. We were able to retain Morning Lane on a last minute reprieve and agreed lease extensions both here and at Stoke Newington Library.

Programmes

SPACE delivered high quality innovative arts programmes which engage and inspire diverse audiences. These public benefits substantially enhance and benefit from our studios.

Create – supporting artistic production

Media Arts projects have focused on widening engagement and artists professional development. Highlights were The Not Quite Yet, a two year research project culminating in 3 artist commissions, an exhibition and professional development workshops and Co-pilot, a web 2.0 based learning resource for art and technology projects. Launchlab our innovative work-based employability training programme continued until October 2007, setting the ground for future work on employability skills in the creative sector.

Engage – engaging new audiences

Collaborations with Hanover in Hackney housing association involved artist Camilla Brueton working with their residents; Bow Older Peoples' Programme engaged artists working with older people, including setting up the SPACE age choir, in partnership with Old Ford Housing and Age Concern. For the Abolition 07 celebrations around abolition of slavery in the UK, SPACE ran a residency by artist Godfried Donkor, working with 6th form pupils from Cardinal Pole and Skinners schools in Hackney towards an exhibition at the Hackney Museum. A family drawing event Bug Party, led by artist Brandon Ballengee for the Big Draw, attracted 200 participants.

Exhibition highlights included an Olympic park shaped sandpit sculpture by Caroline Christie and Bobby Lloyd (Onsite Arts) in the Triangle courtyard. Live Art on Camera was an important international survey exhibition organised by artist Alice Maude Roxby, touring from the John Hansard Gallery Southampton. Exhibitions also included the photography collective Roof Unit, Brian Griffin, Arni Haraldssen and Shary Boyle.

Develop – supporting the development of creative people

We are grateful to Canada Council for the Arts for their support for artist residencies by Shary Boyle and Jean-Francois Prost.

SPACE with Birkbeck College awarded AHRC bursary funding enabling Alicia Miller to begin her Phd on which will be a history of SPACE in the context of regeneration based community development through the arts.

TRUSTEES' ANNUAL REPORT

SPACE played a leading advocacy role for artists and affordable studios. This year's Legacy Now symposium took as its theme Global meets Local at the Olympics. Speakers included John Hopkins and Selina Mason from the Olympic Delivery Authority; Jude Woodward, Head of Culture at the Greater London Authority and Keith Khan from London 2012. The event was supported by London Borough of Hackney and Arts Council England, London. Work on art and the Olympics included organizing a conference with the Museum of London in June 07 which due to its success has been followed by quarterly artist-led Olympic Artists forum meetings.

The Future Studio initiative began in November with a talk at SPACE on the Open Studio. The event was the first in a series of public discussions taking place throughout the year produced in partnership with the Whitechapel Gallery. The series aims at exploring contemporary studio practice informing future research into new and alternative models of studio provision.

At the year end we were supporting 583 tenants with affordable studios, over 15,000 people had attended or participated in SPACE programmes, 12 exhibitions took place, 5 residencies and over 2000 people benefited from professional development in and through the arts.

FINANCIAL REVIEW

Income from studios represented 67% of SPACE's revenue, with occupancy in the studios continuing at over 95%. Grant income remained on similar levels to the previous year as a result of several new projects in the year replacing those that ended, and represented 25% of income. In addition SPACE invested in new areas of fundraising and income generation, with income from voluntary donations in particular growing to 3% of income.

In addition to grants received which were restricted to specific projects, Arts Council England has continued to recognise the work of SPACE through providing core funding towards studio provision of £108,339 and £38,724 towards Media Arts. Subsequently, Arts Council England have committed a 77% funding uplift in 2008/9 for Media Arts in recognition of exemplary quality and innovation. A major Grant for the Arts award for exhibitions and collaborations received at the end of the financial year has a particular focus on widening participation during 2008/9.

The excellent results for the year have allowed SPACE to rebuild its reserves and have strengthened the financial position of the organization, enabling us to continue the ongoing programme of investment in our current portfolio and in new developments commenced in 2007/08. The company generated a surplus on general funds of £430,738 in the year. However we are mindful that in the current global economic climate there is a need to ensure we have the financial foundations to see us through more difficult times, while maintaining our current commitments.

Reserves policy

The Trustees have put in place a strategy to ensure a reserves position which will ensure minimum working capital levels, provide for obligations at lease end and build a fund to take advantage of opportunities to develop new studio properties. New developments requiring substantial investment are essential to our future sustainability to replace leases coming to an end. We face continual challenge to build up sufficient funds for these developments. In the current economic downturn we also face a risk of voids.

The Trustees have set a target range of £350,000 to £650,000 for unrestricted reserves to cover all three needs. At 31 March 2008 SPACE held general funds of £550,149 and we are therefore operating within our target range.

We also hold a designated fund to cover essential upgrade and repair work needed to meet obligations under Health and Safety legislation and maintenance responsibilities under current property leases, estimated at £257,600 for the coming year. These address our minimum obligations as a landlord, whilst ensuring that we keep rents to artists as low as possible.

TRUSTEES' ANNUAL REPORT

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.

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.
- 40th anniversary fund-raising campaign including PR and launch of patrons scheme.
- Continuation of Future Studio research on supporting artists in the twenty-first century.
- Continuing to promote 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:

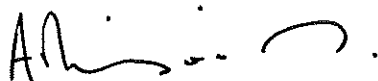
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare 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: 20 October 2008

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

We have audited the financial statements on pages 9 to 16 of Art Services Grants Ltd for the year ended 31st March 2008. 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.

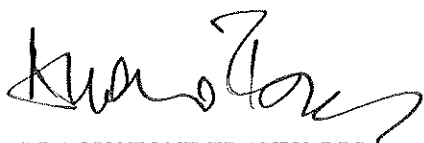
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**INDEPENDENT AUDITORS REPORT TO THE DIRECTORS OF
ART SERVICES GRANTS LIMITED**

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 2008 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: 10 November 2008

Ref: LRB/A268

ART SERVICES GRANTS LIMITED
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STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 March 2008
(Incorporating Income and Expenditure Account)

	Note	General Funds £	Restricted Funds £	Total Funds 2008 £	Total Funds 2007 £
Incoming Resources					
Incoming resources from generated funds:					
<i>Voluntary income:</i>					
Donations		63,759	-	63,759	20,768
<i>Interest receivable:</i>		30,924	-	30,924	12,973
Incoming resources from charitable activities:					
Grants		147,313	399,038	546,351	534,878
Rental income		1,468,453	-	1,468,453	1,385,482
Other earned income		29,160	15,000	44,160	21,441
Other incoming resources:		38,291	1,162	39,453	18,393
Total incoming resources	2	1,777,900	415,200	2,193,100	1,993,935
Resources Expended					
Costs of generating funds :					
Voluntary and other incoming resources	3	43,196	-	43,196	-
Charitable expenditure :					
Studio and programme costs	3	1,293,978	389,083	1,683,061	1,695,437
Governance costs	3	8,323	-	8,323	11,503
Total resources expended	3	1,345,497	389,083	1,734,580	1,706,940
Net incoming resources		432,403	26,117	458,520	286,995
Transfer between funds		(1,665)	1,665	-	-
Net incoming resources after transfers		430,738	27,782	458,520	286,995
Total funds at 1 April 2007		377,011	1,284,048	1,661,059	1,374,064
Total funds at 31 March 2008	12	807,749	1,311,830	2,119,579	1,661,059

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

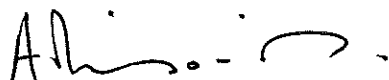
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BALANCE SHEET
as at 31 March 2008

		2008		2007	
		£	£	£	£
FIXED ASSETS					
Tangible assets	7		1,585,982		1,582,735
CURRENT ASSETS					
Debtors	8	338,143		336,299	
Cash on short term deposit at bank and in hand		<u>770,344</u>		<u>303,111</u>	
		1,108,487		639,410	
CREDITORS: Amounts falling due within one year	9		<u>(427,762)</u>		<u>(369,832)</u>
NET CURRENT ASSETS			680,725		269,578
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,266,707</u>		<u>1,852,313</u>
CREDITORS: Amounts falling due after more than one year	10		<u>(147,128)</u>		<u>(191,254)</u>
TOTAL NET ASSETS			<u><u>2,119,579</u></u>		<u><u>1,661,059</u></u>
FUNDS					
Unrestricted Funds:					
General funds	12	550,149		227,011	
Designated funds	12	257,600		150,000	
Restricted Funds	12		1,311,830		1,284,048
TOTAL FUNDS			<u><u>2,119,579</u></u>		<u><u>1,661,059</u></u>

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 20 October 2008 and signed on its behalf by:



Chairman: Alan Leibowitz

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2008

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.

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 2008

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.

Designated funds are unrestricted funds set aside by the Board for specific purposes.

2. INCOMING RESOURCES

	General Funds £	Restricted Funds £	Total 2008 £	2007 £
Voluntary income:				
Donations	63,759	-	63,759	20,768
Interest receivable:	30,924	-	30,924	12,973
Grants:				
Arts Council of England:				
RFO: Strategic Grant Space Core	108,339	-	108,339	101,175
RFO: Strategic Grant Media Arts	38,724	-	38,724	37,686
Barking Creative Quarter	-	9,000	9,000	-
Capital grants: Triangle expansion	-	-	-	9,999
Demtech project	-	23,227	23,227	-
Disability project	-	-	-	14,000
Electronic Tagging project	-	-	-	20,751
Legacy Now	-	4,500	4,500	-
Widening Participation Programme	-	30,000	30,000	-
LB Barking & Dagenham: Barking Creative Quarter	-	16,970	16,970	-
Queen Mary University London: Demtech project	-	44,046	44,046	-
Resonant: Resonant Training Project	-	20,129	20,129	-
Canada Council for the Arts: Residency grant	-	36,891	36,891	43,070
Big Lottery Fund: UK Sound	-	15,334	15,334	27,668
ERDF Triangle refurbishment	-	-	-	41,409
Hackney Community College - Chanel 5.2	-	63,032	63,032	115,230
LB Hackney:				
Legacy Now	-	5,000	5,000	5,000
NRF - BOPP	-	-	-	40,389
Triangle S106	-	36,000	36,000	-
Art for Change (Lorraine Leeson)	-	-	-	13,503
Connections Communications Centre: STEP project	-	21,330	21,330	-
Engage: Explore Project	-	10,110	10,110	-
Other (individual grants less than £10,000)	250	63,469	63,719	64,998
Total grants	<u>147,313</u>	<u>399,038</u>	<u>546,351</u>	<u>534,878</u>
Rental income	1,468,453	-	1,468,453	1,385,482
Other earned income:				
Property Management Fees	14,667	-	14,667	-
Training income	14,493	-	14,493	21,441
Bloomberg: Sponsorship of Space Now!	-	15,000	15,000	-
Other incoming resources:	38,291	1,162	39,453	18,393
TOTAL INCOMING RESOURCES	<u><u>1,777,900</u></u>	<u><u>415,200</u></u>	<u><u>2,193,100</u></u>	<u><u>1,993,935</u></u>

ART SERVICES GRANTS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2008

3. TOTAL RESOURCES EXPENDED

	Studios costs	Programme costs	Governance costs	Costs of generating funds	Support costs	2008	2007
	£	£	£	£	£	£	£
Staff costs (see note 5)	100,000	100,115	-	16,655	155,641	372,411	321,437
Other staff related costs	4,143	9,446	-	1,562	16,593	31,744	16,550
Rent, rates, maintenance and other property costs	915,958	2,033	-	286	72,773	991,050	893,678
General office expenses	3,672	2,524	-	1,213	15,441	22,850	13,780
Publicity and marketing	3,265	10,476	-	2,921	3,051	19,713	14,783
Print, post, stationery	12	1,712	-	15	8,758	10,497	12,195
Information systems and equipment	2,081	10,990	-	526	17,671	31,268	32,906
Audit	-	-	7,943	-	-	7,943	6,076
Bad debts	3,272	-	-	-	-	3,272	8,500
Legal and professional	33,459	2,000	380	-	-	35,839	81,803
Depreciation	67,208	1,101	-	-	5,509	73,818	107,225
Bank charges and interest	13,722	5	-	-	5,958	19,685	22,191
Other programmes costs	47	113,606	-	837	-	114,490	175,816
	<u>1,146,839</u>	<u>254,008</u>	<u>8,323</u>	<u>24,015</u>	<u>301,395</u>	<u>1,734,580</u>	<u>1,706,940</u>
Allocation of support costs	188,676	93,538	-	19,181	(301,395)	-	-
Total resources expended	<u>1,335,515</u>	<u>347,546</u>	<u>8,323</u>	<u>43,196</u>	<u>-</u>	<u>1,734,580</u>	<u>1,706,940</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

Net incoming resources are stated after charging:

	2008	2007
	£	£
Auditors' remuneration	6,760	6,500
Depreciation	73,818	107,226
Rentals paid under operating leases – property	<u>673,612</u>	<u>573,597</u>

5. TRUSTEE DIRECTORS AND STAFF COSTS

a) The total remuneration was:

	2008	2007
	£	£
Wages and salaries	334,279	289,916
Pensions	5,227	4,766
Social Security costs	32,905	26,755
	<u>372,411</u>	<u>321,437</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 13 (2006: 11).

The increase in staff numbers arose as a result of two new posts of Development Coordinator, working to develop the new area of fundraising and income generation, and Maintenance Assistant, working to help deliver the on-going programme of investment in our existing portfolio of properties.

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for the year ended 31 March 2008

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 2007	2,338,220	230,243	7,867	2,576,330
Additions	74,517	1,670	877	77,064
At 31 March 2008	<u>2,412,737</u>	<u>231,913</u>	<u>8,744</u>	<u>2,653,394</u>
Depreciation:				
At 1 April 2007	766,173	219,554	7,867	993,594
Charge for year	67,208	6,464	146	73,818
At 31 March 2008	<u>833,381</u>	<u>226,018</u>	<u>8,013</u>	<u>1,067,412</u>
Net book value:				
As at 31 March 2008	<u>1,579,356</u>	<u>5,895</u>	<u>731</u>	<u>1,585,982</u>
As at 31 March 2007	<u>1,572,047</u>	<u>10,688</u>	<u>-</u>	<u>1,582,735</u>

8. DEBTORS

	2008	2007
	£	£
Rental debtors (including electricity costs recharged to tenants)	49,847	28,457
Other debtors	11,617	-
Prepayments	160,054	110,758
Accrued income	116,625	197,084
	<u>338,143</u>	<u>336,299</u>

9. CREDITORS: Amounts falling due within one year

	2008	2007
	£	£
Tenant deposits held on account	70,821	64,570
Other taxes and social security costs	6,766	16,151
Bank loan	41,877	39,627
Trade Creditors	58,432	132,674
Other creditors	13,696	-
Accruals and deferred income	236,170	116,810
	<u>427,762</u>	<u>369,832</u>

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NOTES TO THE FINANCIAL STATEMENTS
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10. CREDITORS FALLING DUE AFTER ONE YEAR	2008	2007
	£	£
Bank Loans	<u>147,128</u>	<u>191,254</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

	<u>At 1st April 2007</u>	<u>Incoming Resources</u>	<u>Resources Expended</u>	<u>Transfers</u>	<u>At 31st March 2008</u>
	£	£	£	£	£
Unrestricted Funds:					
General reserve	227,011	1,777,900	1,195,497	(259,265)	550,149
Designated fund: schedule of works	150,000	-	150,000	257,600	257,600
Total unrestricted funds	<u>377,011</u>	<u>1,777,900</u>	<u>1,345,497</u>	<u>(1,665)</u>	<u>807,749</u>
Restricted Funds:					
Restricted Programme funds	101,254	379,200	361,190	1,665	120,929
Restricted Property funds:					
Triangle fund	959,990	36,000	10,146	-	985,844
Sarah Lane fund	197,989	-	13,199	-	184,790
Bridget Riley Studios fund	17,815	-	1,048	-	16,767
Eastway fund	7,000	-	3,500	-	3,500
Total restricted property funds	<u>1,182,794</u>	<u>36,000</u>	<u>27,893</u>	<u>-</u>	<u>1,190,901</u>
Total restricted funds	<u>1,284,048</u>	<u>415,200</u>	<u>389,083</u>	<u>1,665</u>	<u>1,311,830</u>
Total funds	<u>1,661,059</u>	<u>2,193,100</u>	<u>1,734,580</u>	<u>-</u>	<u>2,119,579</u>

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.

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.

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.

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13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	<u>General Funds</u>	<u>Designated Funds</u>	<u>Restricted Funds</u>	<u>Total</u>
	£	£	£	£
Fund balances at 31 March 2008 are represented by:				
Tangible fixed assets	392,329	-	1,193,653	1,585,982
Net current assets	304,948	257,600	118,177	680,725
Long term liabilities	(147,128)	-	-	(147,128)
Total net assets	<u>550,149</u>	<u>257,600</u>	<u>1,311,830</u>	<u>2,119,579</u>

14. OTHER FINANCIAL COMMITMENTS

At 31 March 2008, there were annual commitments under non-cancellable operating leases as follows:

	<u>Equipment</u>		<u>Land and buildings</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	£	£	£	£
Operating leases which expire:				
Within one year	-	-	28,767	33,746
Between two to five years	4,796	4,796	135,975	41,475
Over five years	-	-	471,278	556,495
	<u>4,796</u>	<u>4,796</u>	<u>636,020</u>	<u>631,716</u>