

A place of production and exhibition of contemporary art and design

SPIKE ISLAND ARTSPACE LIMITED

**FINANCIAL STATEMENTS & REPORT OF THE
TRUSTEES**

31 MARCH 2008

Company Registration Number: 2624621



SPIKE ISLAND ARTSPACE LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2008

Please note: Pages 14 - 16: Images removed hence omission of these page numbers.

Company Registration Number: 2624621
Charity Number: 1003505

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The following pages do not form part of the statutory financial statements

Detailed Statement of Financial Activities

SPIKE ISLAND ARTSPACE LIMITED
REFERENCE AND ADMINISTRATIVE INFORMATION
YEAR ENDED 31 MARCH 2008

Status

Spike Island Artspace Limited is a registered charity and a company limited by guarantee and is governed by its Memorandum and Articles of Association. Its company registration number is 2624621, and its charity number is 1003505.

Trustees

As set out in the Memorandum and Articles of Association, the Board of Trustees (who are directors for the purpose of company law) must consist of at least seven members. No more than three shall be practising artists holding leases for studio space or an Associate artist of the charity.

At every Annual General Meeting all of the Trustees must retire from office. A retiring member is eligible for re-election.

The Board of Trustees have power at any time to appoint any person to be a Trustee. A Trustee so appointed may only hold office until the next Annual General Meeting and, if not re-elected at that meeting, ceases to hold office.

The Trustees who served during the year and since the year-end were as follows:

Ronnie Close	Appointed June 2008
Anton Goldenstein	Resigned November 2007
Gill Hedley	
John Hirst	Appointed June 2008
Val Millington	Resigned June 2007
Huw Morgan	
Jane Norton	Resigned June 2007
John O'Connor	Resigned February 2008
Eamon O'Kane	Resigned September 2007
Catherine Parsons	Appointed May 2007
Vong Phaophanit	Resigned September 2007
James Prescott-Martin	Appointed June 2007
Damien Roach	Appointed November 2007
Chris' Thurling	Resigned March 2008
Craig White	Appointed July 2008

Sub Committees

Finance	Gill Hedley, James Prescott-Martin
Chair	Gill Hedley (appointed June 2007)
Treasurer	James Prescott-Martin (appointed June 2007)
Company Secretary	Lucy Byatt
Registered Office	133 Cumberland Road, Bristol BS1 6UX

SPIKE ISLAND ARTSPACE LIMITED
REFERENCE AND ADMINISTRATIVE INFORMATION
YEAR ENDED 31 MARCH 2008

Auditors

Burton Sweet, Chartered Accountants & Registered Auditors, Thornton House,
Richmond Hill, Clifton, Bristol, BS8 1AT

Bankers

HSBC Corn Street Bristol BS1

CAF Bank Limited, PO Box 289, West Malling, Kent ME19 4TA

Solicitors

Nick Pritchard

TLT

One Redcliffe Street

Bristol

BS1 6TP

The Trustees are pleased to present their report and the audited financial statements for the year ended 31 March 2008.

**SPIKE ISLAND ARTSPACE LIMITED
TRUSTEES' REPORT
YEAR ENDED 31 MARCH 2008**

Aims of the charity

The objects for which the charitable company was established as defined in the Memorandum and Articles of Association are:

- a) To promote the education of the public in the understanding and appreciation of the fine arts.
- b) The relief of poverty amongst poor artists.

Spike Island has been established as an excellent working environment for artists and those developing a path within the contemporary visual arts. The recently established Spike Design has extended the organisation's commitment to the broader creative industries. Within the 80,000 square foot building, Spike Island provides exhibition and studio space as well as various services and office space for more commercial creative industries. The Canteen is the social focus for all those who use and visit the building.

Situated on the southern end of Bristol's historic docks, Spike Island Art Space has, over a ten year period, renovated the flagship Brook Bond tea packing factory. Built in 1960, the factory was in operation for short period before closure. Empty for sometime, it was not till 1995 that Spike Island was able to agree a peppercorn lease with Bristol City Council. The view from the front door, in to South Bristol, is across the tributary of the Avon known as the New Cut. This location provides all that use the building with a daily drama of a tidal flow, sometimes exceeding 12.5 metres, the second highest tidal differential in the world.

Spike Island achieves these aims through the following:-

Supporting the practical needs of artists through:

- Low cost studio provision
- Associate Programme
- The international residency programme
- Exhibitions and commissions and the public programme

The overall objects are to:

- To inspire and contribute to a confident and well informed visual arts ecology in Bristol
- To support artists and others following a path within contemporary art by providing space, time and opportunity for production, research, experimentation and the presentation of new work
- To establish a cluster of creative and cultural activity at the heart of the city with a national and international reach
- To provide a public exhibitions and events programme that will challenge, extend involve and inform a wide and diverse audience through a multitude of access points
- To draw on all aspects of the wide ranging diversity of culture and experience to ensure Spike Island's continuing creative development and relevance

SPIKE ISLAND ARTSPACE LIMITED
TRUSTEES' REPORT
YEAR ENDED 31 MARCH 2008

The core values of the public programme are two complementary aspirations:

- To reach out and work with artists from across the globe, either within the organisation's residency programme or directly through invitation to research, develop, produce and exhibit new work.
- To continue to make a significant contribution towards developing a dynamic contemporary art and design culture in Bristol that is outward looking, confident and internationally networked.

Strategies for sustainability:

- Establishing new and developing existing partnerships.
- Building the economy through the use of the building
- Excellent communications and marketing

Values:

Programming

- Place emphasis on the development of new work
- Ensure a working environment that is aspirational and outward looking, well networked nationally and internationally
- Provide a generous and welcoming environment for all those who work at or visit Spike Island
- Provide a context and the necessary knowledge culture that enables all those affiliated to the organisation to contribute to the various aspects of the artistic programme

Organisational

- Remain committed to the ongoing scrutiny and development of the organisational structure
- Develop income generation that complements the core aims of the charity
- Remain responsive to the future needs of the participants through the creation of a flexible and transparent organisational structure
- Support the organisational needs through training and development opportunities for staff and Trustees
- Manage the finances and resources in an efficient and responsible manner to ensure the sustainability of the organisation

SPIKE ISLAND ARTSPACE LIMITED
TRUSTEES' REPORT
YEAR ENDED 31 MARCH 2008

Financial Review

The company ended the year with a total deficit on restricted and unrestricted funds of £123,811 comprising an operating deficit of £92,623 (unrestricted funds) and a deficit of £31,188 (restricted funds) arising from the capital development and project funding. Unrestricted funds are used for general running costs and in supporting the artistic programme of exhibitions, residencies and other activities. The year to March 2008 was the first year after the capital development of full operational activity and its associated costs in the new building and studios. This has meant an increase in running costs not anticipated particularly in heating and maintaining the building. In addition the canteen operation was taken in house in September 2007 which from then was running at a deficit. This has now been addressed and the canteen now aims to break even.

The General Reserve in unrestricted now stands at £3,531,190 which is made up of £3,627,392 represented by fixed assets and (£71,202) of other net assets with no free reserves. It is the intention of the Trustees now to build up free reserves to an appropriate level over the next 5 years in order to meet its commitments and maintain the fabric of the building.

Investment powers

Under the Memorandum and Articles of Association, the Charity has the power to make any investment which the Trustees see fit.

Risk review

Financial risks: the Trustees review the risks which the charity faces on a regular basis as part of its business planning. Spike Island now needs to rebuild its reserves following the capital programme to ensure there are sufficient resources in the event of adverse conditions. Following the capital programme and the significantly increased amount of activity at Spike Island, including increased staffing levels, the Trustees plan to review the financial systems and controls to ensure adequate safeguards are in place and all risks are understood and that systems are in place to manage such risks.

Operational: Fire safety regulations in place, ongoing risk assessments for the public spaces within the building.

**SPIKE ISLAND ARTSPACE LIMITED
TRUSTEES' REPORT
YEAR ENDED 31 MARCH 2008**

Review of activities and future developments

Staff team

The staff team has worked hard in this year to establish new initiatives that were launched late in the previous financial year. Curator Marie-Anne McQuay and Spike Design Manager Emma Blackburn have only been in post since early 2007 and have developed their areas of activity with much success. In spring 2007 Lori Taylor was appointed as Spike Island's first full time Marketing Manager.

This is a relatively new team the year ending 2008 being their first full year of operating the building after the capital development. This has been a pioneering year for this small team of only six full time staff.

Spike Island – meeting the aims and objective 2007/2008

In this first year of operation since it opened in February 2007 after a major capital development, the management of the building and the programme has necessarily had to be done as if Spike Island were a new organisation.

The marketing strategies have taken time to build as has the public programme. We see audiences developing substantially and Spike Island and its Canteen is now a destination where once it was a closed front door.

The priority remains as always, to keep the artists' studio and exhibition environments working together, and to expand the facilities and provision to answer a range of needs and ways of working within the visual arts sector. Spike Island is becoming the outward focussed and accessible place that it must be to ensure its sustainability. Introducing first hand experience of national and international networks to the arts ecology within Bristol as well as to the artists working within the building has been a priority. The goal has always been to build confidence and provide information and grow knowledge in a range of ways.

Spike Island welcomes a new generation of artists to the building through the Associate Programme and through the developing International Residency Programme. The studios and the many other facilities and opportunities that the organisation now offers are accessible to a broad range of practitioners through clear and widely distributed joining processes. The change has presented challenges, but the process is well advanced and must be maintained. Spike Island will only survive through new and changing influences and the organisation is currently able to be highly responsive to the needs of practitioners. The launch of the Associate Programme has had a considerable impact on the way in which Spike Island can work with artists and others in Bristol. It will be through this structure that Spike Island will have the greatest long-term impact on development of the arts ecology in Bristol. The priority is in supporting collaboration and exchange, peer learning and the development of new organisational models, learning through 'doing'.

**SPIKE ISLAND ARTSPACE LIMITED
TRUSTEES' REPORT
YEAR ENDED 31 MARCH 2008**

The Associate Programme

By the end of the financial year 2008 there were over 65 members of the programme. Developed in recognition that studios are only one aspect of an artist's needs in the twenty-first century we find that members include a wide variety of practitioners working within contemporary art.

Many find that they do not require a dedicated solo workspace at all, but would instead benefit from a network of like-minded people; a shared space in which to meet their peers; key opportunities to develop their practice; encouragement to look beyond Bristol itself to exhibit their work and disseminate their ideas. Emphasis on the productive potential of collaboration is also key to the aspirations of the programme, influenced by the dynamic artist led-cultures that have developed over the last ten years in cities such as Glasgow, Newcastle/Gateshead and Berlin. Ultimately the programme is a way for Associates to form an open-ended relationship with Spike Island, contributing to the culture of the organisation and developing their own visibility, both as individuals and as a collective.

It is crucial that there is no selection process – anyone working within the contemporary visual arts can join as long as they are willing to contribute to a creative community. The emphasis is therefore on Spike Island to establish the aspirations and culture, whilst being responsive as the programme changes with those who join it.

The programme fills a crucial gap left by other professional development agencies in that it is focussed around critical content, practice and the intention of the work that emerges from it, rather than on more formal professional development techniques. Associates develop skills in order to situate themselves within the contemporary visual arts, not as an end in itself; if you do not understand how your ideas function within a wider field of culture, a perfectly formatted CV or eloquent statement will not in themselves realise your aspirations.

The Residency Programme

The Residency Programme at Spike Island is of vital importance to the development of the national and international networks for the organisation and for the artists based in Bristol. This financial year has seen much progress in developing the profile and fuller intention of the programme. Spike Island has hosted a range of research and production residencies and has tested shorter residencies hosted through the Associate Programme. The opportunities for exchange between these two strands of the programme at Spike Island must be capitalised upon to ensure that the visiting artists have a rewarding experience and to allow the knowledge and experience of these artists 'soak' in to the local arts ecology.

Future Plans that are underway:-

- Creating a greater critical framework for visiting artists, writers and curators so that their period at Spike Island becomes significant in their practice in terms of ideas, as well as impacting positively on their careers.
- Fundraising so that we are able to dedicate more spaces for residences and offer a season of funding for a range of artists, writers and curators to consider, rather than releasing opportunities one by one.
- Following international art trends and link artists to key individuals, venues and also, where appropriate, to the contemporary art market.
- Gaining valuable critical feedback for emerging residency artists through studio visits by external curators and writers.
- Creating more Research and Associate Opportunities, both to support a greater number of practitioners but also to enrich the internal culture of Spike Island.

- Working with a greater number of strategic partners whilst being careful not to dilute or side-line Spike Island's own brand and Programme.
- Keeping Exhibition Programming flexible so that residency artists may leave gaps in between residencies and delivery of new work for exhibition.
- Continuing to follow the careers of ex-Residency practitioners and evaluate the impact of their residency on an on-going basis.

The Studios

Spike Island's remit is not to serve only existing studio holders but the wider artistic community of Bristol and beyond.

In 2007 a review of the studio selection process was held. The main questions that were raised were:

- How long could Spike Island offer an individual artist a studio?
- How were new artists selection?

The process of applying for a studio has, in recent years, been made far more transparent. The Selection Panel, as it was constituted in 2004, was seen to be a good structure, working well. The review of existing studio holders established in 2004 to take place every two years was abolished as all involved felt that it could not be sustained.

The length of studio tenure, guided by the head lease, can only be for one year. It was agreed that, providing an artist is keeping within the protocols of their lease, they could renew their lease on an annual basis.

Applications for studios at Spike Island are still only elicited through word of mouth. It is important that there is a more comprehensive marketing strategy put in place to advertise the availability of the studios to ensure that Spike Island gains a high quality of application.

Spike Island should develop a role in becoming influential in advising and brokering new space for artists through the various creative industries initiatives and Section 106 agreements. It is currently felt that, whilst the organisation has some time and experience to offer, taking on additional space would be a step too far at this time. Spike Island's support is best used through more behind the scenes approaches with landlords, developers, agencies and so on.

The greatest opportunity afforded by the development of new studio provision in Bristol is in that it will allow Spike Island to move on and shift its model further. This is vitally important in order to remain at the leading edge of provision in Bristol and the UK and sustain our international vision.

Structure of Exhibition Programming

The structure around which the Residency Programme, The Associates and other activities are arranged are the four exhibition slots per year:- winter, spring, summer, autumn. This structure in the galleries is punctuated by the UWE Graduation Show and the annual Spike Island Open. This structure gives potential to the marketing plan to communicate to audiences far more clearly. It must be remembered that Spike Island has not had an ongoing programme prior to February 2007, this system is, in part, a mechanism to establish a strong audience base.

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This structure has been tested throughout 2007 and in to 2008:-

Spring – April 2007

The official launch, post capital development, took place during the May Open and against the backdrop of the first Rootstein Hopkins Award to a Bristol Artist, a show by Mahali O'Hare. This provided all those visiting with the opportunity to see the entire building as the Open is the only time during the year when this can be done. In Gallery 2, a series of works by Mark Lewis, with two new works originally commissioned by FACT as part of a touring show. In the Project Space, Sarah Tulloch and John Lawrence, both former UWE Graduate Fellows, made new work as a culmination to their working periods at Spike Island.

UWE Graduate Shows – July 2007 (10 day slot)

In July Spike Island hosted UWE's under graduate shows. Doing this show on an annual basis was a suggestion from Spike Island and is part of the Strategic Partnership with UWE. Spike Island is able to offer the opportunity to build the opening in to an important annual event in Bristol. It is a vital development opportunity for both partners; for UWE it enables their fine art undergraduate students and the course, to gain a profile and visibility within the city that had not previously been possible. The galleries provide the students with an outstanding learning opportunity. Spike Island benefits from the close proximity to the graduating artists, many of whom will, in the future, use Spike Island to support their practice. It is this continually shifting, highly motivated generation from which Spike Island gains real benefit. The show, which is open to the public for just under a week, provides both organisations the opportunity to maximise and share audiences. Whilst it is in the accumulation of years that both will gain the greatest benefit, we can see, only after the first, that other teaching institutions, such as Bath Spa University and Falmouth College of Art and Design are emulating the idea, with Bath Spa requesting a similar slot for their students and Falmouth appointing a Research Fellow to support and make more visible the work of their graduating artists, particularly through the degree shows.

Summer – July 2007

Much of the work developed for the public programme at Spike Island emerges from the Residency Programme. This must be taken in to consideration as the annual slots are planned. Since the artists who participate in this programme are selected prior to the making of the work it is sometimes difficult to guarantee that they will fill a specific slot. To accommodate this more spontaneous way of planning the public programme, there has to be some flexibility built in. For example the summer slot for 2007 was made available for Ruth Claxton, who had been awarded the Arts Council South West Residency. It became clear that her show at Ikon in Birmingham in March 2008 would take precedent. Knowing this, Marie-Anne McQuay took the opportunity to curate her first show for Spike Island, Working Things Out. This show, which reflected on 'making' and the traditions of sculpture, brought together the work of eight artists, filling Gallery 1. Spike Island will show the work in January 2009, as part of a national tour. In Gallery 2 Flash in the Metropolitan was screened, commissioned by Spike Island from artists Lucy Skaer and Rosalind Nashashibi. This has been a very successful work shown widely internationally and recently purchased for the collection of the National Galleries of Scotland, the first film work within this collection.

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Autumn – October 2007

This exhibition slot provided the visibility for the series of residences held over the summer months. Gallery 1 with Can Altay, Gallery 2 Henry VIII's Wives and the Project Space Andre Sousa.

The development of work directly from a residency in to the gallery spaces at Spike Island is a challenge for the artists and the production team. In the future Spike Island will offer the opportunity of a slot several months after the completion of a residency to accommodate those artists who simply cannot meet this sort of challenge. With Spike Island's commitment to the development of new work through the residency programme, the direct process 'from the studio to the gallery', remains an important principle, consequently providing both models is important.

Winter 2008 – January 2008

Curated by Simon Morrissey Gallery 1 showed David MacIntosh's drawings and provided a platform for the launch of his major new publication. Gallery 2 gave Spike Island the opportunity to show the work of five artists who have, in the last three years, been awarded the six month UWE Fellowship at Spike Island.

Commercial activity for Spike Island - supporting the aims of the charity:

The Canteen and Bar

Initially put out to tender to be run under separate management, the appointed partnership established the Canteen operationally. Spike Island appointed a manager in June '07 and is now running the Canteen independently. To imagine Spike Island without this welcoming and much used facility is impossible. The menu is structured with care to appeal to those who use the building and the trade in the surrounding area. The business is developing.

The learning curve involved in running this new venture within the overall operation is considerable. The Canteen made a loss in this first financial year of its being opened. This has had an impact on the reserves. Very close management structures have been put in place to ensure that costs are kept under control. A monthly reporting strategy is in place.

**SPIKE ISLAND ARTSPACE LIMITED
TRUSTEES' REPORT
YEAR ENDED 31 MARCH 2008**

Spike Design

For new and early stage design businesses, Spike Design is an ambitious and dynamic part of the overall provision at Spike Island. The open plan studio space offers desk space on flexible terms, business support, mentoring, meeting rooms and most importantly access to a thriving design community. Developing a business in isolation is known to create many barriers to sustainability. Spike Design is fast becoming a model that both the design sector and those developing independent workspace for artists are interested in.

Spike Design is the largest incubator for the creative industries in the south west. This is the first time that such a project has been initiated out side of Higher Education and is proving opportunities for Spike Design to work with a regional view. The closest proximity is with UWE who remain a key stakeholder. With funds from South West Regional Development Agency, Spike Design was created to meet a gap in the market for incubation for creative businesses. The proposal to develop this initiative came hot on the heels of Annabel Jackson's report on creative workspace, commissioned by Bristol City Council in 2002. This prioritised the need for affordable workspace across the creative industries. Open since March 2007, in eight months it is 40% full. Much focus is required to increase this rate of occupancy.

Spike Design is a professional environment yet with vital links both to education and to industry. The recently opened Canteen and the impressive design of the gallery spaces with the consistent public programme are further attractions for potential members of Spike Design.

Since Spike Design opened other similar incubation and workspace is being established, funded through the SW RDA. There is no existing strategy for Bristol in relation to the creative industries, hence this cluster. The completion provides a challenge but Spike Island is extremely competitive within this mix. Spike Island will keep abreast of, and networked with, the discussions relating to other development such as, Paintworks, The Pervasive Media Studio at Watershed, The Depot and others.

Commercial Tenants.

Spike Island has not had any vacancies this year and where there have been changes new tenants have been found immediately.

Christmas 2007 enabled the organisation to test the use of the galleries for income from hire for parties and much progress has been made in confirming a contract for Christmas 2008.

Short tem lets of the meeting rooms and the commissioning bay should be managed more strategically to gain the best possibility for income.

SPIKE ISLAND ARTSPACE LIMITED
TRUSTEES' REPORT
YEAR ENDED 31 MARCH 2008

Structure, Governance and Management

The members of the Board of Trustees perform the role of directors in company law and are the trustees in charity law. Those who served during the year are shown on page 1. The Board has the power to appoint additional trustees as it considers fit to do so.

The Board of Trustees meets once every three months and is responsible for all matters of governance including policy, finance and development. The Board appoints Sub-committees to attend to detailed aspects of the organisation's work and receives regular reports from the Director and the Sub-committees.

Statement of Trustees' responsibilities

The trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

The trustees are required to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the charity and of its incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

The directors who held office at the date of approval of this trustees' report confirm that, so far as they are each aware, there is no relevant audit information of which the Charity's auditors are unaware; and each trustee has taken all the steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the Charity's auditors are aware of that information.

Burton Sweet were appointed as the Charity's auditors during the year and have expressed their willingness to continue in that capacity.

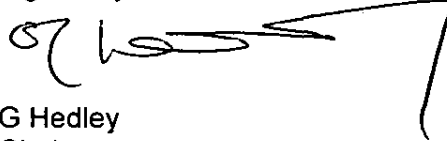
SPIKE ISLAND ARTSPACE LIMITED
TRUSTEES' REPORT
YEAR ENDED 31 MARCH 2008

This report and the financial statements have been prepared in accordance with the Companies Act 1985, the charitable Company's Memorandum and Articles of Association and the Statement of Recommended Practice "Accounting and Reporting by Charities".

Registered office:

133 Cumberland Road
Bristol
BS1 6UX

Signed by order of the Trustees

A handwritten signature in black ink, appearing to be 'G Hedley', written over a horizontal line.

G Hedley
Chair

Approved by the Trustees on 20 November 2008

SPIKE ISLAND ARTSPACE LIMITED
INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES
YEAR ENDED 31 MARCH 2008

We have audited the financial statements of Spike Island Artspace Limited for the year ended 31 March 2008, which comprise Statement of Financial Activities, the Balance Sheet, and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charity's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charity's members those matters we are required 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 opinions we have formed.

Respective responsibilities of trustees and auditors

The trustees' (who are also the directors of Spike Island Artspace Limited for the purposes of company law) responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

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 and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Trustees' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

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 judgments 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 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.

SPIKE ISLAND ARTSPACE LIMITED
INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES
YEAR ENDED 31 MARCH 2008

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charity's affairs as at 31 March 2008 and of its 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 the Companies Act 1985, and
- the information given in the Trustees' Report is consistent with the financial statements.



Burton Sweet
Chartered Accountants & Registered Auditors

Thornton House
Richmond Hill
Clifton
Bristol BS8 1AT

18 December 2008

SPIKE ISLAND ARTSPACE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES (Including Income & Expenditure Account)

YEAR ENDED 31 MARCH 2008

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2008 £	Total Funds 2007 £
Incoming resources						
Incoming resources from generated funds						
Voluntary income: Donations		-	-	-	-	50
Grants	2	186,300	206,925	-	393,225	1,968,225
Investment income		7,042	-	-	7,042	8,045
Incoming resources from charitable activities		382,034	-	-	382,034	181,639
Other incoming resources		5,234	-	-	5,234	1,300
Total incoming resources		<u>580,610</u>	<u>206,925</u>	<u>-</u>	<u>787,535</u>	<u>2,159,259</u>
Resources expended						
Cost of generating funds		22,755	-	-	22,755	18,051
Charitable activities	3	633,244	238,113	-	871,357	519,441
Governance costs	4	17,234	-	-	17,234	10,774
Total resources expended		<u>673,233</u>	<u>238,113</u>	<u>-</u>	<u>911,346</u>	<u>548,266</u>
Net incoming/(outgoing) resources						
- Net income	5	(92,623)	(31,188)	-	(123,811)	1,610,993
Transfers between funds	12	(31,188)	31,188	-	-	-
Total funds at 1 April 2007		3,655,001	-	25,000	3,680,001	2,069,008
Total funds at 31 March 2008		<u>3,531,190</u>	<u>-</u>	<u>25,000</u>	<u>3,556,190</u>	<u>3,680,001</u>

The Charity has no recognised gains or losses other than the results for the year as set out above.

All of the activities of the charity are classed as continuing

The notes on pages 22 to 27 form part of these financial statements

SPIKE ISLAND ARTSPACE LIMITED


BALANCE SHEET

YEAR ENDED 31 MARCH 2008

	Note	2008 £	2007 £
Fixed Assets			
Tangible fixed assets	8	3,627,392	3,658,152
Current Assets			
Stock		2,856	-
Debtors	9	98,504	151,033
Cash at bank and in hand		<u>212,800</u>	<u>273,703</u>
		314,160	424,736
Creditors : Amounts falling due within one year	10	<u>(205,362)</u>	<u>(102,887)</u>
Net Current Assets		108,798	321,849
Creditors: Amounts falling due in greater than one year	11	(180,000)	(300,000)
Net assets		<u>3,556,190</u>	<u>3,680,001</u>
Funds			
Endowment funds	13	25,000	25,000
Unrestricted funds			
General reserve	13	3,531,190	3,556,676
Contingency	13	<u>-</u>	<u>98,325</u>
		3,531,190	3,655,001
		<u>3,556,190</u>	<u>3,680,001</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These financial statements were approved by the trustees on 20/11/08 and are signed on their behalf by:


James Prescott-Martin

The notes on pages 22 to 27 form part of these financial statements

SPIKE ISLAND ARTSPACE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2008

1 Accounting policies

- a) The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards, the Companies Act 1985 and the Statement of Recommended Practice, Accounting and reporting by Charities, issued in 2005.

The charity has availed itself of Paragraph 3(3) of Schedule 4 of the Companies Act 1985 and adapted the Companies Act formats to reflect the special nature of the charity's activities.

- b) Grants, including grants for the purchase of fixed assets, are recognised in full in the Statement of Financial Activities in the year in which they are receivable. Grants received in the accounting period in respect of future accounting periods are deferred until those periods. Grants receivable are only recognised when any conditions for receipt have been complied with. All material grants are disclosed in accordance with the Statement of Recommended Practice.

- c) Resources expended are accounted for on an accruals basis and have been classified under headings that aggregate all costs related to the category. Resources expended include attributable VAT which cannot be recovered.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

All costs are allocated between the expenditure categories of the SoFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on the basis of estimated aggregated time expended on each activity.

- e) Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Long Leasehold property	Over the period of the lease (expires 10 July 2126)
Office equipment	Equally over 4 years
Sculpture equipment	Equally over 15 years
Printers equipment	Equally over 15 years
Telephones	Equally over 15 years

- f) Unrestricted funds can be used in accordance with the charitable objects at the discretion of the trustees.
- g) Designated funds are funds set aside by the trustees out of unrestricted general funds for specific future purposes or projects.
- h) Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds raised for particular restricted purposes. Expenditure which meets these criteria is charged to the fund, together with a fair allocation of management and support costs. Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.
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SPIKE ISLAND ARTSPACE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2008

2 Grants receivable

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2008 £	Total Funds 2007 £
Capital funding:					
Arts Council	-	49,212	-	49,212	1,155,271
Garfield Weston	-	25,000	-	25,000	-
Bristol City Council	-	15,665	-	15,665	-
SWERDA	-	24,358	-	24,358	370,500
Rootstein Hopkins	-	-	-	-	188,000
Project funding	-	92,690	-	92,690	117,454
Revenue funding:					
Arts Council South West	123,300	-	-	123,300	120,000
Rootstein Hopkins	22,000	-	-	22,000	-
Garfield Weston	25,000	-	-	25,000	-
Bristol City Council	16,000	-	-	16,000	17,000
	<u>186,300</u>	<u>206,925</u>	<u>-</u>	<u>393,225</u>	<u>1,968,225</u>

3 Charitable activities

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2008 £	Total Funds 2007 £
Wages and salaries	280,504	-	-	280,504	152,252
Project expenses	-	238,113	-	238,113	172,121
Travel and training	8,740	-	-	8,740	5,737
Canteen/Café purchases	46,489	-	-	46,489	-
Property maintenance and services	54,155	-	-	54,155	43,290
Volunteers' expenses	1,258	-	-	1,258	1,094
<u>Support costs allocated:</u>					
Insurance	6,368	-	-	6,368	10,562
Rent and rates	43,287	-	-	43,287	15,842
Heat and light	62,529	-	-	62,529	33,607
Printing, postage and stationery	8,316	-	-	8,316	5,125
Telephone	7,472	-	-	7,472	2,689
Cleaning	17,551	-	-	17,551	6,527
Computer costs	1,144	-	-	1,144	1,665
Equipment leases	2,082	-	-	2,082	4,643
Other costs	4,874	-	-	4,874	911
Subscriptions	1,377	-	-	1,377	771
Recruitment	2,333	-	-	2,333	7,960
Website	880	-	-	880	420
Loan Interest	14,069	-	-	14,069	-
Bank charges	319	-	-	319	430
Unreclaimable VAT	1,048	-	-	1,048	1,130
Depreciation	68,449	-	-	68,449	52,665
	<u>633,244</u>	<u>238,113</u>	<u>-</u>	<u>871,357</u>	<u>519,441</u>

SPIKE ISLAND ARTSPACE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2008

4 Governance costs

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2008 £	Total Funds 2007 £
Professional fees	5,085	-	-	5,085	2,980
Bookkeeping fees	9,249	-	-	9,249	4,694
Audit fee	2,900	-	-	2,900	3,100
	<u>17,234</u>	<u>-</u>	<u>-</u>	<u>17,234</u>	<u>10,774</u>

5 Net incoming resources for the year

This is stated after charging:

	2008 £	2007 £
Depreciation	68,449	52,665
Auditors' remuneration	2,900	3,100
Trustees remuneration	-	-
Costs of trustees expenses (2 trustees)	<u>618</u>	<u>468</u>

6 Staff costs and numbers

The aggregate staff costs were:

	2008 £	2007 £
Wages and salaries	233,171	134,490
Social security costs	20,057	8,310
Pension costs	6,273	4,323
Invigilating costs	<u>21,003</u>	<u>5,129</u>
	<u>280,504</u>	<u>152,252</u>

No employee received emoluments of more than £60,000.

The average weekly number of employees during the year, calculated on the basis of full time equivalents, was as follows:

	2008 No.	2007 No.
Director	1	1
Administration	6	2
Other	<u>1</u>	<u>4</u>
	<u>8</u>	<u>7</u>

SPIKE ISLAND ARTSPACE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2008

7 Taxation

The charity is exempt from corporation tax on its charitable activities.

8 Tangible fixed assets

	Long Leasehold Land and Buildings £	Fixtures and fittings £	Total £
Cost			
At 1 April 2007	3,809,925	193,450	4,003,375
Additions	-	37,689	37,689
At 31 March 2008	<u>3,809,925</u>	<u>231,139</u>	<u>4,041,064</u>
Depreciation			
At 1 April 2007	261,387	83,836	345,223
Charge for the year	31,623	36,826	68,449
At 31 March 2008	<u>293,010</u>	<u>120,662</u>	<u>413,672</u>
Net book value			
At 31 March 2008	<u>3,516,915</u>	<u>110,477</u>	<u>3,627,392</u>
At 31 March 2007	<u>3,548,538</u>	<u>109,614</u>	<u>3,658,152</u>

9 Debtors

	2008 £	2007 £
Grants receivable	55,501	95,815
Other debtors	34,561	37,355
Prepayments	8,442	10,511
VAT debtor	-	7,352
	<u>98,504</u>	<u>151,033</u>

SPIKE ISLAND ARTSPACE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2008

10 Creditors: amounts falling due within one year

	2008 £	2007 £
Other creditors including tax and social security	67,285	52,416
Deferred income	-	37,724
Accruals	96,898	11,064
Bank loans and overdraft	41,179	1,683
	<u>205,362</u>	<u>102,887</u>

Bank loans and overdrafts of £41,179 are secured against specific assets.

11 Creditors: Amounts falling due after more than one year

	2008 £	2007 £
Bank loan	<u>180,000</u>	<u>300,000</u>

The Bank loan of £180,000 is secured against specific assets.

12 Movement in funds

	At 01-Apr 2007 £	Incoming resources £	Outgoing resources £	Transfers £	At 31-Mar 2008 £
Endowment funds	<u>25,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,000</u>
Restricted funds					
Development	-	114,235		(114,235)	-
Project funding	-	92,690	(238,113)	145,423	-
	<u>-</u>	<u>206,925</u>	<u>(238,113)</u>	<u>31,188</u>	<u>-</u>
Unrestricted funds					
General funds	3,556,676	580,610	(673,233)	67,137	3,531,190
Contingency	98,325	-	-	(98,325)	-
	<u>3,655,001</u>	<u>580,610</u>	<u>(673,233)</u>	<u>(31,188)</u>	<u>3,531,190</u>
Total funds	<u>3,680,001</u>	<u>787,535</u>	<u>(911,346)</u>	<u>-</u>	<u>3,556,190</u>

SPIKE ISLAND ARTSPACE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2008

12 Movement in funds (continued)

The restricted development fund was set up to show the grants received for specific expenditure connected with the re-organisation of the administration and building structure of Spike Island Artspace Limited. Restricted capital grants were received in the year for assets purchased, brought into use and capitalised in the prior year. The funds have therefore been derestricted to match the assets whose carrying values are within unrestricted funds.

The restricted project funding relates to restricted grants and other income received to fund specific projects in the year. The shortfall relating to such projects has been met from general funds and fund transfers have been made to this effect.

The unrestricted contingency fund was set up to provide for ongoing upkeep, repairs and re-decoration of the leasehold property. In view of the reserves position of the charity, this designated reserve has been transferred back to general funds.

13 Analysis of net assets between funds

	Tangible Fixed assets £	Other Net assets £	Total £
Restricted Endowment funds	-	25,000	25,000
Unrestricted General funds	3,627,392	(96,202)	3,531,190
	<u>3,627,392</u>	<u>(71,202)</u>	<u>3,556,190</u>

Unrestricted funds of £3,627,392 are represented by fixed assets. There are no free reserves available.

14 Related party transactions

Emma Stibbon, a trustee, also holds the position as a director of Spike Island Printmakers Limited, a tenant company of Spike Island Artspace Limited. Rent charged to this company amounted to £4,708 (2007: £4,501). The rent charged is the normal rate for an artistic group.

15 Contingent Liability

In the event of the sale of the Long leasehold property, the Arts Council England has the right to receive an appropriate share of the net proceeds for as long as the asset or the improvements made have a useful economic life. If the Arts Council England were choose to exercise this right, the share would be based on the percentage of costs funded by them. The Arts Council England has a debenture over the Long leasehold property.

16 Company limited by guarantee

The company is limited by guarantee and, as such, has no issued share capital. In the event of the company being wound up the liability of the members is limited to £1 each.

SPIKE ISLAND ARTSPACE LIMITED
MANAGEMENT INFORMATION
YEAR ENDED 31 MARCH 2008

The following pages do not form part of the statutory financial statements
which are the subject of the auditors' report on pages 18 to 19.

SPIKE ISLAND ARTSPACE LIMITED
DETAILED STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 MARCH 2008

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2008 £	Total Funds 2007 £
Incoming resources					
Donations				-	50
Grants receivable	186,300	206,925	-	393,225	1,968,225
Rental income	312,783	-	-	312,783	181,639
Canteen/café income	69,251	-	-	69,251	-
Bank interest receivable	7,042	-	-	7,042	8,045
Other income	5,234	-	-	5,234	1,300
Total incoming resources	<u>580,610</u>	<u>206,925</u>	<u>-</u>	<u>787,535</u>	<u>2,159,259</u>
Resources expended					
Cost of generating funds					
Fundraising and publicity					
Publicity and printing	22,755	-	-	22,755	18,051
	<u>22,755</u>	<u>-</u>	<u>-</u>	<u>22,755</u>	<u>18,051</u>
Charitable activities					
Wages and salaries	280,504	-	-	280,504	152,252
Project expenses	-	238,113	-	238,113	172,121
Travel and training	8,740	-	-	8,740	5,737
Canteen/Café purchases	46,489	-	-	46,489	-
Property maintenance and services	54,155	-	-	54,155	43,290
Volunteers' expenses	1,258	-	-	1,258	1,094
Insurance	6,368	-	-	6,368	10,562
Rent and rates	43,287	-	-	43,287	15,842
Heat and light	62,529	-	-	62,529	33,607
Printing, postage and stationery	8,316	-	-	8,316	5,125
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Recruitment	2,333	-	-	2,333	7,960
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Unreclaimable VAT	1,048	-	-	1,048	1,130
Depreciation	68,449	-	-	68,449	52,665
	<u>633,244</u>	<u>238,113</u>	<u>-</u>	<u>871,357</u>	<u>519,441</u>

SPIKE ISLAND ARTSPACE LIMITED

DETAILED STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 MARCH 2008

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2008 £	Total Funds 2007 £
Governance costs					
Professional fees	5,085	-	-	5,085	2,980
Bookkeeping fees	9,249	-	-	9,249	4,694
Audit fee	2,900	-	-	2,900	3,100
	<u>17,234</u>	<u>-</u>	<u>-</u>	<u>17,234</u>	<u>10,774</u>
Total resources expended	<u>673,233</u>	<u>238,113</u>	<u>-</u>	<u>911,346</u>	<u>548,266</u>
Net incoming/(outgoing) resources	<u>(92,623)</u>	<u>(31,188)</u>	<u>-</u>	<u>(123,811)</u>	<u>1,610,993</u>