

267021

31/3/05

**ART SERVICES GRANTS LIMITED**

known as [ space ]

**REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2005**

No 4

**ACCOUNTS**

**31 JAN 2006**

RECEIVED BY POST TEAM,  
COMPLIANCE DIVISION

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

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

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**COMPANY INFORMATION**

**COMPANY** 1157240

**REGISTERED CHARITY NUMBER** 267021

**DIRECTORS**  
M Chanarin  
J Green  
M Sealy  
L Byrne  
C Wainwright  
T Mc Geagh

**SECRETARY** 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.  
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

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

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**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 2005.

**Constitution and objects**

Art Services Grants Limited (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.
- c) 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. 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 the Arts Council. 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 significant reserves, and manages its operations so as to maximise spending on operating activities. Space has restricted reserves of £ 1,177,527 which predominantly comprise expenditure on property improvements, in particular the refurbishment of The Triangle and Sara Lane properties. Subsequent to the year end, the directors arranged further bank financing in order to ensure current liabilities could be met as they fell due. Due to the deficit for the year, the directors have released designated reserves back into the general fund.

**Risk Management**

The Trustees examine the risks related to any activity on a regular basis and endeavour to make suitable provision by insurance or by increasing rents to meet potential future liabilities.

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

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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 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 2,000 artists, showing high demand;
- been developing new properties and partnerships for rationalisation and expansion of the property portfolio.

**SPACE Studios (Art Services Grant Limited) Funding and Income**

The majority of Art Services Grants Limited's income comes from the fees charged to artists for studios. Projects are primarily funded by grants received for the purpose. Other income is derived from training and other activities.

**Overview of the year**

The year under review has seen major change for SPACE, its directors and senior management. Charlotte Robinson, the outgoing Chief Executive, retired after 6 years service. This period saw her steer the organisation through a substantial growth in studio provision and other activities, and move the organisation into new and more permanent head office with on-site exhibition space.

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

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**REPORT OF THE DIRECTORS (continued)**

However, rapid expansion has meant that income has not kept pace with expenditure resulting in a deficit for the year. New Trustees have been appointed to increase the breadth and depth of the experience of the Board to enable the organisation to deal more effectively in an ever changing and more complex operating environment.

In the months following the year under review, the directors have implemented a major restructuring of the organisation which is intended to bring costs under control and increase future income. Anna Harding was appointed Chief Executive, further increasing the range of skills and knowledge within the organisation, particularly with regard to income generation.

**Activities for the year under review**

SPACE Public Art has continued to deliver a programme that is artist-led and engages with different communities. The Bow Festival in particular is recognised for its high quality and innovative projects and commissions.

Throughout the year SPACE has continued its strong relationship with Canada Council in hosting the Canadian Residency programme. Mathieu Beausejour and Brian Jungen were selected for residencies at SPACE with Mathieu enjoying a successful exhibition in January 2005.

Nooshin Farhid and Eileen Perrier were selected as recipients of SPACE's Cultural Diversity award exhibiting their work in the gallery throughout May/June 04 and in a relationship with the BOC award in November/December 04 the winning artist Tom Hackney showed his work alongside next years short listed artists. During the year the gallery also hosted events in collaborations with Black History Month, Fernando Arias in a weekend Columbian Residency event, and the performance group Post Script.

Media Arts continues to offer access to technology and electronic media to artists and communities and fosters links between them. Multi media Open Access developed to accommodate the fast pace of change in this area, we now offer technical advice surgeries and media software training, both services are over subscribed. In addition, Media Arts produced a promotion video for the Tower Hamlets Housing Action Trust and began a 'Fit for Enterprise' scheme with Hackney Business Venture to develop a productions wing of SPACE Media Arts.

Media Arts has begun to work in emergent media, including wireless and mobile technologies. We commissioned 5 wireless artist commissions at Bow Festival 04 and ran a series of emergent media training courses in Nov 04 which were over subscribed. This is a strategic area for development within the Arts Council's remit and Media Arts has been awarded strategic development funding leading to revenue funding as a flagship area of work in London.

Media Arts moved to the Triangle in March 05 and has benefited from increased geographical accessibility at the new location.

The Training and Resources department at SPACE worked with The Arts Council (London), HBV Enterprise, The London Development Agency, Artquest and the Whitechapel to deliver a wide ranging program of professional development support for artists, including training, business advice, mentoring and opportunities for critical exchange. We also continue to work in partnership with East London Printmakers to deliver 4 sessions of open access printmaking at the Triangle each week.

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

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**REPORT OF THE DIRECTORS (CONTINUED)**

Arts Council England has continued to recognise the work of SPACE through providing a grant towards administrative and staffing costs, this year this has been increased to £98,669

SPACE is indebted to Arts and Business, the European Regional Development Fund, Leaside Regeneration Limited, London Borough of Hackney Neighbourhood Renewal Fund, London Borough of Tower Hamlets Neighbourhood Renewal Fund, London Development Agency, McGrath Brothers Limited, Old Ford Housing Association, Regional Arts Lottery Programme, Shoreditch Our Way, Tower Hamlets Housing Action Trust, and National Lottery Awards for All 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, Arts Council Lottery funding in addition to other private and public sector funding 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 2004/2005:

M Chanarin  
J Green  
M Sealy (appointed 25 October 2004)  
L Byrne (appointed 25 October 2004)  
C Wainwright (appointed 20 September 2004)  
T Mc Geagh (appointed 25 October 2004 resigned 24 October 2005)  
B Pomeroy (resigned 17 March 2005)

**Auditors**

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

**ON BEHALF OF THE BOARD**

Chairman: Michael Chanarin



Date: 19 December 2005

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

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

We have audited the financial statements on pages 8 to 15 of Art Services Grants Limited for the year ended 31st March 2005. 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 Limited 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  
(KNOWN AS SPACE STUDIOS)**

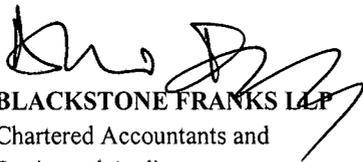
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**INDEPENDENT AUDITORS REPORT TO THE DIRECTORS OF  
ART SERVICES GRANTS LIMITED**

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 2005 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: 17th January 2006

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

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**INCOME AND EXPENDITURE ACCOUNT**

for the year ended 31 March 2005

	2005	2004
	£	£
<b>INCOME</b>	1,652,176	1,819,122
Expenditure	(1,834,467)	(1,705,317)
<b>NET INCOME</b>	<u>(182,291)</u>	<u>113,805</u>
 <b>Consisting of:</b>		
General fund	(140,971)	(54,641)
Restricted funds	(41,320)	168,263
Designated funds	-	183
	<u>(182,291)</u>	<u>113,805</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**  
**(KNOWN AS SPACE STUDIOS)**

**STATEMENT OF FINANCIAL ACTIVITIES**  
**for the year ended 31 March 2005**

	Note	General Funds 2005 £	Restricted Funds 2005 £	Designated Funds 2005 £	Total Funds 2005 £	Total Funds 2004 £
<b>Incoming resources</b>						
Donations		-	-	-	-	20
Activities in furtherance of the charity's objects:						
Grants	2	242,113	209,424	-	451,537	713,227
Rental income		1,152,017	-	-	1,152,017	1,032,751
Training income		12,395	-	-	12,395	40,389
Interest received		208	-	-	208	163
Other income		36,019	-	-	36,019	32,572
<b>Total incoming resources</b>		<b>1,442,752</b>	<b>209,424</b>	<b>-</b>	<b>1,652,176</b>	<b>1,819,122</b>
<b>Resources Expended</b>						
Charitable expenditure :						
Studio and project costs	17	1,289,016	57,820	-	1,346,836	930,860
Support Costs	18	146,529	179,969	-	326,498	384,675
Management and administration costs	18	148,178	12,955	-	161,133	389,782
<b>Total resources expended</b>		<b>1,583,723</b>	<b>250,744</b>	<b>-</b>	<b>1,834,467</b>	<b>1,705,317</b>
<b>Net (outgoing) / incoming resources</b>		<b>(140,971)</b>	<b>(41,320)</b>	<b>-</b>	<b>(182,291)</b>	<b>113,805</b>
<b>Transfer between funds</b>		<b>45,986</b>	<b>-</b>	<b>(45,986)</b>	<b>-</b>	<b>-</b>
<b>Total funds at 1 April 2004</b>		<b>95,705</b>	<b>1,218,847</b>	<b>45,986</b>	<b>1,360,538</b>	<b>1,246,733</b>
<b>Total funds at 31 March 2005</b>	11b	<b>720</b>	<b>1,177,527</b>	<b>-</b>	<b>1,178,247</b>	<b>1,360,538</b>

**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**  
(KNOWN AS SPACE STUDIOS)

**BALANCE SHEET**  
as at 31 March 2005

		2005		2004	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	6	1,618,404		1,716,036	
<b>CURRENT ASSETS</b>					
Debtors	7	151,982		175,508	
Cash on short term deposit at bank and in hand		7,903		16,944	
		159,885		192,452	
<b>CREDITORS: Amounts falling due within one year</b>					
	8	(415,833)		(342,280)	
<b>NET CURRENT LIABILITIES</b>		(255,948)		(149,828)	
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		1,362,456		1,566,208	
<b>CREDITORS: Amounts falling due after more than one year</b>					
	9	(184,209)		(205,670)	
<b>TOTAL NET ASSETS</b>		1,178,247		1,360,538	
<b>FUNDS</b>					
General Fund	11	720		95,705	
Restricted Funds	11	1,177,527		1,218,847	
Designated Funds	11	-		45,986	
		1,178,247		1,360,538	

The accounts are prepared in accordance with the special provision of part VII of Companies Act 1985 relating to small entities and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

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

Chairman: M Chanarin



Date: 19 December 2005

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

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**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 March 2005**

**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.

**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 (Leasehold improvements)	4% - 25%	Straight line

**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.

**Dilapidation costs**

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

**Incoming resources**

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

**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 fulfilment 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 2005**

**1. ACCOUNTING POLICIES (continued)**

**Operating Leases**

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

**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.

**2. GRANTS**

	General Funds	Restricted Funds	Total 2005	2004
	£	£	£	£
Arts Council of England	98,669	32,793	131,462	96,262
Public Arts - Bow Festival	-	73,625	73,625	76,593
Public Arts - Other activities	-	53,881	53,881	73,879
Media Arts grants	-	8,315	8,315	-
Canadian residency	44014	-	44,014	33,278
Residency grants	-	16500	16,500	-
Exhibitions	-	7,810	7,810	-
Professional development grants	89101	-	89,101	-
Regional Development Fund -Triangle	-	-	-	86,693
Capital grants	-	16500	16,500	-
London Development Agency Fund	-	-	-	203,417
Spaceplace Fund	-	-	-	14,252
Shoreditch Our Way	-	-	-	25,318
Training grants	10329	-	10,329	103,535
	<u>242,113</u>	<u>209,424</u>	<u>451,537</u>	<u>713,227</u>

**3. OPERATING INCOME**

	2005	2004
	£	£
Operating income is stated after charging:		
Auditors' remuneration	12,000	15,000
Depreciation	151,651	154,326
Rentals paid under operating leases – property	<u>609,378</u>	<u>527,656</u>

**4. TRUSTEE DIRECTORS AND STAFF COSTS**

	2005	2004
	£	£
a) The total remuneration was:		
Wages and salaries	385,184	347,999
Social Security costs	<u>36,821</u>	<u>33,015</u>
	<u>422,005</u>	<u>381,014</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 22 (2004: 24).

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

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 March 2005**

**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 (Leasehold improvements) £	Equipment £	Motor Vehicles £	Total £
<b>Costs:</b>				
At 1 April 2004	2,105,263	208,286	7,867	2,321,416
Additions	46,137	7,882	-	54,019
Disposal	-	-	-	-
At 31 March 2005	<u>2,151,400</u>	<u>216,168</u>	<u>7,867</u>	<u>2,375,435</u>
<b>Depreciation:</b>				
At 1 April 2004	430,033	167,480	7,867	605,380
Charge for year	127,119	24,532	-	151,651
Depreciation on disposal	-	-	-	-
At 31 March 2005	<u>557,152</u>	<u>192,012</u>	<u>7,867</u>	<u>757,031</u>
<b>Net book value:</b>				
As at 31 March 2005	<u>1,594,248</u>	<u>24,156</u>	<u>-</u>	<u>1,618,404</u>
As at 31 March 2004	<u>1,675,230</u>	<u>40,806</u>	<u>-</u>	<u>1,716,036</u>

**7. DEBTORS**

	2005 £	2004 £
Other debtors	98,985	102,818
Prepayments	52,997	72,690
	<u>151,982</u>	<u>175,508</u>

**8. CREDITORS: Amounts falling due within one year**

	2005 £	2004 £
Bank overdraft (secured)	111,820	100,511
Deposits held on accounts	71,694	68,395
Other taxes and social security costs	10,130	9,648
Bank loan (secured)	40,065	40,065
Accruals and deferred income	125,521	53,065
Other creditors	56,603	70,598
	<u>415,833</u>	<u>342,282</u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 March 2005**

**9. CREDITORS FALLING DUE AFTER ONE YEAR**

	2005	2004
	£	£
Bank loan (secured)	<u>184,209</u>	<u>205,670</u>

**10. SHARE CAPITAL**

The company is limited by guarantee and has no share capital

**11a. RESERVES**

	<u>At 1st April 2004</u>	<u>Transfers</u>	<u>Incoming Resources</u>	<u>Resources Expended</u>	<u>At 31st March 2005</u>
	£	£	£	£	£
General reserve	95,705	(49,151)	1,442,752	1,583,723	(94,417)
Designated funds	45,986	(45,986)	-	-	-
<b>Total unrestricted funds</b>	<u>141,691</u>	<u>(95,137)</u>	<u>1,442,752</u>	<u>1,583,723</u>	<u>(94,417)</u>
Restricted funds	1,218,847	95,137	209,424	250,744	1,272,664
<b>Total restricted funds</b>	<u>1,218,847</u>	<u>95,137</u>	<u>209,424</u>	<u>250,744</u>	<u>1,272,664</u>
<b>Total funds</b>	<u>1,360,538</u>	<u>-</u>	<u>1,652,176</u>	<u>1,834,467</u>	<u>1,178,247</u>

**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 2005 are represented by:				
Tangible fixed assets	353,889	1,264,515	-	1,618,404
Current assets	246,873	-86,988	-	159,885
Current liabilities	(415,833)	-	-	(415,833)
Long term liabilities	(184,209)	-	-	(184,209)
<b>Total net assets</b>	<u>720</u>	<u>1,177,527</u>	<u>-</u>	<u>1,178,247</u>

**12. OTHER FINANCIAL COMMITMENTS**

At 31 March 2005, there were annual commitments under non-cancellable operating leases as follows:

	2005	2004
	£	£
Land and buildings		
Operating leases which expire:		
Within one year	63,250	60,000
Between two to five years	171,000	60,000
Over five years	310,650	447,937
	<u>544,900</u>	<u>567,937</u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 March 2005**

**13. DEPOSITS HELD ON ACCOUNT**

Included in creditors is an amount of £71,694 (2004: £68,395) 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. DIRECT CHARITABLE EXPENDITURE**

	2005	2004
	£	£
<b>Studios</b>		
Rent, rates, maintenance etc	832,090	736,985
Staff and related costs	148,057	46,077
Publicity and marketing	7,608	12,000
Audit	-	5,166
Bad debts	9,501	7,389
Legal and professional	26,894	(12,991)
Interest	18,604	18,693
Depreciation	151,651	117,541
<b>Projects</b>		
Exhibition and Canadian residency expenses	17,430	11,424
Project delivery expenses	31,313	-
Public Arts project expenses	103,688	144,168
	<b>1,346,836</b>	<b>1,086,452</b>

**16. SUPPORT AND MANAGEMENT EXPENDITURE**

	<u>Support</u>	<u>Administrative</u>	2005	2004
	£	£	£	£
Staff and associated costs	246,730	38,533	285,263	367,508
General office expenses	51,804	54,642	106,446	60,702
Publicity and marketing	8,534	-	8,534	24,549
Print, post, stationery and equipment	10,235	13,985	24,220	31,833
Information systems	9,195	8,648	17,843	13,160
Legal and professional	-	24,577	24,577	33,016
Audit and accountancy	-	12,000	12,000	39,918
Depreciation	-	-	-	39,539
Bank charges and interest	-	8,748	8,748	8,640
	<b>326,498</b>	<b>161,133</b>	<b>487,631</b>	<b>618,865</b>

**17. POST BALANCE SHEET EVENTS**

In April 2005, the trustee-directors negotiated a conversion of the substantial part of the overdraft into a fixed term loan repayable over five years.