

BOOK WORKS (UK) LTD

MANAGEMENT COMMITTEE REPORT AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
31 MARCH 2003**

Company Number: 03190880



BOOK WORKS (UK) LTD

Company Information

Management Committee	Stephen Bury Nicola Gillibrand Ben Hillwood-Harris Marysia Lewandowska Jo Stockham
Secretary	Jane Rolo
Company Number	03190880
Registered Office	240 High Holborn London WC1V 7DN
Business Address	19 Holywell Row London EC2a 4JB
Auditors	John Ellis & Company Chartered Accountants 240 High Holborn London WC1V 7DN
Bankers	Lloyds Bank plc Moorgate Branch 34 Moorgate London EC2R 6PL

BOOK WORKS (UK) LTD

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MANAGEMENT COMMITTEE REPORT FOR THE YEAR ENDED 31 MARCH 2003

The management committee present their report and the financial statements for the year ended 31 March 2003.

Principal activities and review of activities

The company is established to advance education of the public in the visual arts and in particular in the context of books, through printing, publishing and exhibitions of artists' books.

The company commissions new work in collaboration with artists and writers, publishing, producing and printing books, multiples, limited editions, and new media projects. It also organizes exhibitions, installations, time-based and performance works, workshops and educational events in a variety of different locations including galleries, libraries, museums, retail spaces and on the internet. It acts as a national resource for artists' books and those involved in publishing in the arts, and aims to distribute its work to a wide and varied audience. It receives fixed term (revenue) funding from the Arts Council of England and London Arts and is currently in receipt of an Arts Council grant from its new Publications and Recordings Fund for Opus - a new series of artists' books.

Activities

Book Works has had a productive year in terms of its publishing and projects programme, and its marketing, distribution and sales achievements.

It has published 8 new titles during the year, and has a further 7 commissions underway that will be launched in 2003/04. In addition Err by David Shrigley (our most popular book to date in terms of book sales) has gone into its fourth edition this year.

Our new series Opus Projects has seen a shift towards more co-publications with: Trying to get in between by Maria Lindberg (Goteborg Kunsthalle, Sweden) and Magazine by Mike Nelson (Matt's Gallery, UK) and a distribution deal with Distributed Art Publishers, New York to distribute our titles in USA and Far East.

It has successfully launched a new 'email' series of commissions Sharptalk aimed at increasing our readership, and secured funding (research and development grant from ACE National Touring Programme) for a major new project Blueprints that will be guest curated by Mark Beasley.

Book Works has continued to offer artists' surgeries and workshops to students, artists, designers, curators etc here at Book Works, as well as giving lectures and workshops throughout the UK. Book Works has also taken part in a number of exhibitions, book and art fairs in the UK and Europe.

The studio has had a very busy year, collaborating on book projects with a variety of different people as usual, and extending its teaching/workshop programme of activities.

The new extension to Holywell Row was completed in September 2002, and a highly successful opening launch party for the new space and our new commissions was held on September 26th.

Financial review

The company had net outgoing resources on unrestricted funds, a deficit, of £3,407 for the year. Together with the accumulated surplus brought forward from previous years, the company now has an accumulated surplus on unrestricted funds of £94,558 (2002, surplus of £97,965). Restricted funds carried forward at 31 March 2003 amounted to £51,339 (2002, £101,648). This is sufficient for the activities for which the funds were provided.

MANAGEMENT COMMITTEE REPORT FOR THE YEAR ENDED 31 MARCH 2003

Company status

The company is limited by guarantee and registered at Companies House.

Management committee

The members of the management committee perform the role of directors in company law. Those who served during the year, except where indicated, were :

Stephen Bury
Nicola Gillibrand
Ben Hillwood-Harris

Marysia Lewandowska
Jo Stockham

Statement of the management committee's responsibilities

Company law requires the management committee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing those financial statements, the management committee is required to:

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

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

Auditors

The auditors, John Ellis & Company, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

This report was approved by the management committee on 7 July 2003 and signed on its behalf by:

Jo Stockham



Management committee member

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BOOK WORKS (UK) LTD

We have audited the financial statements of Book Works (UK) Ltd for the period ended 31 March 2003 set out on pages 4 to 12. These financial statements have been prepared under the historical cost convention and the accounting policies set out on pages 6 to 7.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's director is responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company 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 directors' remuneration and transactions with the company is not disclosed.

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

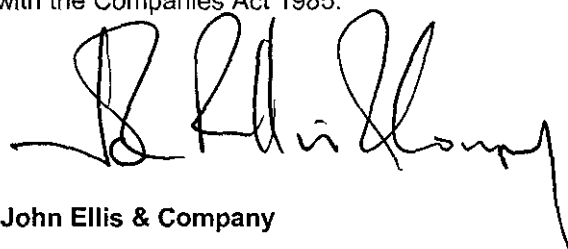
Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the director in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2003 and of its results for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



John Ellis & Company

Chartered Accountants
and Registered Auditors
240 High Holborn
London WC1V 7DN

7 July 2003

BOOK WORKS (UK) LTD

STATEMENT OF FINANCIAL ACTIVITIES
For the year ended 31 March 2003

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2003 £	Total Funds 2002 £
Incoming Resources					
Activities in furtherance of the charity's objects:					
Grants receivable	3	121,021	29,287	150,308	210,416
Other income		256,853	11,639	268,492	276,428
Investment income		245	-	245	442
Total Incoming Resources	2	378,119	40,926	419,045	487,286
Resources Expended					
Costs of activities in furtherance of the charity's objects:					
Direct expenditure		357,867	111,053	468,920	427,332
Management and administration	5	3,841	-	3,841	3,496
Total Resources Expended	4	361,708	111,053	472,761	430,828
Net Incoming/(Outgoing) Resources before transfers		16,411	(70,127)	(53,716)	56,458
Transfers between funds		(19,818)	19,818	-	-
Net Incoming/(Outgoing) Resources		(3,407)	(50,309)	(53,716)	56,458
Fund balances brought forward at 1 April 2002		97,965	101,648	199,613	143,155
Fund balances carried forward at 31 March 2003		£ 94,558	£ 51,339	£ 145,897	£ 199,613

The balance on restricted funds represents the amount of funds available for specific projects or activities which were not finished at the year end. These funds are therefore necessary to complete the project or activity and are not a surplus available for other purposes.

There were no recognised gains and losses for 2003 or 2002 other than those included in the statement of financial activities. All the company's activities are classified as continuing.

The notes on pages 6 to 12 form part of these financial statements

BOOK WORKS (UK) LTD

BALANCE SHEET
As at 31 March 2003

	Note	£	2003 £	£	2002 £
FIXED ASSETS					
Tangible fixed assets	9		35,904		20,366
CURRENT ASSETS					
Stocks	10	37,058		29,377	
Debtors	11	100,054		126,237	
Cash at bank and in hand		11,958		75,825	
		<u>149,070</u>		<u>231,439</u>	
CREDITORS: amounts falling due within one year	12	<u>(39,077)</u>		<u>(52,192)</u>	
NET CURRENT ASSETS			<u>109,993</u>		<u>179,247</u>
NET ASSETS			<u>£ 145,897</u>		<u>£ 199,613</u>
RESERVES					
Restricted funds	14		51,339		101,648
Unrestricted funds:					
Designated funds	15	55,000		55,000	
Other charitable funds		39,558		42,965	
		<u>94,558</u>		<u>97,965</u>	
	16		<u>£ 145,897</u>		<u>£ 199,613</u>

The financial statements were approved by the management committee on 7 July 2003 and signed on its behalf by:

Marysia Lewandowska



Management committee member

Jo Stockham



Management committee member

The notes on pages 6 to 12 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2003

1. ACCOUNTING POLICIES

A summary of the principal accounting policies, all of which have been applied consistently throughout the year, is set out below.

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Statement of Recommended Practice "Accounting by Charities" published in October 2000 and with applicable accounting standards. The financial statements include the results of the company's operations which are described in the Management Committee Report and all of which are continuing.

The company has taken advantage of the exemption in Financial Reporting Standard No.1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.2 Turnover

Total incoming resources as shown in the Statement of Financial Activities is the turnover of the company. It represents the value of fees, grants and donations receivable in the ordinary course of activities. It includes the total amount of capital grants receivable in the year.

Voluntary income received by way of donations and gifts to the company is included in full in the Statement of Financial Activities when received. Intangible income is not included unless it represents goods or services which would otherwise have been purchased. Gifts in kind are valued and brought in as income together with the appropriate expenditure.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold buildings	-	8%	Straight line
Plant & machinery	-	25%	Straight line
Office equipment	-	25%	Straight line
Fixtures & fittings	-	25%	Straight line

1.4 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.5 Restricted funds

Restricted funds are to be used for specified purposes as laid down by the donor. Expenditure which meets this criteria is identified to the fund, together with a fair allocation of overheads and support costs. Fund balances carried forward are those necessary to complete the project or activities for which the funds were provided. In the event of insufficient funds being raised for the project or activity a transfer is made from the unrestricted funds of the amount of the shortfall

1.6 Unrestricted funds

Unrestricted funds are donations and other incoming resources received or generated for the company's purposes.

BOOK WORKS (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2003

1.7 Staff costs and overheads

Staff costs and overhead expenses are allocated to activities on the basis of staff time spent on those activities.

1.8 Deferred grants

Government and local authority grants for the purchase of fixed assets are credited to restricted incoming resources when receivable. Depreciation on fixed assets purchased with such grants is charged against the restricted fund over the expected useful life of the asset.

Grants of a revenue nature are credited to incoming resources in the period in which they are receivable. Grants received in advance for specified future periods are carried forward as deferred income.

2. INCOMING RESOURCES

	Grants	Fees for services	Bank Interest	Total Funds 2003	Total Funds 2002
	£	£	£	£	£
Studio	-	213,962	143	214,105	213,460
Commissions of new work					
OPUS	8,000	2,428	-	10,428	90,000
Other	142,308	52,102	102	194,512	168,501
Arts for Everyone	-	-	-	-	15,325
	<u>£ 150,308</u>	<u>£ 268,492</u>	<u>£ 245</u>	<u>£ 419,045</u>	<u>£ 487,286</u>

3. GRANT INCOME

	Unrestricted Funds	Restricted Funds	Total Funds 2003	Total Funds 2002
	£	£	£	£
<u>Receivable in year</u>				
Arts Council of England				
Revenue	50,000	-	50,000	25,000
Commissions of new works	-	17,387	17,387	90,000
Other	-	-	-	26,464
London Arts Board	71,021	-	71,021	68,952
The Glass House Trust	-	5,000	5,000	-
Wimbledon School of Art	-	1,400	1,400	-
The Great Britain				
Sasakawa Foundation	-	2,500	2,500	-
Konsthalle, Goteborg	-	3,000	3,000	-
	<u>£ 121,021</u>	<u>£ 29,287</u>	<u>£ 150,308</u>	<u>£ 210,416</u>

BOOK WORKS (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2003

4. TOTAL RESOURCES EXPENDED

	Staff Costs	Other direct costs	Overheads & premises	Total Funds 2003	Total Funds 2002
	£	£	£	£	£
Studio	104,375	62,497	49,791	216,663	184,631
Commissions of new work					
OPUS	15,781	34,047	5,094	54,922	12,173
Other	77,074	91,441	32,661	201,176	161,062
Arts for Everyone	-	-	-	-	72,962
	<u>£ 197,230</u>	<u>£ 187,985</u>	<u>£ 87,546</u>	<u>£ 472,761</u>	<u>£ 430,828</u>

5. MANAGEMENT AND ADMINISTRATION

	Unrestricted Funds	Restricted Funds	Total Funds 2003	Total Funds 2002
	£	£	£	£
Auditors remuneration	3,841	-	3,841	3,496
	<u>£ 3,841</u>	<u>£ -</u>	<u>£ 3,841</u>	<u>£ 3,496</u>

6. NET INCOMING/(OUTGOING) RESOURCES

Net incoming/(outgoing) resources is stated after charging:

	2003 £	2002 £
Depreciation of tangible fixed assets		
- owned by the company	7,547	6,367
Auditors' remuneration	3,841	3,496
	<u>11,388</u>	<u>9,863</u>

7. STAFF COSTS

	2003 £	2002 £
Wages and salaries	181,819	163,915
Social security costs	15,411	14,119
	<u>£ 197,230</u>	<u>£ 178,034</u>

No employee received emoluments of £50,000 or more. During the year, no management committee member received any remuneration, benefits in kind or reimbursement of expenses.

The average monthly number of employees, including the management committee, during the year was as follows:

Direct costs	<u>10</u>	<u>8</u>
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BOOK WORKS (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2003

8. MANAGEMENT COMMITTEE' REMUNERATION

	2003 £	2002 £
Salaries and other emoluments	£ -	£ 52,928

9. TANGIBLE ASSETS

	Land & Buildings £	Plant & Machinery £	Office Equipment £	Fixtures & Fittings £	Total £
Cost					
At 1 April 2002	7,609	-	28,008	541	36,158
Additions	21,083	2,002	-	-	23,085
At 31 March 2003	28,692	2,002	28,008	541	59,243
Depreciation					
At 1 April 2002	634	-	14,752	406	15,792
Charge for year	2,391	500	4,521	135	7,547
At 31 March 2003	3,025	500	19,273	541	23,339
Net Book Value					
At 31 March 2003	£ 25,667	£ 1,502	£ 8,735	£ -	£ 35,904
At 31 March 2002	£ 6,975	£ -	£ 13,256	£ 135	£ 20,366

Land and buildings comprises expenditure on fitting out the company's leasehold premises.

10. STOCKS

	2003 £	2002 £
Raw materials	6,891	9,702
Finished goods	30,167	19,675
	£ 37,058	£ 29,377

BOOK WORKS (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2003

11. DEBTORS

	2003 £	2002 £
Due within one year		
Trade debtors	71,313	34,804
Other debtors	4,386	6,881
Prepayments and accrued income	2,666	1,812
Grants in arrears	21,689	82,740
	<u>£ 100,054</u>	<u>£ 126,237</u>

12. CREDITORS:
Amounts falling due within one year

	2003 £	2002 £
Bank loans and overdrafts	3,492	-
Trade creditors	23,797	38,922
Social security and other taxes	754	-
Other creditors	11,034	9,370
Deferred income	-	3,900
	<u>£ 39,077</u>	<u>£ 52,192</u>

13. DEFERRED INCOME

	2003 £	2002 £
At 1 April 2002	3,900	-
Incoming resources deferred in the current year	-	3,900
Amounts released to statement of financial activities	(3,900)	-
	<u>£ -</u>	<u>£ 3,900</u>
At 31 March 2003		

BOOK WORKS (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2003

14. RESTRICTED FUNDS

The funds of the company include restricted funds comprising the following unexpended balances of donations and grants held on trusts to be applied for specific purposes:

	Balance 1 April 2002 £	Movement in Resources			Balance 31 March 2003 £
		Incoming £	Outgoing £	Transfers £	
Commission of New Works					
OPUS	77,827	10,428	(54,922)	-	33,333
Other	23,821	30,498	(56,131)	19,818	18,006
	<u>£ 101,648</u>	<u>£ 40,926</u>	<u>£ (111,053)</u>	<u>£ 19,818</u>	<u>£ 51,339</u>

15. DESIGNATED FUNDS

The funds of the company include the following designated funds which have been set aside out of unrestricted funds by the management committee for specific purposes:

	Balance 1 April 2002 £	Movement in Resources		Balance 31 March 2003 £
		Incoming £	Outgoing £	
Office and studio fitting out	45,000	-	-	45,000
Equipment	10,000	-	-	10,000
	<u>£ 55,000</u>	<u>£ -</u>	<u>£ -</u>	<u>£ 55,000</u>

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Total Funds 2003 £
Fund balances at 31 March 2003 are represented by			
Tangible fixed assets	29,285	6,619	35,904
Current assets	104,350	44,720	149,070
Current liabilities	(39,077)	-	(39,077)
	<u>£ 94,558</u>	<u>£ 51,339</u>	<u>£ 145,897</u>

BOOK WORKS (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2003

17. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

At the end of the period there were no capital commitments, contingent liabilities or other financial commitments for which full provision has not been made in these financial statements (2002 £Nil).