

# **The Photographers' Gallery (Enterprises) Limited**

## **Directors' report and financial statements**

**31 March 1996**

Registered number 986208

Charity number 262548



# The Photographers' Gallery (Enterprises) Limited

## Trustees' report and financial statements

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# The Photographers' Gallery (Enterprises) Limited

## Directors' report

The directors present their annual report and audited financial statements for the year ended 31 March 1996.

### Principal activities

The company was established on 1 April 1994 with the aim of promoting the sales of original photographic prints and books on photography and related issues. The company assumed the established retail business of The Photographers' Gallery Ltd (a registered charity and the company's ultimate parent company). The company's profits are covenanted to The Photographers' Gallery Limited under a variable deed of covenant.

### Business review

It has been another successful year for both the Bookshop and Print Sales Room with an increase in the aggregated turnover of 15% compared to the prior year. The cost of sales has increased by 19% and this is an area where tighter controls must be enforced. To this end both operations are negotiating with artists, publishers and suppliers to improve discounts.

A main priority for the next year is to install a dedicated computerised bookshop system which will incorporate features such as EPOS, electronic ordering and improved stock management. We hope to establish a computerised data base of the stock for both outfits which can be accessed by the public at the gallery and are investigating the possibilities of internet retailing.

The Christmas exhibition (IWishIWish) generated record sales for the Print Sales Room with a younger British clientele enthusiastically buying work from the show for the first time. The special edition Prime Prints continued in a successful vein, with the fifth in the series, David Byrne's *Untitled Polaroid Piece*, selling out during the course of his exhibition at the gallery.

### Dividend

The directors do not recommend payment of a dividend.

# The Photographers' Gallery (Enterprises) Limited

## Directors' report

### Directors

The directors who held office during the year:

Robert Heller † (Chair)  
Barbara Lloyd †  
Terry Maher †  
Paul Wombell\*  
Ian Jindal\* (resigned 23 October 1995)

† Also a Trustee of The Photographers' Gallery Limited

\* Also an employee of The Photographers' Gallery Limited

None of the directors who held office at the end of the financial year had any interest in the shares of the company, nor in the shares of any group companies.

### Directors' responsibilities

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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

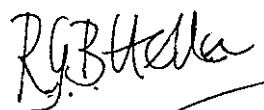
# The Photographers' Gallery (Enterprises) Limited

## Directors' report

### Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution for the reappointment of KPMG as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



**Robert Heller**  
Chair of the Board

Halina House  
5 Great Newport Street  
London  
WC2H 7HY

1996



PO Box 695  
8 Salisbury Square  
London  
EC4Y 8BB

## Report of the auditors to the members of The Photographers' Gallery (Enterprises) Limited

We have audited the financial statements on pages 5 to 9.

### *Respective responsibilities of directors and auditors*

As described on page 2 the directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

### *Basis of opinion*

We conducted our audit in accordance with 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 directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately 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.

### *Opinion*

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 March 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*KPMG*

**KPMG**  
Chartered Accountants  
Registered Auditors

*16<sup>th</sup> December* 1996

# The Photographers' Gallery (Enterprises) Limited

## Profit and loss account for the year ended 31 March 1996

	Note	1996 £	1995 £
<b>Turnover</b>	1	<b>604,645</b>	522,303
Cost of sales		(439,318)	(366,320)
<b>Gross profit</b>		<b>165,327</b>	155,983
Administrative expenses		(15,850)	(13,026)
<b>Operating profit</b>		<b>149,477</b>	142,957
Management charge		(125,058)	(125,194)
<b>Profit on ordinary activities before taxation</b>	2-4	<b>24,419</b>	17,763
Covenant of profits to the Photographers' Gallery Ltd		(24,419)	(17,763)
<b>Retained profit carried forward</b>		<b>-</b>	-

There are no recognised gains or losses other than the profit for the financial year.

The notes on pages 7 to 9 form part of these financial statements.

# The Photographers' Gallery (Enterprises) Limited

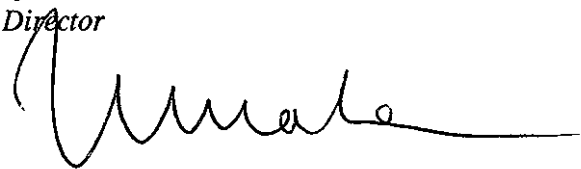
Balance sheet  
at 31 March 1996

	Note	1996 £	£	1995 £	£
<b>Current assets</b>					
Stock for resale		128,189		120,337	
Debtors	6	35,142		28,465	
Cash at bank and in hand		5,801		113	
		<u>169,132</u>		<u>148,915</u>	
<b>Creditors: amounts falling due within one year</b>	7	<u>(169,130)</u>		<u>(148,913)</u>	
<b>Net current assets</b>			<u>2</u>		<u>2</u>
<b>Net assets</b>			<u>2</u>		<u>2</u>
<b>Capital and reserves</b>					
Called up share capital	8		2		2
Profit and loss account			-		-
			<u>2</u>		<u>2</u>

These financial statements were approved by the board of directors on November 26<sup>th</sup> 1996 and were signed on its behalf by:



**Robert Heller**  
Director



**Terry Maher**  
Director

# The Photographers' Gallery (Enterprises) Limited

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

#### *Basis of preparation*

The financial statements are prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

#### *Cashflow*

The company has taken advantage of the small companies exemption not to produce a cash flow statement.

#### *Turnover*

Turnover represents income from the sales of books, magazines and other merchandise from the bookshop, and the sales of photographic prints, frames and agency representation income from the print sales operation.

#### *Foreign currencies*

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date, and gains and losses on translations are included in the profit and loss account.

#### *Stock*

Stock is stated at the lower of cost and net realisable value. Stocks of prints held on consignment are not valued in these accounts.

### 2 Remuneration of directors

No directors received any remuneration during the year.

### 3 Staff numbers and costs

No staff are employed by the company. The service of staff of the Photographers' Gallery Ltd are utilised under a Service and Licensing Agreement. The cost of this service is included in the management charge on the face of the profit and loss account.

# The Photographers' Gallery (Enterprises) Limited

## Notes (continued)

### 4 Taxation

The company pays the total of its taxable profit to The Photographers' Gallery Limited (a registered charity) under a variable deed of covenant dated 1 April 1994, and so no tax is payable.

### 5 Dividends

The directors do not recommend the payment of a dividend.

### 6 Debtors

	Due within one year 1996	Due within one year 1995 £
Trade debtors	20,267	19,360
Other debtors	13,978	2,986
Prepayments and accrued income	897	6,119
	<u>35,142</u>	<u>28,465</u>

### 7 Creditors: amounts falling due within one year

	1996 £	1995 £
Bank loans and overdrafts	-	15,400
Trade creditors	156,515	125,937
Amounts owed to parent undertaking	7,694	7,576
Other creditors	4,921	-
	<u>169,130</u>	<u>148,913</u>

# The Photographers' Gallery (Enterprises) Limited

## Notes *(continued)*

### 8 Called up share capital

	1996	1995
	£	£
<i>Authorised</i>		
Ordinary shares of £1 each	100	100
	<hr/>	<hr/>
<i>Allotted, called up and fully paid</i>		
Ordinary shares of £1 each	2	2
	<hr/>	<hr/>

### 9 Ultimate parent company

The company is a subsidiary undertaking of the Photographers Gallery Limited registered in England and Wales.