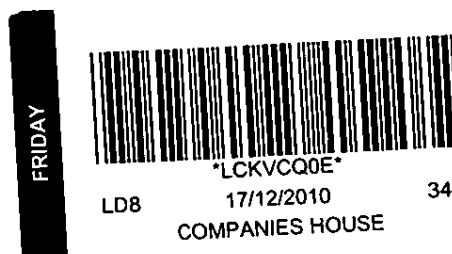


Registered Company No 986208
Charity No 262548

Chantrey Vellacott DFKLLP

**The Photographers'
Gallery Limited
(Limited by Guarantee)**

**Financial statements
31 March 2010**



The Photographers' Gallery Limited

Financial statements for the year ended 31 March 2010

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The Photographers' Gallery Limited

Reference and administrative information

Constitution and objects

The Photographers' Gallery Limited (the 'Gallery') is a registered charity whose objects are to further advance photography as an art form, promote public knowledge, appreciation and understanding of the medium and organise public exhibitions and projects to these ends The Photographers' Gallery is a company limited by guarantee governed by its Memorandum and Articles of Association

Trustees

Refer to page 6 for details

Director

Brett Rogers

Secretary

Andrew Gault

Registered office

16-18 Ramillies St, London W1F 7LW

Auditor

Chantrey Vellacott DFK LLP, Russell Square House, 10-12 Russell Square, London WC1B 5LF

Bankers

Barclays Bank plc, 27 Soho Square, London W1D 3QR
National Westminster Bank plc, 2a Charing Cross Road, London, WC2H OPD

Solicitors

Bristows, 10 Lincoln's Inn Fields, London WC2A 3BP
Herbert Smith LLP, Exchange House, Primrose Street, London EC2A 2HS

Charity number

262548

Company number

986208

The Photographers' Gallery Limited

Chairman of the Board of Trustees Report 2009-10

Chair's summary

2009-10 was a challenging and exciting first year, in our new premises at Ramillies St, for both trustees and staff. After our successful and well-received move from our previous building at Great Newport St in Dec 2008, the Gallery like many other organisations was severely affected by the recession. The Gallery experienced an unprecedented fall in its earned income from membership and general sponsorship, and in turnover from our two main business enterprises (Bookshop and Print Sales) leading to an operating loss of £47,782 in March 2009. In response, management and trustees worked incredibly hard over the year to reduce overheads, secure income targets and refocus our enterprises offer, whilst continuing to raise funds for our capital project. Unfortunately, in order to achieve this, we had to cut staff and our planned programme of activities, reducing all departments' budgets by approximately 8%. We cut two exhibitions slots from the summer-autumn programme, with all staff agreeing to forgo a pay rise for the year. The Gallery's management team made every effort to reduce the impact of these financial cuts on frontline visitor services and, although these decisions were difficult for trustees, we were reassured by the financial results for 2009-10, in which the Gallery succeeded and returned a £39,988 surplus. We secured all short-to-medium term project funding for our programme and thanks to a successful Arts Council Sustain award, we saw a refocused Enterprises return to profit, increasing its turnover to £1,287,191 and making a £256,643 surplus of which £56,643 came from Print Sales, Bookshop, Cafe and £200,000 from Deutsche Borse.

We experienced a decline in UK visitor numbers to the Gallery which fell from 420,622 to 383,200 compared with the previous year; this was due to our opening for six rather than seven days a week, the initial impact of moving to our new space at Ramillies St and reducing the number of exhibitions in the year due to financial restrictions. In spite of this, the Arts Council has confirmed that our visitor numbers remain high for an organisation of our size, with average visits of 1,100-1,380 per day which represents an Arts Council subsidy per head of just £2.33, one of the lowest in their portfolio of regular funded organisations.

The Gallery made significant progress in achieving its ambition of building a new Gallery by 2011. Following our successful move to Ramillies Street in Dec 2008, and with considerable disappointment, Trustees decided to review the scale of our capital project in early 2009, in direct response to the unforeseen impact of the banking crisis, the global recession and the likely impact of future significant government cuts to our annual Arts Council grant. Following consultations with all our main stakeholders (ACE London and ACE Capital), the Trustees instructed the Executive to investigate a revised project scheme focussing on redeveloping the current Ramillies Street building, adding a two-storey roof extension, changing the internal configuration, reducing costs to around £8,700,000. In early 2010, ACE agreed to the revised scheme, which was then approved by Westminster Planning. Trustees and staff are very confident that the revised scheme satisfies all the original deliverables for the Gallery to fulfil our future vision – namely three dedicated floors for gallery exhibitions, one floor for education and sufficient space to accommodate our offices and Enterprises. Contractors Killby and Gayford Ltd were appointed in May 2010 and construction commenced in November 2010.

To date we have secured £7,600,000 of our £8,700,000 fundraising target. In order to remain on our current 2011 completion timeline and to take full advantage of low construction costs in the current climate, the Gallery secured a mortgage in autumn 2010 to progress the scheme. We will continue to fundraise to reduce this mortgage commitment over the coming two years. Trustees have proceeded in full consultation with professional advisors, and with the approval and consent of our principal stakeholders, Arts Council Lottery and ACE London in line with the rules of the Charity Commission.

From September 2010 the Gallery moved into temporary offices in William Road from which we will continue to operate our Print Sales and Bookshop activities. We will operate a reduced off-site programme of exhibitions, talks and events for our much praised off-site educational work over the construction stage, aiming to open the new Gallery within our 40th anniversary year in late autumn 2011. To have completed the entire process from revising our previous scheme, to having a fully developed cost-effective scheme with planning approval and a contractor appointed in just 16 months is a testament to the dedication and ability of my fellow trustees and the entire management team.

The Photographers' Gallery Limited

Chairman of the Board of Trustees Report 2009-10

Chair's summary (continued)

In 2009-2010, our programme of exhibitions, educational projects, talks and events was rich and diverse in content and scale, despite the challenges of working to short planning and lead times due to the changing start date of our capital project. Given the many restrictions of the current temporary Ramillies Street building- with no lift, temporary galleries, and no dedicated education space, heating or environmental controls- we still managed to draw 383,200 visitors and exhibit an excellent variety and challengingly inclusive programme. The executive used this past year as an opportunity to experiment and learn more about the potential of our new site at Ramillies Street, to assist in developing our future programming ideas and to expand our programme strands.

The programming team began the year with an ambitious group show, *The Photographic Object*, which examined the photograph as object in its own right, including the work of Maurizio Anzeri, Walead Beshty, Gerhard Richter, Wolfgang Tillmans and Andy Warhol amongst others. Jordan Baseman's *'Dark is the Night'* was a continuation of the Gallery's Soho projects, a film of empty and dimly lit Soho streets set against narration by Lucy, a transsexual prostitute, who describes her experiences of working and living in Soho. In the autumn, André Kertész's *On reading* signalled how we attempt to showcase afresh a small body of work by a seminal artist from the history of photography. Magnum photographer, Jim Goldberg's *Open See* documented the experiences of people who travel from war-torn, socially and economically devastated countries, to make new lives in Europe along side emerging Spanish/Brazilian artist Sara Ramo's work using film, installation and photography to explore notions of order and disorder. The year finished with the Deutsche Borse, who continued to be the title sponsor for our annual photography prize. This prize is widely considered one of the most prestigious photography awards in the world with a £30,000 first prize. The four shortlisted artists for this year's Prize were Anna Fox, Zoe Leonard, Sophie Ristelhueber and Donovan Wylie. We are delighted that Deutsche Borse have confirmed that they intend to continue their sponsorship of the prize for the next two years.

We also experimented with the quantity and variety of our talks, events and educational projects as we used Mondays to invite adults and children groups to the Gallery. One of our most successful new talks stand was the critical soap-box style debates (Photosocials) and practical photography workshops designed for families. In addition, we organised several Folio Forums where established photographers provide critical feedback on aspiring photographers' work. Our small Gallery-based education programmes and resource publications provide a variety of entry points to the exhibitions. The Gallery has suffered from not having a dedicated education space to allow school groups to attend, debate and engage with our work. Our programme facilitated over 145 school party visits to the Gallery by 15-25 year olds which grew from last year, from 2,500 to 4,850 due in part to a photographer-led workshop and visit programme for schools and colleges based in specific London boroughs and supported by The John Lyon's Charity and Steele Foundation. In addition, the education team took full advantage of the Gallery being closed to the public on Mondays. We were delighted that both The John Lyons Charitable Trust and Collier's Ltd continued with their three-year funding agreements, enabling us to expand our School and off-site educational work, providing invaluable skills and loan of equipment to facilitate workshops in schools throughout the UK and Scotland. The Gallery teamed up with Central & Cecil, a housing trust, to offer digital photography training over six weeks to a group of older residents in Westminster, culminating in a display and celebration at the Gallery.

Financial results

The demands of managing the costs and fundraising of the capital project, alongside our normal gallery activities, made 2009-10 a challenging year financially. The year-end consolidated results for the Gallery shows a deficit of £75,250 which includes the cost of running the capital project, which is funded from the Gallery's own general resources. The Gallery's normal activity, excluding the capital project, made a £39,988 surplus on a turnover of £2,527,026.

The Photographers' Gallery Limited

Chairman of the Board of Trustees Report 2009-10

Following the Gallery's decision to revise the scale of our capital project plans, our Development team drew up a new fundraising strategy focused on smaller, more achievable targets. The Development team worked with the Capital Campaign Committee, led by Trustee Diana Donovan, to secure capital donations and pledges totalling £1.1m over the past year. Major applications were also submitted to a number of key trusts and foundations but despite receiving positive feedback, a few of these applications were unsuccessful due in part to the effect of the turmoil in financial markets upon endowment investments. Nevertheless, there are still a number of major individual prospects who have indicated their support of the project. We are planning a charity auction in February 2011 and aim to raise a significant sum from the event. A number of key works have already been secured.

The Gallery was very pleased to receive an Arts Council England Sustain award of £232,000 (over two years) to support it during the recession. We also raised £397,249 to support the artistic programme from companies and charitable trusts and £93,464 from patrons, membership, venue hire and other earned income. The Gulbenkian Foundation awarded a further large grant towards The World in London, the Gallery's Olympic project, John Lyons' Charity, Colliers Green CRE and the Steel Charitable Trust funded work with secondary schools, and Engage and Westminster Council supported the Gallery's work placement programme.

In November 2009, the Gallery set up a US subsidiary charity called the Friends of the Photographers' Gallery Foundation. The aim of the US Foundation is to allow tax exempt donations and grants from individuals, corporate or US Foundations to the Gallery. As of the 31 March 2010 the subsidiary remained dormant.

Financial challenges for 2010-11

Over the coming year as with many arts organisations, we are bracing ourselves for a 10% cut (circa £87,000) in our annual funding from the Arts Council as the new government implements austerity measures to reduce the UK's deficit. Fortunately the Gallery will enter a period of reduced programming activity over the construction phase of our capital project and has secured £120,000 from Bloomberg to fund our planned off-site programme and events. In addition, as already mentioned, we have agreed another two year funding agreement with Deutsche Borse and will host our annual photography prize during our construction phase offsite, helping to maintain the Gallery's profile during this period. We have secured all the funds required to progress with our £8,700,000 capital project through fundraising and securing a mortgage of £1,410,000. We will continue to fundraise during the construction phase to repay the mortgage by 2012. An imperative in the coming year is to ensure our trading subsidiary focuses on sustaining its activities even while there is no Gallery from which to operate. Both Print Sales and Bookshop will operate from our temporary offices through private appointments and by developing online sales via the re-launched website.

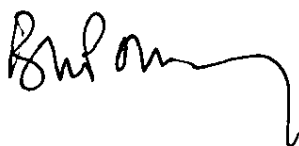
Staff and Trustees

The past year saw a significant number of changes in Staff and Trustees, as the Gallery continued to reorganise its internal operational structures and build staff skills in preparation for the challenges of mounting a successful capital campaign and developing the new gallery space.

We were delighted to welcome Andrew Haigh, Director of Entrepreneurs, Coutts Bank as a new Trustee to the Board in September 2010 and to extend the term of two existing trustees – Damien Whitmore and Yashica Olden.

I want to take this opportunity to thank the Gallery's Staff and Trustees for their hard work, commitment and support during a demanding year, particularly in relation to the successful relocation to our new site at Ramillies St. It is only due to our skilled and conscientious staff that we were able to continue our success in the new venue. I would also like to thank all the Gallery's supporters for their generosity and support over the past year, most notably ACE Lottery and Deutsche Borse for their exemplary support.

Brian Pomeroy
November 2010



The Photographers' Gallery Limited

Trustees' report incorporating the Directors' report, for the year ending 31 March 2010

The trustees have the pleasure in presenting their report and financial statements for the year ended 31 March 2010

Structure governance and management

Constitution

The Gallery is a company limited by guarantee, and a registered charity. It has one wholly owned trading subsidiary, The Photographers' Gallery (Enterprises) Limited, which is a company limited by shares.

Directors and trustees

The directors of the charitable company (the charity) are its trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees. As set out in the Articles of Association the members of the charity nominate the Chair of the Trustees. The Board of Trustees of up to 12 members meet at least once every three months, and govern all aspects of the charity.

Trustees are elected at the Annual General Meeting, at which one-third of those who have been longest in office can retire. Trustees may be re-elected to the Board by members and have the power to co-opt further members to fill specialist roles within the Trustees.

There are sub-committees covering fundraising, finance and the new building project. The Director of the charity is appointed by the Trustees to manage the day-to-day operations of the charity.

The Trustees serving during the year, and since year end, were as follows:

John McAslan	(retired Oct 2009)
Yashica Olden	(reappointed Jan 2010)
Liz Jobey	(retired Oct 2009)
Brian Pomeroy	
Damien Whitmore	(reappointed Jan 2010)
Mike Hussey	
Diana Donovan	
Michael Mack	
Adam Bloomberg	
Pierre Brahm	
Andrew Haigh	(appointed Sept 2010)

Objectives of the charity

The Gallery fulfils its mission by offering

- A wide range of events and activities which include exhibitions, films, publications, educational projects, talks, screenings, discussion and workshops
- A building that is accessible to all
- Creative partnerships and collaborations with a wide range of organisations
- Local and international activities
- The promotion and sale of photographer's prints, books and similar items
- Providing free information on photography practice and courses available to the public
- The services of well-trained, professional and adaptable staff to meet the evolving needs of our audience and businesses

Public benefit

We have referred to the guidance contained in the Charity Commission's guidance on public benefit when reviewing our aims and objectives and in planning our future activities.

The Photographers' Gallery Limited

Trustees' report incorporating the Directors' report, for the year ending 31 March 2010

Activities, achievements, performance and plans for the future

Exhibitions.

Programme highlights 2009-10

Despite the entire Gallery working to rather short lead times due to the changing start date of the construction phase of the capital project, we still managed a critically successful programme in our first year at Ramillies Street. In 2009-2010 our programme of exhibitions, educational projects, talks and events was rich and diverse in both content and scale. We have used this past year as an opportunity to experiment and learn more about the potential of our new site at Ramillies Street, to develop our future programme ideas and to test some new programme strands.

Given the many restrictions of our current temporary building (ie no lift, temporary galleries, no dedicated education space, heating or environmental controls), we have still managed to draw 383,200 visitors and exhibit an excellent range of challenging exhibitions. Highlights of the programme are

The Photographic Object

24 April - 14 June 2009 (Attendance 61,784 average daily 1,372)

We began the year with an ambitious group show *The Photographic Object*, which examined the photograph as object in its own right, including the work of Maurizio Anzeri, Walead Beshty, Gerhard Richter, Wolfgang Tillman and Andy Warhol amongst others. On the ground floor there was an installation by Vanessa Billy, which gave a young London-based artist the opportunity to develop a sculptural installation informed by photography.

Jordan Baseman

24 April - 14 June 2009

In a continuation of the Gallery's Soho projects and in our first collaboration with Artsway (Hampshire), we jointly commissioned a film by Jordan Baseman. In *'Dark is the Night'* footage of empty and dimly lit Soho streets is set against narration by Lucy a transsexual prostitute, who describes her experiences of working in Soho. The 90 minute film interviews some of Soho's residents, ranging from the notorious to the anonymous. Activist **Alan Wakeman** compares his life as a gay man in the 1960s with the liberal gay scene of Soho today in the piece *Nasty Piece of Stuff*. The film was also shown as part of Artsway's presentation at the Venice Biennale of Art summer 2009.

Fresh Face and wide eyed

14 May - 6 June 2010 (Attendance 13,841, average daily 1,258)

Recent graduates were invited to submit work through a micro site and then assessed by a jury of Joy Gregory, Magda Kearney (NPG), Ossian Ward (TimeOut) and Brett Rogers. Each year the Gallery receives more and more applications from this national show, this year the 250 applications were reduced to 23. The calibre of these new UK graduates was remarkable and a unique opportunity to launch their careers.

When you're a boy

17 July - 4 October 2009 (Attendance 94,560, average daily 1,370)

When You're a Boy celebrated men in fashion photography, specifically the men who create photographs of men. Focusing on the career of a stylist rather than a photographer, this was the first exhibition devoted to the groundbreaking British menswear stylist Simon Foxton, whose career spans the last three decades, a time of profound change in fashion and style photography. He questioned definitions of masculinity, national identity and taste. This show was extremely successful in attracting a diverse young audience off Oxford St and provided an opportunity for the Gallery to forge a close working relationship with our neighbour, the London College of Fashion on a joint symposium.

The Photographers' Gallery Limited

Trustees' report incorporating the Directors' report, for the year ending 31 March 2010

André Kertész.

17 July - 4 October 2009

This was the first show of this body of work by the Hungarian photographer in London and was a typical example of how we attempt to showcase afresh a small body of work by a seminal artist from the history of photography. Focussing on the subject of people engaged in reading books – the show proved popular with a wide and varied public appealing to both literary and visual arts audiences and opening up debate about the future of the book in its present form. This combination of shows worked well for us – both with audiences but also with press – as we were able to reach a much wider range of periodicals and newspapers.

Jim Goldberg:

16 October 2009 - 31 January 2010 (Attendance 96,891, average daily 1,182)

Magnum photographer Jim Goldberg's *Open Sea* documented the experiences of people who travel from war torn, socially and economically devastated countries, to make new lives in Europe. They have left often violent, oppressive, and poverty-stricken or AIDS ravaged communities, in search of stability and the promise of a better future. Originating from Africa, Asia, Eastern Europe and the Middle East, these 'new Europeans' have met violence and brutality as well as hope and liberation in their new homes. This exhibition proved especially successful with the specialist photography and Arts student audience, and we saw a marked increase in the number of tourists (shopping on Oxford St) come to the Gallery for their "cultural fix" for the day.

Sara Ramo.

16 October 2009 - 31 January 2010

This exhibition was the first chance to see work by emerging Spanish/ Brazilian artist Sara Ramo in the UK. Using film, installation and photography she explored notions of order and disorder. Strongly informed by performance art, she sometimes appears in her own works, where banal actions become surreal interventions in intimate domestic settings.

Deutsche Borse Prize:

12 February - 2 June 2010 (Attendance 114,539 average daily 1,821)

Deutsche Börse continued to be the title sponsor for our annual photography prize this year, a prize widely considered one of the most prestigious photography awards in the world. The four shortlisted artists for this year's Prize were Anna Fox, Zoe Leonard, Sophie Ristelhueber, Donovan Wylie. We are delighted that Deutsche Börse have confirmed that they intend to continue their sponsorship of the prize for the next two years. Sophie Ristelhueber was awarded this year's £30,000 prize, presented by the film director Terry Gilliam. The prize rewards a living photographer, of any nationality, who has made the most significant contribution, in exhibition or publication format, to the medium of photography over the previous year. The exhibition was subsequently shown at the Frankfurter Kunstverein (May-July 2010).

Talks and Events Programme Highlights

- The public programme during **The Photographic Object and Jordan Baseman** included a lively panel discussion on art practices that co-exist in different mediums contexts, Gallery Talks by the exhibiting artists and a special triple-bill screening in the Soho Screening Rooms of Jordan Baseman shorts. An additional highlight was a twilight walking tour of LGBT Soho with the local group Kairos in connection to Jordan Baseman's Soho commission.
- **Simon Foxton** *When You're a Boy* exhibition saw the hugely well-attended 'Picturing Men' Study Day held in-conjunction with LCF in the Rootstein Hopkins Space. The daylong event included presentations by Jason Evans (photographer), Eugenie Shinkle (academic), Shaun Cole (academic) and keynote speaker Vince Aletti amongst others.
- **Jim Goldberg and Sara Ramo** included a series of discussions about the relationship between photography and literature/ writing with Francois Brunet (Uni Paris Diderot) and the seminal academic Max Kozloff on Photographic Portraiture. Sara Ramo (artist) and Isobel Whitelegg (writer/ curator) gave a stimulating talk on Sara's work in relation to the tradition of Brazilian performance art.

The Photographers' Gallery Limited

Trustees' report incorporating the Directors' report, for the year ending 31 March 2010

- **The Deutsche Borse Photography Prize** exhibition offered a series of sell out talks by three of the nominated photographers, Donovan Wylie (in conversation with Russell Roberts), Anna Fox (with Miranda Sawyer) and Sophie Ristelhueber (with David Campany). The talks sold out in record time and have led us to re-think when to release tickets for these events

Talking Photography On-going Strands 2009 -2010

- The **My Favourite Photograph** series (introduced when we moved to Ramillies St in December 2008) are given by a variety of different people including specialists and enthusiasts each talking about their favourite photograph and why it means something to them - from a key work in the history of photography or a photograph that has a personal meaning. Each talk is 10mins long and takes place in the cafe space every Friday lunchtime
- **PhotoSocial** has continued its success with varied debate topics including, Collative Practice and Authorship, Site-Specificity of Photography and if Creative Commons de-values photography. Each PhotoSocial is free to the public with music, visuals and speakers co-curated in collaboration with an external group or individual. The atmosphere and topic mean that the audience often engage in new conversations in an open environment and are always extremely well attended
- **Café Scientifique**, which has become an established and well-attended strand of the events programme for the past four years, continues to go from strength to strength with a diverse range of speakers. Held twice during each exhibition, each evening is lead by a specialist scientist and is loosely themed around the current exhibition
- **Folio Forum** is designed for photographers to show and discuss their work-in-progress with an open audience and 'guest tutor' with a different specialism in the photography. It continues to be popular with those submitting their work to be shown and those viewing the discussion and is free to all. Guest tutors this year have included Stephen Gill (photographer), Charlotte Schepke (Gallery Director) and Jop van Bennekom (Magazine Editor)
- **Key-Speakers** is an essential part of the talks programme and allows the Gallery to invite speakers to talk on a subject of their choice which might be outside of the exhibition related events. This year speakers have included massively influential writer and critic Max Kozloff, and Magnum photographers Susan Meiselas and Abbas
- **Book Club** has this year morphed into the **Reading Group**, as the public desire for a place to engage with key texts and theory became evident from the attendance of the more academic texts set for the Book Club. This change has taken place after the Simon Foxton exhibition, where the book discussion was 'My Life in the Bush of Ghosts' (led by Kwadwo Osei-Nyame) since then the Reading Group, which takes place in the gallery space on a late-night evening and is free to the public, have discussed 'Writing and Difference' by Jacques Derrida and Martha Rosler's 'Lookers, Buyers, Dealers and Makers'
- **Courses** The ever-popular courses run in collaboration with City Lit University and Birkbeck continued into their Fifth year and continue to attract a wide range of adult learners. They are The History of Photography (Roger Hargreaves), Photography Theory (Andrew Fisher), History of British Photography (Gavin Jack) as well as an Archive course, exploring London's diverse collections including the V&A and Royal Anthropological society
- **Magnum Portfolio Reviews** – held to coincide with Magnum's annual general meeting in the summer of 2009, the Gallery organised a 2 day series of portfolio reviews for interested photographers with some leading Magnum members eg Susan Meiselas, Alec Soth etc
- The Photographers' Gallery has started the process of applying to The Pilgrim Trust in order to secure funds to digitize and make available to the public the entire **Talks Archive**. This exciting application is made in conjunction with the British Library, where the Gallery talks will also be held

The Photographers' Gallery Limited

Trustees' report incorporating the Directors' report, for the year ending 31 March 2010

Education and Projects highlights 2009-10

Our small Gallery-based education programmes and resources provide a variety of entry points to the exhibitions. The Gallery has suffered from not having a dedicated education space to allow school groups to attend, debate and engage with the work. Trustees and senior staff made the decision to move from being open to the public 7 to 6 days a week when we moved into Ramillies St to allow us to provide higher quality schools visits and occasional day time talks.

Our excellent offsite education programme encourages participants to discover and make use of photography in new and different ways. Photographers and artists are also commissioned to develop their work with groups of people. Highlights of this year's programme were:

Children and young people

- **Visits:** to the Gallery from 15-25 year olds grew from last year, from 2,500 to 4,680, due in part to a photographer-led workshop and visit programme for schools and colleges based in specific London boroughs and supported by The John Lyon's Charity and Steele Foundation. In addition the education team took full advantage of the Gallery being closed to the public on Mondays.
- **Schools:** The Gallery entered its third and final year of the Colliers Green Focus project working with Key Stage 3 geography pupils in-schools across England in order to develop a photography resource for schools in Autumn 2010. The programme is extended by an offer to teachers and trainee teachers to attend its special teachers' previews, on the same evening as the Gallery's private view, and through a series of free **professional development** workshops.
- **Family groups** were also invited to take part in a new series of quarterly family workshops. The most popular of these was our Fashion Collage Party, during *When You're a Boy Men's Fashion Styled by Simon Foxton*, which was part of Children's Art Day. Family groups from a wide demographic took part in a communal collage with spectacular results.
- **Teen talks:** Young people aged 14-19 years from around London continued to impress adult visitors with their knowledge and views through the *Teen Talks* exhibition tours, now in its fifth year.
- **Youth Forum** organised *Open Listen*, an evening event of spoken word and song related to Jim Goldberg's *Open See* exhibition. They also developed and managed one of the on-line public galleries (below).
- **Internships and Training:** Two young people, who have experienced immense challenge in their lives and are both considered 'NEET', the government classification for people currently "Not in Employment, Education or Training", spent six months with the Gallery as part of the Visual Roots programme and achieved a Silver Arts Award.

Adult Participation

New Technology: Two web-based galleries were developed to encourage the public to upload their photographs on a chosen theme. *An Idea of Home* and *Beautiful Disasters*. The former was the Gallery's first foray into using Flickr and encouraged people to submit photographs and writing based on the idea of 'home' as it might relate to Jim Goldberg's *Open See* exhibition featuring refugees, migrant workers and trafficked humans. *Beautiful Disasters*, organised by the Youth Forum, was a request for individuals to upload their 'photographic mistakes' and proved both popular and innovative.

The Photographers' Gallery Limited

Trustees' report incorporating the Directors' report, for the year ending 31 March 2010

- **Adult workshops** The Gallery teamed up with Central & Cecil, a housing trust in Maida Vale, to offer digital photography training over six weeks to a group of older residents in Westminster, culminating in a display and celebration at the Gallery
- **Commissions** Photographer Ajamu X completed his work with older Black, gay and lesbians to create portraits related to their (hidden) history with London's Soho

Exhibition interpretation

- **Written interpretation** The Gallery continued to refine its wall text information about the exhibitions, as well as displays by its Print Sales and Bookshop, in order to provide succinct information that also encourages audiences to look afresh at the work on show. The Gallery produces extensive teacher's notes which are available on-line
- **E-mail newsletters** The Gallery expanded our on-line capabilities in 2009-10. We now use e-mail newsletters to target different subsections of our audience, members and enterprises customers
- **Short video:** The Gallery produces short filmed interviews with all exhibiting photographers (solo shows) Jim Goldberg, Zoe Leonard, Sophie Ristelhueber, Anna Fox and Donovan Wylie, as well as stylist Simon Foxton, which will be made available online

Future Programme (Construction Phase September 2010 – October 2011)

Longer term planning has remained a key objective for the team, who have begun programming a number of 'landmark' projects designed to further enhance the Gallery's programme for 2009-2012 these are

- **The World in London.** The Gallery continued with its three year ambition, with support from Calouste Gulbenkian Foundation, to develop a **public art exhibition** of 205 portraits, each by a different photographer and each of a Londoner hailing from one of the 205 nations set to compete at the 2012 Olympic and Paralympics Games. Commissions continued over 2009/10 and included ten portraits produced during two separate photography workshops – one with young people and the other with participants ranging from 22 to 70 years of age. Film interviews with portrait sitters are also helping to capture the array of subjects and contexts for each shoot
- **Soho Projects** funded by Bloomberg will be programmed for the construction period as a series of fluid, responsive artist's projects in and around Soho, this will form the central spine of our off-site programme
- **Deutsche Borse Photography Prize** which we intend to deliver at an offsite venue during 2010/2011. For our opening programme from 2011 – we will begin to confirm the details of this programme in order to release to the public elements of the exciting project which will launch our reopening

Fashion Photography Biannual Award we have begun serious negotiations with a sponsor to support this new biannual award for an emerging fashion photographer. We have secured VOGUE as media partner and hope to start this new event in 2012

- **Digital** We will be developing our digital and publishing strategy. Our aim over the period July-October 2010 is to consolidate our digital programme to enable us to make a convincing case for Grants to the Arts for support for the development and delivery of a phased ecommerce offer (from autumn 2010) and digital artists programme (from early 2011). Our digital programme will be developed in parallel with a new publishing strategy for the Gallery. Through either a Gallery imprint or working in partnership with established publishers, we aim to extend the range of publications currently available from the Gallery (away from exhibition catalogues into a broader range of titles), thereby raising the profile of the Gallery internationally

The Photographers' Gallery Limited

Trustees' report incorporating the Directors' report, for the year ending 31 March 2010

Statement of Trustees' responsibilities

The Trustees (who are also the directors for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to

- select suitable accounting policies and apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK 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 charitable company will continue in business

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware

- there is no relevant audit information of which the charitable company's auditor is unaware, and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislations in other jurisdictions.

Auditor


A resolution concerning the appointment of Chantrey Vellacott DFK LLP, as auditor to the charitable company, will be proposed at the Annual General Meeting.

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Approved by the Board of Trustees and signed on its behalf by

Brian Pomeroy
Chair of Trustees
Date


9. XII. 2010

The Photographers' Gallery Limited

Independent auditor's report to the members of The Photographers' Gallery Limited

We have audited the financial statements of The Photographers' Gallery Limited for the year ended 31 March 2010 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Parent Company Balance Sheets and the related notes. The financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charitable company members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company members those matters we are required to state to them in an auditors' 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 charitable company and the charitable company members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The trustees' (who are also the directors of the company for the purposes of company law) responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Trustees' Responsibilities.

We have been appointed auditors under the Companies Act 2006 and section 43 of the Charities Act 1993 and report to you in accordance with those Acts. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and have been prepared in accordance with the Companies Act 2006 and the Charities Act 1993. We also report to you whether in our opinion the information given in the Trustees' Annual Report is consistent with those financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept adequate accounting records, if the charitable company's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

We read the other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Chairman of the Board Trustees' Report and the Trustees' Report (incorporating the Directors' report). 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 other information.

The Photographers' Gallery Limited

Independent auditor's report to the members of The Photographers' Gallery Limited

Basis of audit opinion

We conducted our audit in accordance with International Standards on 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 groups and the charitable parent 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 the group's and the parent company's affairs as at 31 March 2010, and of the group's 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 United Kingdom Generally Accepted Accounting Practice,
- the financial statements have been prepared in accordance with the Companies Act 2006 and the Charities Act 1993, and
- the information given in the Trustees' Annual Report is consistent with the financial statements

Chantrey Vellacott DFK LLP


SALLY JAYNE BONNER (Senior Statutory Auditor)
for and on behalf of CHANTREY VELLACOTT DFK LLP
Chartered Accountants and Statutory Auditor
London

9/12/10

The Photographers' Gallery Limited

Consolidated statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2010

	Note	Unrestricted funds £	Restricted funds £	Total funds 2010 £	Total funds 2009 £
Incoming resources					
Incoming resources from charitable activities					
Arts Council London		950,448	-	950,448	812,511
Arts Council Development Fund		-	20,250	20,250	-
Sponsorship	4	255,400	54,000	309,400	324,129
Incoming resources from generated funds					
Membership, donations and other income		186,315	176,772	363,087	387,820
Merchandising income		1,087,191	-	1,087,191	763,324
Interest receivable		-	8,250	8,250	24,180
Rental income		-	-	-	69,943
Total incoming resources		2,479,354	259,272	2,738,626	2,380,907
Resources expended					
Cost of generating funds					
Fundraising costs		49,937	7,091	57,028	171,548
Merchandising costs		962,848	-	962,848	800,410
		1,012,785	7,091	1,019,876	971,958
Charitable activities					
Exhibitions		1,353,360	-	1,353,360	1,180,431
Projects		63,389	45,504	108,893	107,972
Capital Project		-	319,747	319,747	535,798
Total charitable expenditure		1,416,749	365,251	1,782,000	1,824,201
Governance costs		12,000	-	12,000	12,000
Total resources expended		2,441,534	372,342	2,813,876	2,808,159
Net income/(expenditure) for the year	5	37,820	(113,070)	(75,250)	(427,252)
Net movement in funds		37,820	(113,070)	(75,250)	(427,252)
Fund balances brought forward at 1 April 2009		4,822,043	208,584	5,030,627	5,457,879
Fund balances carried forward at 31 March 2010		4,859,863	95,514	4,955,377	5,030,627

All amounts relate to continuing operations

There are no recognised gains and losses in either the current or previous period other than those included in the statement of financial activities

The notes on pages 17 to 24 form part of these financial statements

The Photographers' Gallery Limited

Consolidated balance sheet At 31 March 2010

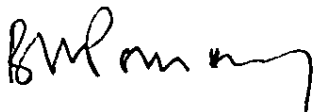
	Note	2010 £	2009 £
Fixed assets			
Tangible assets	8	<u>4,815,290</u>	<u>4,873,166</u>
Current assets			
Stock	10	162,357	169,226
Debtors	11	194,865	459,525
Cash at bank and in hand		<u>1,599,713</u>	<u>1,600,591</u>
		<u>1,956,935</u>	<u>2,229,342</u>
Creditors amounts falling due within one year	12	<u>(406,848)</u>	<u>(661,881)</u>
Net current assets		<u>1,550,087</u>	<u>1,567,461</u>
Total assets less current liabilities		<u>6,365,377</u>	<u>6,440,627</u>
Creditors amounts falling due after more than one year	13	<u>(1,410,000)</u>	<u>(1,410,000)</u>
Net assets	17	<u><u>4,955,377</u></u>	<u><u>5,030,627</u></u>
Unrestricted funds			
General funds	16a	3,402,164	3,425,944
Revaluation reserve	16a	608,475	608,475
Designated capital fund	16a	<u>849,224</u>	<u>787,624</u>
		<u>4,859,863</u>	<u>4,822,043</u>
Restricted funds	16a	<u>95,514</u>	<u>208,584</u>
		<u><u>4,955,377</u></u>	<u><u>5,030,627</u></u>

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

These financial statements were approved by the Board of Trustees on 9/12/10 and authorised for issue and were signed on its behalf by

Brian Pomeroy



Trustee

The notes on pages 18 to 24 form part of these financial statements

Company number 986208

The Photographers' Gallery Limited

Charity balance sheet As at 31 March 2010

	Note	2010 £	2009 £
Fixed assets			
Tangible assets	8	4,815,290	4,873,166
Investments	9	2	2
		<u>4,815,292</u>	<u>4,873,168</u>
Current assets			
Stock	10	26,760	26,760
Debtors	11	406,554	632,388
Cash at bank and in hand		1,595,075	1,565,906
		<u>2,028,389</u>	<u>2,225,054</u>
Creditors amounts falling due within one year	12	<u>(488,812)</u>	<u>(668,103)</u>
Net current assets		<u>1,539,577</u>	<u>1,556,951</u>
Total assets less current liabilities		<u>6,354,869</u>	<u>6,430,119</u>
Creditors amounts falling due after more than one year	13	<u>(1,410,000)</u>	<u>(1,410,000)</u>
Net assets		<u>4,944,869</u>	<u>5,020,119</u>
Unrestricted funds			
General funds	16b	3,391,656	3,415,436
Revaluation reserve	16b	608,475	608,475
Designated capital fund	16b	849,224	787,624
		<u>4,849,355</u>	<u>4,811,535</u>
Restricted funds	16a	<u>95,516</u>	<u>208,584</u>
		<u>4,944,869</u>	<u>5,020,119</u>

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

These financial statements were approved by the Board of Trustees on 9/12/10 and authorised for issue and were signed on its behalf by

Brian Pomeroy



Trustee

The notes on pages 17 to 24 form part of these financial statements

Company number 986208

The Photographers' Gallery Limited

Notes to the financial statements For the year ended 31 March 2010

1 Legal status

The Photographers' Gallery Limited is a company limited by guarantee and has no share capital. On winding up, each person who is a member at the date of winding up or who ceased to be a member during the year prior to that date is liable to contribute a sum not exceeding £1 towards the assets of the company. As at 31 March 2010 the company has 11 members (2009: 11 members).

2 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the group and charity's financial statements:

(i) Basis of preparation

The financial statements have been prepared in accordance with the Companies Act 2006, under the historical cost convention, as modified by the revaluation of freehold properties, and in accordance with the Companies Act 2006, applicable accounting standards, and the Statement of Recommended Practice for Charities, issued in 2005.

(ii) Basis of consolidation

The consolidated financial statements include the financial statements of the charity and its trading subsidiary undertaking for the period. The results and balance sheet of The Photographers' Gallery (Enterprises) Limited are consolidated into these accounts, on a line by line basis. No trading subsidiary undertakings have been excluded from the consolidation. In accordance with Section 408 of the Companies Act 2006, a separate statement of financial activities dealing with the results of the charity has not been presented. In November 2009 the Gallery set up a US subsidiary charity called The Friends of the Photographers' Gallery Foundation. The aim of the US foundation is to allow tax exempt donations and grant from individuals, corporate or US foundations to the Gallery. At the 31 March 2010 the subsidiary remained dormant.

(iii) Cash flow statement

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

(iv) Fixed assets and depreciation

Depreciation is provided by the charity to write off the cost or valuation less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Freehold buildings	- 50 years
Improvement to buildings	- 5 to 10 years
Furniture and office equipment	- 3 to 5 years
Computer equipment and software	- 3 years

No depreciation is provided on freehold land or on assets in course of construction. It is the policy of The Photographer's Gallery to capitalise all expenditure, including relevant professional fees and finance costs, which are incurred in preparing freehold property for use.

Capitalisation of these costs ceases when all the activities that are necessary to get the building ready for use are complete.

It is the policy of the charity to revalue its freehold property at least every 5 years. Freehold land and buildings are shown at valuation. All other fixed assets are shown at cost.

(v) 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 the gains or losses on translation are included in the statement of financial activities.

The Photographers' Gallery Limited

Notes to the financial statements For the year ended 31 March 2010

2 Accounting policies

- (vi) **Leases**
All of the charity's leases are 'operating leases' and the rental amounts are charged to the statement of financial activities over of the period of the leases
- (vii) **Stock**
Stock consists of books, photographic prints, posters, frames and magazines. It is stated at the lower of cost and net realisable value
- (viii) **Taxation**
The subsidiary undertaking donates all taxable profits to The Photographers' Gallery under the Gift Aid scheme. No deferred tax liability arises in the accounts
- (ix) **Incoming resources**
Income has been recognised in the financial statements as follows
- **Arts Council grants**
Arts Council London provide annual revenue funding for the Gallery based on three year contracts. The grant was expended fully in the year on artistic programmes, general running costs and staff salaries
 - **Sponsorship**
This includes exhibition income, donations in kind and sponsorship income. Such income is recognised in the period in which the related event occurs. Where donations are received "in kind", the amount recognised as income in the statement of financial activities is an amount equivalent to the commercial value of the transaction. A corresponding amount is recognised in expenditure
 - **Membership, donations and other income**
All these streams of income are apportioned to the year or years they relate
 - **Merchandising income**
This represents the income from the sale of books and prints and other related items by the trading subsidiary
 - **Interest receivable**
Credit is taken for interest when receivable
 - **Rental income**
Rental income is accounted for on an accruals basis
- (x) **Resources expended**
Expenditure has been charged to the statement of financial activities on an accruals basis. Costs are shown exclusive of any related value added tax. Expenditure categories noted below are analysed in the various notes to the financial statements
- **Cost of generating funds - Fundraising Costs**
These costs are incurred in relation to the staff members who are engaged directly in fundraising and also include any associated costs. Costs relating to the Gallery's Capital Campaign are included in this category
 - **Cost of generating funds - Merchandising Costs**
These costs represent the costs of sales, administration and staffing costs for the trading subsidiary
 - **Charitable activities – Exhibitions and Projects**
These represent the costs of presenting the programme of activities including exhibitions and projects. Included are all attributable staffing, marketing, operational and administrative expenditure and sponsorship in kind
 - **Charitable activities – Capital Project**
These represent the costs and income related to achieving the Gallery's Capital Project. The Capital project is a major £8.7m redevelopment of our Ramillies St building adding three floors to the current structure creating a New Centre for Photography in London by 2011

The Photographers' Gallery Limited

Notes to the financial statements For the year ended 31 March 2010

2 Accounting policies

(x) **Resources expended
Governance**

These represent costs of governing the charity and developing its strategic direction. Costs in respect of trustees and auditors are also included.

(xi) **Fund accounting**

Unrestricted funds comprise general funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes, together with certain designated funds, the aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific instructions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising or administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

(xii) **Pension scheme**

Staff receive 3% - 5% of their annual salary paid into a personal pension plan of their own choice.

3 Trading subsidiary

The charity has one wholly owned trading subsidiary which is incorporated in England. The Photographers' Gallery (Enterprises) Limited operates a bookshop and a print sales gallery. The company donates its taxable profits to the Photographers' Gallery Limited under the gift aid scheme. A summary of its trading results is shown below. Audited accounts have been filed with the Registrar of Companies.

	2010 £	2009 £
Turnover	1,287,191	1,037,748
Cost of sales	(706,369)	(514,828)
Gross profit	580,822	522,920
Administration and staffing costs	(324,179)	(285,582)
Profit on ordinary activities before taxation	256,643	237,338
Taxation	-	-
Gift aid payment to The Photographers' Gallery Limited	(256,643)	(237,338)
Retained profit for year	-	-
Assets	456,435	547,392
Liabilities	(445,929)	(536,886)
Net assets	10,506	10,506

4 Sponsorship

	2010 £	2009 £
Sponsorship and exhibitions	309,400	324,129
	309,400	324,129

The Photographers' Gallery Limited

Notes to the financial statements For the year ended 31 March 2010

5	Net income/(expenditure) for the year	2010	2009
		£	£
	This is stated after charging		
	Auditor's remuneration		
	- Audit fee	12,000	12,000
	Depreciation	70,103	82,167
	Bank Interest payable	3,114	7,728
		<u> </u>	<u> </u>

6 Trustees

No trustees received any remuneration during the year (2009 nil), nor claimed any expenses (2009 nil)

7 Staff numbers and costs

	2010	2009
	£	£
Wages and salaries	905,725	903,337
Social security costs	85,252	85,499
Pension costs	17,752	17,595
	<u> </u>	<u> </u>
	1,008,729	1,006,431
	<u> </u>	<u> </u>

The average number of persons employed by the group during the year, calculated on a full-time equivalent basis, analysed by entity was

	2010	2009
Gallery	20	20
Subsidiary	8	8
	<u> </u>	<u> </u>

8 employees (2009 8) are engaged full time and part time as sales staff for the Gallery's subsidiary company, The Photographers' Gallery (Enterprises) Limited. Their contract of employment remains with the Gallery, but their salary costs are charged in full to the subsidiary under a licensing and service agreement.

The number of employees earning over £60,000 per annum, including taxable benefits, was

	Number	Number
£60,001 - £70,000	<u> </u>	<u> </u>
	1	1

The Photographers' Gallery Limited

Notes to the financial statements For the year ended 31 March 2010

8 Tangible fixed assets Group and Charity

	Freehold Land and buildings £	Improvements to buildings £	Fixtures fittings tools and equipment £	Computer equipment and software £	Total £
Cost or valuation					
At 1 April 2009	4,570,000	344,853	35,659	124,354	5,074,866
Additions	-	5,359	-	6,868	12,227
Disposals	-	-	-	-	-
At 31 March 2010	<u>4,570,000</u>	<u>350,212</u>	<u>35,659</u>	<u>131,222</u>	<u>5,087,093</u>
Depreciation					
Provision at 31 March 2009	22,850	37,898	29,008	111,944	201,700
Charge for year	<u>22,850</u>	<u>37,898</u>	<u>5,197</u>	<u>4,158</u>	<u>70,103</u>
At 31 March 2010	<u>45,700</u>	<u>75,796</u>	<u>34,205</u>	<u>116,102</u>	<u>271,803</u>
Net book value					
At 31 March 2010	<u>4,524,300</u>	<u>274,416</u>	<u>1,454</u>	<u>15,121</u>	<u>4,815,290</u>
At 31 March 2009	<u>4,547,150</u>	<u>306,955</u>	<u>6,651</u>	<u>12,410</u>	<u>4,873,166</u>

Land and buildings consisted of the property 16-18 Ramillies Street. Ramillies Street is included at valuation of £4,570,000. The property was revalued by Knight Frank at 31 March 2007 on the basis of the building's condition at that time. The original cost of the building was £3,961,525.

The Photographers' Gallery Limited

Notes to the financial statements For the year ended 31 March 2010

9	Investments	2010	2009
		£	£
	Shares in subsidiary undertaking		
	Cost at beginning and end of year	<u>2</u>	<u>2</u>

The investment represents a 100% holding in the ordinary share capital of The Photographers' Gallery (Enterprises) Limited, a company involved in the sale of photographic books and prints. The company is registered in England and Wales (number 2893731), and a summary of its results are shown in note 3.

10	Stock	Group		Charity	
		2010	2009	2010	2009
		£	£	£	£
	Books	74,986	85,883	-	-
	Frames	35,290	35,290	-	-
	Prints	25,321	21,293	-	-
	Other	26,760	26,760	26,760	26,760
		<u>162,357</u>	<u>169,226</u>	<u>26,760</u>	<u>26,760</u>

11	Debtors	Group		Charity	
		2010	2009	2010	2009
		£	£	£	£
	Trade debtors	114,894	89,081	58,429	27,652
	Other debtors	32,742	88,153	23,281	85,107
	Prepayments and accrued income	47,229	39,043	45,760	39,043
	Gift aid owed by subsidiary undertaking	-	-	256,643	237,338
	VAT Recoverable	-	243,248	22,441	243,248
		<u>194,865</u>	<u>459,525</u>	<u>406,554</u>	<u>632,388</u>

12	Creditors amounts falling due within one year	Group		Charity	
		2010	2009	2010	2009
		£	£	£	£
	Bank overdraft	22,211	80,285	-	80,285
	Trade creditors	146,845	292,278	72,361	184,259
	Other creditors	27,119	20,506	27,119	20,506
	Other taxes and social security	22,229	135,799	21,722	-
	Accruals and deferred income	188,444	133,013	118,800	77,282
	Amounts owed to subsidiary undertaking	-	-	248,810	305,771
		<u>406,848</u>	<u>661,881</u>	<u>488,812</u>	<u>668,103</u>

The Photographers' Gallery Limited

Notes to the financial statements For the year ended 31 March 2010

13	Creditors amounts falling due after more than one year	2010	2009
		£	£
	Group and Charity		
	Bank loans (mortgage) wholly repayable in January 2013	1,410,000	1,410,000
		<u>1,410,000</u>	<u>1,410,000</u>

The Gallery currently has a £1,410,000 mortgage with NatWest Bank. These funds are being used to bridge the financing required to complete our Capital Project redevelopment of the Ramillies St Gallery which started in November 2010. The Gallery is continuing to fundraise over the construction phase to repay this mortgage by autumn 2012. If there is an outstanding mortgage balance due at the end of the fundraising appeal this will be converted into a 15 year interest and capital repayment term.

14 Taxation

The charitable company is entitled to exemption from taxation under S505(I) ICTA 1988 as a result of its charitable status. Any taxable profits of the charitable company's subsidiary undertaking are donated to The Photographers' Gallery under the Gift Aid scheme and hence not taxed.

15 Commitments and charges

- (i) There are no capital commitments.
- (ii) The loan from Natwest Bank (note 13) is secured by a first legal charge over 16-18 Ramillies Street. The Arts Council has a second legal charge over 16-18 Ramillies Street for £3 500,000, equal to the award made to the Gallery by Lottery funding. This legal charge depreciates over a 25 year period in five year increments.

16a) Group statement of funds

	1 April 2009 £	Incoming resources £	Movement in funds Resources expended £	Revaluation & Transfers	31 March 2010 £
Restricted					
Exhibitions and educational projects	-	89,022	45,504	-	43,518
Capital Development Fund	19,006	150,000	326,838	189,578	31,746
Arts Council Development Fund	-	20,250	-	-	20,250
Arts Council Lottery	189,578	-	-	(189,578)	-
	<u>208,584</u>	<u>259,272</u>	<u>372,342</u>	<u>-</u>	<u>95,514</u>
Unrestricted					
Designated capital fund	787,624	61,600	-	-	849,224
General funds	3,425,944	2,417,754	2,441,534	-	3,402,164
Revaluation reserve on property	608,475	-	-	-	608,475
	<u>4,822,043</u>	<u>2,479,354</u>	<u>2,441,534</u>	<u>-</u>	<u>4,859,863</u>
Total	<u>5,030,627</u>	<u>2,738,626</u>	<u>2,813,876</u>	<u>-</u>	<u>4,955,377</u>

'Exhibitions and educational projects' represent grants received towards specific projects. 'Capital Development Fund' is restricted for spending on the 'transformation' of the Gallery. 'The Arts Council Lottery' comprises a grant received for the redevelopment of the Gallery's new premises at Ramillies Street. The Arts Council Development Fund is Grants for the Arts funds that were awarded to the Gallery to assist in developing the Gallery's web-site to introduce a new on-line payments system for ticketing, book and print sales. Unrestricted designated capital fund represents funds designated by the Trustees for spending on the 'transformation' of the Gallery.

The Photographers' Gallery Limited

Notes to the financial statements For the year ended 31 March 2009

16b) Charity statement of funds

	1 April 2009 £	Movement in funds Incoming resources £	Resources expended £	Revaluation & Transfer £	31 March 2010 £
Restricted					
Exhibitions and educational projects	-	89,022	45,504	-	43,518
		-	-		
Capital Development Fund	19,006	150,000	326,838	189,578	31,746
Arts Council Development Fund	-	20,250	-	-	20,250
Arts Council Lottery	189,578	-	-	(189,578)	-
	<u>208,584</u>	<u>259,272</u>	<u>372,342</u>	<u>-</u>	<u>95,514</u>
Unrestricted					
Designated capital fund	787,624	61,600	-	-	849,224
General funds	3,415,436	1,454,906	1,478,686	-	3,391,656
Revaluation reserve	608,475	-	-	-	608,475
	<u>4,811,535</u>	<u>1,516,506</u>	<u>1,478,686</u>	<u>-</u>	<u>4,849,355</u>
Total	<u>5,020,119</u>	<u>1,775,778</u>	<u>1,851,028</u>	<u>-</u>	<u>4,944,869</u>

17 Net assets between funds

Group	General funds £	Revaluation reserve £	Restricted funds £	Total funds £
Tangible fixed assets	4,111,301	608,475	95,514	4,815,290
Stock	162,357	-	-	162,357
Debtors	194,865	-	-	194,865
Cash	1,599,713	-	-	1,599,713
Creditors due within one year	(406,848)	-	-	(406,848)
Creditors due after more than one year	(1,410,000)	-	-	(1,410,000)
	<u>4,251,388</u>	<u>608,475</u>	<u>95,514</u>	<u>4,955,377</u>
Charity				
	General funds £	Revaluation reserve £	Restricted funds £	Total funds £
Tangible fixed assets	4,114,301	608,475	95,514	4,815,290
Investments	2	-	-	2
Stock	26,760	-	-	26,760
Debtors	406,554	-	-	406,554
Cash	1,595,075	-	-	1,595,075
Creditors due within one year	(488,812)	-	-	(488,812)
Creditors due after more than one year	(1,410,000)	-	-	(1,410,000)
	<u>4,240,880</u>	<u>608,475</u>	<u>95,514</u>	<u>4,944,869</u>

18 Related party transactions

The Photographers' Gallery has taken advantage of the exemptions in FRS 8 – Related Party Disclosures and has not reported transactions with The Photographers' Gallery (Enterprises) Limited

The Photographers' Gallery Limited

For management use only

Income and Expenditure Account analysed between Capital Project and Gallery activity

For the year ended 31 March 2010

	Gallery activity £	Capital Project £	Total funds 2010 £	Total funds 2009 £
Incoming resources				
Incoming resources from charitable activities				
Arts Council London	970,698	-	970,698	812,511
Sponsorship	309,400	-	309,400	324,129
Incoming resources from generated funds				
Membership, donations and other income	151,487	211,600	363,087	387,820
Merchandising income	1,087,191	-	1,087,191	763,324
Interest receivable	8,250	-	8,250	24,180
Rental income	-	-	-	68,943
Total incoming resources	2,527,026	211,600	2,738,626	2,380,907
Resources expended				
Cost of generating funds				
Fundraising costs	49,937	7,091	57,028	171,548
Merchandising costs	962,848	-	962,848	880,410
	1,012,785	7,091	1,019,876	971,958
Charitable activities				
Exhibitions	1,353,360	-	1,353,360	1,180,431
Projects	108,893	-	108,893	107,972
Ramifies Street	-	319,747	319,747	535,798
Total charitable expenditure	1,462,253	319,747	1,782,000	1,824,201
Governance costs	12,000	-	12,000	12,000
Total resources expended	2,487,038	326,838	2,813,876	2,808,159
Net income/(expenditure) for the year	39,988	(115,238)	(75,250)	(427,252)
Net movement in funds	39,988	(115,238)	(75,250)	(427,252)
Balances brought forward at 1 April 2009	2,911,996	2,118,631	5,030,627	5,457,879
Balances carried forward at 31 March 2010	2,951,984	2,003,393	4,955,377	5,030,627

This page does not form part of the financial statements