

267021

**ART SERVICES GRANTS LIMITED
(KNOWN AS SPACE STUDIOS)**

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2004

**ART SERVICES GRANTS LIMITED
(KNOWN AS SPACE STUDIOS)**

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**ART SERVICES GRANTS LIMITED
(KNOWN AS SPACE STUDIOS)**

COMPANY INFORMATION

COMPANY	1157240
REGISTERED CHARITY NUMBER	267021
DIRECTORS	M Chanarin J Green B Pomeroy
SECRETARY	C Robinson
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 Oke Hampton Devon EX20 1AJ Mishcon de Reya 21 Southampton Row London WC1B 5HS
BANKERS	Natwest Bank Plc 140 Victoria Street London SW1E 5LF COIF Charities Deposit Fund St Alphage House 2 Fore Street London EC2Y 5AQ

**ART SERVICES GRANTS LIMITED
(KNOWN AS SPACE STUDIOS)**

REPORT OF THE DIRECTORS

The members of the Council of Management submit their annual report and the financial statements for the year ended 31st March 2004.

Constitution and objects

Art Services Grants Ltd (SPACE Studios) was set up in 1968 and was formally registered as a Charity and incorporated as a company limited by guarantee in 1974.

It is an Arts Educational charity with three primary objectives, which are as follows:

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

Organisation

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. The Trustees are elected by the membership, who also elect up to four SPACE Artist advisors, to form part of the Advisory Committee with whom the Trustees work. Trustees may co-opt further advisors and also Patrons. The Trustees meet quarterly with additional meetings of sub groups to discuss specific topics. The Trustees appoint the Chief Executive (Director) to whom the day to day running of the Charity is devolved.

Current Activities

In accordance with its objectives SPACE carries out three broad areas of activity, which are the provision of studios for artists at affordable rents; training, support, advice and access to resources for working artists; and the management and delivery of public and community art programmes.

The on-going management of leasehold property is largely self-financing, major conversion and refurbishment work is carried out using dedicated funds which will have either been raised as loans or grants. All other activity has to be supported through the raising of funds from Government, European or private sources. A core grant to support advice and general activities is provided by London Arts. Thus the majority of SPACE income is either reserved or designated. SPACE is not a direct grant making body.

Reserves

SPACE is not usually in a position to hold more than about £50,000 in reserves to meet general running expenses as most income is related to a specific purpose. The surplus reserve shown in the restricted funds is not represented by liquid assets but by the acquisition of property, in particular the refurbishment of The Triangle and Sara Lane properties. As shown in note 11b £1,082,519 of the £1,228,099 surplus is represented by fixed assets.

Risk Management

The Trustees examine the risks related to any activity on a regular basis and endeavor to make suitable provision by insurance or by increasing rents to meet potential future liabilities. This process will be formalised in 2004-2005 by the creation of a centralised risk management data base which will be presented to the Board of Trustees on a regular basis.

**ART SERVICES GRANTS LIMITED
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REPORT OF THE DIRECTORS (continued)

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.

Principal Activities of SPACE

The principal activity of SPACE Limited is to support the contribution of contemporary artists, art activities and education of the public. The main focus of activity is to provide low cost studios and services to contemporary visual artists, encourage their creative work and promoting the role of the artist in society.

Comments by the Directors on the activities for the year

The state of SPACE's affairs and activities for the year are shown in the attached financial statements. The Directors note that SPACE has:

- committed time and resources to address future needs and has appointed experienced staff with development expertise to extend this agenda;
- worked to achieve 95 per cent occupancy of the studios against a current waiting list of some 1,000 artists, showing high demand;
- been developing new properties and partnerships for rationalisation and expansion of the property portfolio.

SPACE Studios (Art Services Grant Ltd) Funding and Income

The great majority of Art Services Grants Ltd's income comes from the fees charged to artists for studios. The funding for projects and the balance of income is provided through fundraising, registration fees and interest received.

New Developments

2003-2004 has been a year of change, development and consolidation. The move of SPACE Hoxton and the training department from SPACE Place coinciding with the letting and settling of 90 plus new tenants made for a very busy few months. The setting up of and integration of systems was a challenge, the staff must be congratulated for both patience and hard work.

**ART SERVICES GRANTS LIMITED
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REPORT OF THE DIRECTORS (continued)

November 2003 saw the opening by Estelle Morris, Minister for Arts & Culture and Michael Ward, Chief Executive of the London Development Agency of The Triangle, Mare Street. SPACE now has moved into new office accommodation which allows all departments to be in the same building, whilst also having 58 studios on the same site with the Exhibition space, Training suite, and Open access print facility.

This is a major development for SPACE and a substantial contribution to Art facilities in East London, signalled by the SPACE Open Exhibition and Open Studios which were the events timed to co-incide with the Opening.

Sara Lane Court which had been almost doubled in size through grants provided by the London Development Agency and Shoreditch Our Way. Sara Lane now provides 40 studios, all of which are accessible.

SPACE is actively seeking funds to purchase and develop its own property, either alone or in partnership, as the Trustees feel that this will add stability to the property portfolio and to the income.

New Programmes

September 2003 saw the launch of the Canadian Residency Programme. The Canada Council of the Arts is sending two mid-career artists to spend six months each in London and to work in a studio provided by SPACE, their visit to finish with a show in the Exhibition space. We welcomed Shari Hatt as the first artist, and her show took place in February.

SPACE was also host to two Hackney Carnival groups from Hackney who were about to build their work in the sculpture space at the Triangle and exhibit it during the Opening of the building.

The Public Art team had been appointed to run a festival in Bow to celebrate the achievement of the Tower Hamlets Housing Action Trust. This event took place in July and involved the commissioning of work from over 40 artists. It was most successful and SPACE has been engaged to manage another Bow Festival in 2004, after which it may become a permanent event.

Training and Open Access

The Training Department has worked with Metier, Hackney Business Ventures, Hackney Council, the London Development Agency, Newham Council and ArtQuest to deliver a wide range of training both in skills and continuing professional development. These courses are extremely popular, being consistently over-booked by 100 to 200%. The main restriction is the limited funding available to run the courses.

The Multi-media Open Access continues at SPACE Place and is still popular despite its location on Fish Island. SPACE has entered into partnership with the East London Printmakers, a co-operative group which occupies and manages the Print Studio at the Triangle. The ELP provide two days open access per week, which is proving very popular.

Plans for the Future

The move to the Triangle has been expensive in both time and extra costs but it is already evident that having a vastly improved working environment and a public face for the organisation is already reaping dividends.

SPACE plans for the future include maximising onsite income, the development of links with the local community and the raising of the profile of SPACE and the visual arts in Hackney. In addition the seeking of permanent premises is regarded as a very high priority.

**ART SERVICES GRANTS LIMITED
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REPORT OF THE DIRECTORS (CONTINUED)

Arts Council England, London has continued to recognise the work of SPACE through providing a grant towards administrative and staffing costs, this year this has been increased to £96,762.

SPACE is indebted to London Arts, the European Regional Development Fund, Tower Hamlets Housing Action Trust, Regional Arts Lottery Programme, Arts and Business, London Development Agency, Shoreditch Our Way Leaside Regeneration, for their support in grants and partnership funding.

The results for the year are set out on pages 8 to 10.

Future Developments

The Directors believe that:

- SPACE is looking to the future by forming partnerships and pursuing funding from a wide range of sources;
- SPACE will continue to improve its services and property portfolio, developing the opportunities from European funding, regeneration grants and the Arts Council Lottery;
- SPACE will continue to promote contemporary visual artists and develop community and education outreach projects.

Share Capital

SPACE was incorporated as a non profit making company limited by guarantee which does not have a share capital. The Directors therefore do not have any financial interest in the company nor are there any significant contracts in which there is a material interest.

Directors

The following is a list of trustee directors of SPACE who served during the financial year 2003/2004:

Michael Chanarin	
Margaret Garlake	(resigned 23/2/2004)
John Green	
Brian Pomeroy	(appointed 23/2/2004)

Auditors

Blackstone Franks LLP have expressed their willingness to continue in office. A resolution to appoint them as auditors will be put to the members at the Annual General Meeting.

ON BEHALF OF THE BOARD

Chairman: Michael Chanarin



Date: 20th January 2005

**ART SERVICES GRANTS LIMITED
(KNOWN AS SPACE STUDIOS)**

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

We have audited the financial statements on pages 8 to 16 of Art Services Grants Ltd for the year ended 31st March 2004. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

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 require 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 United Kingdom Auditing standards.

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 Director's 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 United Kingdom Auditing Standards 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.

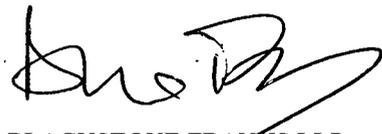
**ART SERVICES GRANTS LIMITED
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**INDEPENDENT AUDITORS REPORT TO THE DIRECTORS OF
ART SERVICES GRANTS LIMITED**

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.

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 2004 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



BLACKSTONE FRANKS LLP

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

Date: 25th January 2005

Ref: LRB/A268

**ART SERVICES GRANTS LIMITED
(KNOWN AS SPACE STUDIOS)**

INCOME AND EXPENDITURE ACCOUNT
for the year ended 31 March 2004

		2004 £	2003 £
INCOME		1,819,122	2,295,786
Expenditure		(1,705,317)	(1,482,834)
NET INCOME	11	<u>113,805</u>	<u>812,952</u>
 Consisting of:			
General fund	11	(54,641)	(8,891)
Restricted funds	11	168,263	821,612
Designated funds	11	183	231
		<u>113,805</u>	<u>812,952</u>

CONTINUING ACTIVITIES

All of the company's activities in the above two financial years derived from continuing activities.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the income stated above.

**ART SERVICES GRANTS LIMITED
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**STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 March 2004**

	Note	General Funds 2004 £	Restricted Funds 2004 £	Designated Funds 2004 £	Total Funds 2004 £	Total Funds 2003 £
Incoming resources						
Donations		-	-	20	20	65
Activities in furtherance of the charity's objects:						
Grants	2	121,601	591,626	-	713,227	1,306,136
Rental income		1,032,751	-	-	1,032,751	863,550
Spaceplace		20,559	10,410	-	30,969	43,816
Space Training Income		9,420	-	-	9,420	45,625
Interest received		-	-	163	163	166
Other income		32,572	-	-	32,572	36,428
Total incoming resources		1,216,903	602,036	183	1,819,122	2,295,786
Resources Expended						
Charitable expenditure :						
Studio costs	17	789,155	141,705	-	930,860	929,218
Support Costs	18	125,885	258,790	-	384,675	145,470
Management and administration costs	18	356,504	33,278	-	389,782	408,146
Total resources expended		1,271,544	433,773	-	1,705,317	1,482,834
Net incoming resources		(54,641)	168,263	183	113,805	812,952
Total funds at 1 April 2003		150,346	1,050,584	45,803	1,246,733	433,781
Total funds at 31 March 2004	11b	95,705	1,218,847	45,986	1,360,538	1,246,733

RECOGNISED GAINS AND LOSSES

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 2004

		2004		2003	
		£	£	£	£
FIXED ASSETS					
Tangible assets	6		1,716,036		1,427,810
CURRENT ASSETS					
Debtors	7	175,508		244,574	
Cash on short term deposit at bank and in hand		16,944		118,940	
			<u>192,452</u>		<u>363,514</u>
CREDITORS: Amounts falling due within one year	8		<u>(342,280)</u>		<u>(317,549)</u>
NET CURRENT (LIABILITIES)/ASSETS			(149,828)		45,965
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,566,208</u>		<u>1,473,775</u>
CREDITORS: Amounts falling due after more than one year	9		<u>(205,670)</u>		<u>(227,042)</u>
TOTAL NET ASSETS			<u><u>1,360,538</u></u>		<u><u>1,246,733</u></u>
CAPITAL AND RESERVES					
General Fund	11		95,705		150,346
Restricted Funds	11		1,218,847		1,050,584
Designated Funds	11		45,986		45,803
FUNDS			<u><u>1,360,538</u></u>		<u><u>1,246,733</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 and signed on its behalf by:

Chairman: M Chanarin



Date: 20th January 2005

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2004**

1. ACCOUNTING POLICIES

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 June 2002), the Companies Act 1985, the Charities Act 1993 and the Statement of Recommended Practice Accounting and Reporting by Charities issued in October 2000.

Fixed Assets

Fixed assets are recorded at cost. All items of expenditure over £1 regarded as fixed assets are capitalised.

Depreciation

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) Grants

Grants related to expenditure on tangible assets are credited to income at the same rate as the depreciation of the assets to which the grants relate. The amounts shown in the balance sheet in respect of grants consist of the total grants receivable to date, less the amounts so far credited to profit. Grants of a revenue nature are credited to income in the period to which they relate.

d) Dilapidation costs

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

e) 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.

f) Incoming resources

Grants and rent are recognised when receivable. Donations are recognised in the year they are received.

g) Expenditure and its basis of allocation

All expenditure is dealt with on the accruals basis and includes value added tax where appropriate. All costs directly related to the fulfillment of the charity's objectives are included under charitable expenditure as part of direct charitable expenditure. All other operational costs are included under management and administration expenditure.

**ART SERVICES GRANTS LIMITED
(KNOWN AS SPACE STUDIOS)**

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2004**

1. ACCOUNTING POLICIES (continued)

i) Operating Leases

All payments under operating leases are charged to the statement of financial activities on a straight line basis

j) Funds structure policy

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. The aim and use of each restricted fund is given below:

Association of London - money jointly donated from various London Boroughs for purposes specified by them.

London Arts Culture Diversity Fund - to support artists from minority ethnic communities.

Triangle Fund - leasehold development for rental sponsored by the European Regional Development Fund.

Public Art and British Waterways Fund - to raise funds and deliver projects that produce public and community art.

Tower Hamlets Housing Association Fund - to support the training of artists from Tower Hamlets council.

London Development Authority Fund - represents capital grants received from the LDA.

Spaceplace Fund - established to maintain a venue which artists can hire out to display their work.

k) Designated funds

These are funds that the directors have for a specific project.

2. GRANTS

	General Funds	Restricted Funds	2004	2003
	£	£	£	£
London Arts Board Fund	96,262	-	96,262	63,501
Association of London Grants Fund	-	-	-	5875
London Arts Culture Diversity Fund	-	-	-	9,000
Regional Development Fund -Triangle	-	86,693	86,693	493,129
Public Art and British Waterways Fund	20,909	52,970	73,879	42,995
Tower Hamlets Housing Association Fund	-	76,593	76,593	62,990
London Development Agency Fund	-	203,417	203,417	560,552
Spaceplace Fund	4430	9,822	14,252	35,412
Shoreditch Our Way	-	25,318	25,318	32,682
Space Training Fund	-	103,535	103,535	-
Canadian Residency	-	33,278	33,278	-
	<u>121,601</u>	<u>591,626</u>	<u>713,227</u>	<u>1,306,136</u>

**ART SERVICES GRANTS LIMITED
(KNOWN AS SPACE STUDIOS)**

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2004**

3. OPERATING INCOME	2004	2003
	£	£
Operating income is stated after charging:		
Auditors' remuneration	15,000	11,990
Depreciation	157,080	148,719
Rentals paid under operating leases – property	<u>527,656</u>	<u>429,108</u>

4. TRUSTEE DIRECTORS AND STAFF COSTS	2004	2003
	£	£
a) The total remuneration was:		
Wages and salaries	348,908	290,040
Social Security costs	<u>33,015</u>	<u>25,461</u>
	<u>381,923</u>	<u>315,501</u>

b) There were no employees during the current and previous year whose emoluments amounted to over £50,000.

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 24 (2003: 19).

5. TAXATION

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

6. TANGIBLE FIXED ASSETS

	Development Costs	Equipment	Motor Vehicles	Total
	£	£	£	£
Costs:				
At 1 April 2003	1,702,585	165,658	7,867	1,876,110
Additions	402,678	42,628	-	445,306
Disposal	-	-	-	-
At 31 March 2004	<u>2,105,263</u>	<u>208,286</u>	<u>7,867</u>	<u>2,321,416</u>
Depreciation:				
At 1 April 2003	320,231	120,202	7,867	448,300
Charge for year	109,802	47,278	-	157,080
Depreciation on disposal	-	-	-	-
At 31 March 2004	<u>430,033</u>	<u>167,480</u>	<u>7,867</u>	<u>605,380</u>
Net Book Value:				
As at 31 March 2004	<u>1,675,230</u>	<u>40,806</u>	<u>-</u>	<u>1,716,036</u>
As at 31 March 2003	<u>1,382,354</u>	<u>45,456</u>	<u>-</u>	<u>1,427,810</u>

**ART SERVICES GRANTS LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2004**

7. Debtors	2004	2003
	£	£
Other debtors	102,818	122,007
Prepayments	<u>72,690</u>	<u>122,567</u>
	<u><u>175,508</u></u>	<u><u>244,574</u></u>

8. CREDITORS: Amounts falling due within one year	2004	2003
	£	£
Bank current account	100,511	56,489
Deposits held on accounts	68,395	60,763
Other taxes and social security costs	9,648	7,977
Dilapidation provision for Columbia House	-	35,064
Bank Loan	40,065	40,065
Accruals and deferred income	<u>123,661</u>	<u>117,191</u>
	<u><u>342,280</u></u>	<u><u>317,549</u></u>

9. CREDITORS FALLING DUE AFTER ONE YEAR	2004	2003
	£	£
Bank Loan	<u><u>205,670</u></u>	<u><u>227,042</u></u>

10. SHARE CAPITAL

The company is limited by guarantee and has no share capital

11a. RESERVES	At 1st April 03	Incoming Resources	Resources Expended	At 31st March 04
	£	£	£	£
General reserve	150,346	1,216,903	1,271,544	95,705
Designated funds	45,803	183	-	45,986
Total unrestricted funds	<u>196,149</u>	<u>1,217,086</u>	<u>1,271,544</u>	<u>141,691</u>
Restricted funds	1,050,584	602,036	433,773	1,218,847
Total restricted funds	<u>1,050,584</u>	<u>602,036</u>	<u>433,773</u>	<u>1,218,847</u>
Total funds	<u><u>1,246,733</u></u>	<u><u>1,819,122</u></u>	<u><u>1,705,317</u></u>	<u><u>1,360,538</u></u>

**ART SERVICES GRANTS LIMITED
(KNOWN AS SPACE STUDIOS)**

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2004**

11b. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	<u>General Funds</u>	<u>Restricted Funds</u>	<u>Designated Funds</u>	<u>Total</u>
	£	£	£	£
Fund balances at 31 March 2004 are represented by:				
Tangible fixed assets	633,517	1,082,519	-	1,716,036
Current assets	10,138	136,328	45,986	192,452
Current liabilities	(342,280)	-	-	(342,280)
Long term liabilities	(205,670)	-	-	(205,670)
Total net assets	<u>95,705</u>	<u>1,218,847</u>	<u>45,986</u>	<u>1,360,538</u>

12. OTHER FINANCIAL COMMITMENTS

At 31 March 2004, there were annual commitments under non-cancelable operating leases as follows:

	2004	2003
	£	£
Land and buildings		
Operating leases which expire:		
Within one year	60,000	138,650
Between two to five years	60,000	121,250
Over five years	447,937	178,250
	<u>567,937</u>	<u>438,150</u>

13. DEPOSITS HELD ON ACCOUNT

Included in creditors is an amount of £68,395 (2003: £60,763) for deposits held on account for tenants. Deposits equal a tenant's first month's rent.

14. SECURITY

There are fixed and floating charges over all current and future assets of the company.

15. ESTIMATION

Due to the rapid expansion of the charity this year, it has been necessary to estimate the allocation of some expenses and assets between restricted and unrestricted funds.

**ART SERVICES GRANTS LIMITED
(KNOWN AS SPACE STUDIOS)**

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2004**

17. Studio costs

	2004	2003
	£	£
Rent and rates	595,025	469,477
Repairs and maintenance	41,351	59,181
Studios Discount	16,405	-
Insurance	51,129	49,839
Telephone	5,243	5,081
Light and heat	24,221	45,865
Staff costs	43,744	24,593
Publicity and marketing	12,000	12,000
Motor expenses	2,333	1,831
Security costs	-	32,836
Audit	5,166	1,490
Bad debts	7,389	2,522
Legal and professional	(12,991)	48,629
Interest	18,693	20,499
Depreciation	117,541	116,334
Sundry	3,611	3,977
Dilapidation provision for Columbia House	-	35,064
	<u>930,860</u>	<u>929,218</u>

18. Support and management expenditure

	<u>Administrative</u>	<u>Support</u>	2004	2003
	£	£	£	£
Rent and rates	9,605	-	9,605	8,490
Insurance	5,274	351	5,625	4,050
Repairs and maintenance	2,620	2,024	4,644	8,840
Books and subscriptions	594	401	995	1,035
Publicity and marketing	15,266	9,283	24,549	32,578
Print, post, stationary and equipment	16,715	15,118	31,833	22,466
Staff costs	205,646	160,537	366,183	308,378
Cleaning	7,227	3,934	11,161	5,875
Computer running costs	8,894	4,266	13,160	13,613
Office expenses	9,454	4,247	13,701	11,935
Telephone	8,053	4,440	12,493	8,519
Light and heat	1,865	613	2,478	2,420
Project costs	6,838	137,330	144,168	56,394
Training and recruitment	579	100	679	3,222
Travel	253	393	646	794
Legal and professional	16,952	16,064	33,016	10,420
Audit and accountancy	39,918	-	39,918	16,575
Depreciation	25,389	14,150	39,539	32,385
Bank charges	8,640	-	8,640	5,627
Exhibition & Canadian residency	-	11,424	11,424	-
	<u>389,782</u>	<u>384,675</u>	<u>774,457</u>	<u>553,616</u>