

THE SERPENTINE TRUST

(A COMPANY LIMITED BY GUARANTEE)

DIRECTORS' REPORT AND ACCOUNTS

YEAR ENDED 31 MARCH 1991

MOHAN MEDIRATTA & CO.

THE ANNEXE, BURROUGHS HOUSE
40 THE BURROUGHS, HENDON, LONDON NW4 4AP

COMPANIES HOUSE

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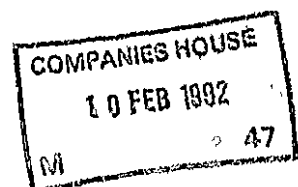
THE SERPENTINE TRUST

(A company limited by guarantee)

DIRECTORS' REPORT AND ACCOUNTS

YEAR ENDED 31st MARCH 1991

Mohan Mediratta & Co.



THE SERPENTINE TRUST
(A company limited by guarantee)

DIRECTORS' REPORT

The directors present their annual report and the audited accounts for the year ended 31st March 1991.

PRINCIPAL ACTIVITIES

The Company was established to take over the running of the Serpentine Gallery from the Arts Council of Great Britain and its main aim is to promote and hold exhibitions of modern artists.

BUSINESS REVIEW

In the year to 31st March 1991 the company has held seven exhibitions. The company received grants of £240,199 from the Arts Council and Westminster City Council. The deficit for the year was £29,960. At the end of the year Mr Alistair Warman resigned from the Gallery to become Principal of the Byam Shaw School of Art and Julia Peyton-Jones was appointed in his place.

TRANSFERS TO RESERVES

These are shown in Note 10 to the Accounts.

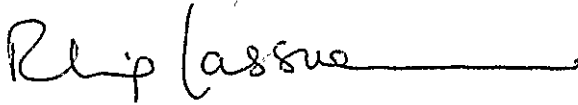
DIRECTORS AND DIRECTORS' INTERESTS

There were no changes in the Directors and Directors Interests during the year.

AUDITORS

In accordance with Section 384 of the Companies Act 1985, a resolution for Messrs Mohan Mediratta & Co. to act as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

BY ORDER OF THE BOARD



Rebecca King-Lassman
Secretary
9th October 1991

REPORT OF THE AUDITORS
TO THE MEMBERS OF THE SERPENTINE TRUST

We have audited the annexed financial statements in accordance with approved auditing standards.

In our opinion, the financial statements give a true and fair view of the state of the company's affairs at 31st March 1991, and of its surplus and source and application of funds for the year to that date and have been properly prepared in accordance with the Companies Act 1985.

9th October 1991
The Annexe
Burroughs House
40 The Burroughs
London NW4 4AP

M. Mediratta & Co.
MOHAN MEDIRATTA & CO.

THE SERPENTINE TRUST
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BALANCE SHEET AS AT 31st MARCH 1991

	<u>Notes</u>	<u>1991</u>	<u>1990</u>
<u>FIXED ASSETS</u>			
Tangible Assets	6	11,021	8,625
<u>CURRENT ASSETS</u>			
Stocks	7	16,036	17,805
Debtors and Prepayments	8	67,838	79,611
Cash at Bank and In Hand		<u>35,136</u>	<u>60,664</u>
		£119,010	£158,080
		=====	=====
<u>CREDITORS: Amounts Falling</u>			
Due Within One Year	9	(56,565)	(60,904)
		£(56,565)	£(60,904)
		=====	=====
<u>NET CURRENT ASSETS</u>		62,445	97,176
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		£73,466	£105,801
		=====	=====
<u>RESERVES</u>			
Art Equilisation Reserve	10	98,024	91,874
Other Reserve	10	<u>11,021</u>	<u>8,625</u>
		109,045	100,499
<u>RETAINED SURPLUS</u>		(35,579)	5,302
		£73,466	£105,801
		=====	=====

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THE SERPENTINE TRUST
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INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31st MARCH 1991

	<u>1991</u>	<u>1990</u>
<u>INCOME</u>		
<u>From Funding Bodies</u>		
Arts Council of Great Britain	186,899	200,000
Westminster City Council	<u>53,300</u>	<u>44,000</u>
	240,199	244,000
<u>Other Income</u>		
Bank Deposit Interest	8,233	4,917
Donations and Sponsorships	114,841	89,376
Bookshop and Publications Sales	94,361	137,853
Commissions	9,250	12,324
Other Exhibition Income	8,858	31,143
Gallery Hire	<u>18,466</u>	<u>10,418</u>
	254,009	286,031
<u>TOTAL INCOME</u>	494,208	530,031
<u>EXPENDITURE</u>		
Exhibitions and Related Costs	308,505	336,867
<u>ADMINISTRATIVE EXPENSES</u>		
Salaries and NIC	172,243	138,599
Establishment Costs	19,256	20,510
Office Administration	7,757	10,478
Professional Fees	2,090	2,001
Travel and Entertainment	7,145	3,924
Sundry Expenses	5,039	6,976
General Publicity	<u>2,133</u>	<u>5,918</u>
	524,168	525,273
<u>NET DEFICIT FOR THE YEAR</u>	(29,960)	4,758
Transfer to Reserves	<u>10,921</u>	<u>1,898</u>
	(40,881)	2,860
<u>Retained Surplus Brought Forward</u>	<u>5,302</u>	<u>2,442</u>
<u>Retained Deficit Carried Forward</u>	£(35,579) =====	£5,302 =====

THE SERPENTINE TRUST
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STATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR THE YEAR ENDED 31st MARCH 1991

	<u>1991</u>	<u>1990</u>
<u>SOURCE OF FUNDS</u>		
Deficit on ordinary activities	(270,159)	239,243
<u>Adjustment for Items Not Involving The Movement of Funds</u>		
Depreciation	8,525	5,795
Transfer from other reserves	<u>(8,525)</u>	<u>(5,795)</u>
<u>FUNDS ABSORBED BY OPERATIONS</u>	(270,159)	(239,243)
 <u>FUNDS FROM OTHER SOURCES</u>		
Income from funding bodies	240,199	244,000
Bank Interest - Art Equilisation Reserve	<u>6,150</u> <u>246,349</u>	<u>10,209</u> <u>254,209</u>
	(23,810)	14,966
 <u>APPLICATION OF FUNDS</u>		
Purchase of Fixed Assets	(10,921)	(1,898)
 <u>INCREASE(DECREASE) IN WORKING CAPITAL</u>	£(34,731) =====	£13,068 =====
 <u>COMPONENTS OF INCREASE(DECREASE) IN WORKING CAPITAL</u>		
Increase in Stocks	(1,769)	7,007
Increase in Debtors	(11,773)	50,390
Increase in Creditors Falling Due within One Year	4,339	(23,725)
Movement in Net Liquid Funds:		
Increase in cash at bank and in hand	(25,528)	(20,604)
	£(34,731) =====	£13,068 =====

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NOTES TO THE ACCOUNTS

1. The company is limited by guarantee. The maximum liability of each member, in the event of the company winding up due to insufficient funds is £1. The company had 9 members as at 31st March 1991, all of whom were Directors.

2. PRINCIPAL ACCOUNTING POLICIES

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

a) Basis of Accounting

The accounts have been prepared in accordance with the historical cost accounting rules.

b) Bookshop Sales and Commission

Bookshop sales and commission are stated net of VAT.

c) Depreciation and Amortisation

Expenditure of a capital nature is capitalised and amortised over its estimated useful life. A full years depreciation charge is made in the year of purchase.

Current estimated useful lives for the major categories of fixed assets are:

Office equipment	- 4 years
Gallery improvements	- 4 years

d) Stocks and Work in Progress

All stocks are valued at the lower of cost and net realisable value.

e) Taxation

As the company is a registered charity it is presumed that any surplus arising on its principal activities will be exempt from any charge to tax.

f) Costs of Exhibitions

All exhibition costs are taken to the income and expenditure account in the year in which the exhibition opens.

3. DEFICIT ON ORDINARY ACTIVITIES

Deficit on ordinary activities is stated after charging the following:-

	<u>1991</u>	<u>1990</u>
Auditors' Remuneration	1,800	1,650
Depreciation	<u>8,525</u>	<u>5,795</u>
	£10,325	£7,445
	=====	=====

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NOTES TO THE ACCOUNTS

4. EMOLUMENTS OF DIRECTORS AND SENIOR EMPLOYEES

No directors received any emoluments or remuneration during the year.

5. STAFF NUMBERS AND COSTS

The average number of persons employed by the company during the year, analysed by category, was as follows:-

	<u>1991</u>	<u>1990</u>
Exhibitions	9	8
Gallery administration	<u>6</u>	<u>5</u>
	15	13
	====	====

The aggregate payroll costs of these persons were as follows:-

	<u>1991</u>	<u>1990</u>
Wages and salaries	155,947	125,433
Social security costs	<u>16,296</u>	<u>13,166</u>
	£172,243	£138,599
	=====	=====

6. FIXED ASSETS

	<u>Office Equipment</u>	<u>Gallery Improvements</u>	<u>Total</u>
<u>Cost Brought Forward</u>	8,069	15,111	23,180
<u>Additions</u>	-	10,921	10,921
As at 31st March 1991	£8,069	£26,032	£34,101
	=====	=====	=====
<u>Depreciation Brought Forward</u>	4,871	9,684	14,555
<u>Charge for the Year</u>	<u>2,017</u>	<u>6,508</u>	<u>8,525</u>
As at 31st March 1991	£6,888	£16,192	£23,080
	=====	=====	=====
<u>Net Book Value as at 31st March 1991</u>	£1,181	£9,840	£11,021
	=====	=====	=====

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NOTES TO THE ACCOUNTS

7. <u>STOCKS AND WORK IN PROGRESS</u>		<u>1991</u>	<u>1990</u>
Finished goods and goods for resale		£16,036 =====	£17,805 =====
8. <u>DEBTORS</u>			
Trade Debtors		39,942	21,194
Sundry Debtors		3,500	3,000
Prepayments and accrued income		<u>24,395</u>	<u>55,417</u>
		£67,837 =====	£79,611 =====
9. <u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u>			
Trade Creditors		21,229	28,592
Accruals and deferred income		<u>35,336</u>	<u>32,312</u>
		£56,565 =====	£60,904 =====
10. <u>RESERVES</u>			
	<u>Other Reserves</u>	<u>Art Equalisation Reserve</u>	<u>Total</u>
Balance Brought Forward	8,625	91,874	100,499
Transfer from Income and Expenditure account	10,921		10,921
Add Bank Interest Received		6,150	6,150
Transfer to Income and Expenditure account	(8,525)	-	(8,525)
	£11,021	£98,024	£109,045
	=====		=====

The transfer to other reserves is equal to expenditure capitalised during the year. The transfer from other reserves is equal to the depreciation charge for the year.

The transfer of funds received from the Arts Council of Great Britain has been taken to an Arts Equalisation Reserve as it is only available to fund specific events and not to meet routine expenditure. Bank interest earned is credited to the reserve.

11. SPONSORSHIP AND DONATIONS

Includes grants and donations related to the exhibition "Possible Worlds", a collaboration with the Institute of Contemporary Arts, London.