

MOORE STEPHENS

Charity Number 1074036
Company Number 3679284

THE JERWOOD CHARITY
REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31st DECEMBER 2004



The Jerwood Charity
(A registered charity and a company limited by guarantee)

Index

	Page
Directors and officers	2
Directors' report	3 - 6
Statement of directors' responsibilities	7
Auditors' report	8
Statement of financial activities	9
Balance sheet	10
Notes to the financial statements	11 - 16

The Jerwood Charity

Directors and Trustees

Andrew Knight (Chairman)
Edward Paul MC (Vice-Chairman)
Viscount Alastair Chilston
Tim Eyles
Amanda, Lady Harlech
Barbara Francis
Anthony Palmer
Dr Kerry Parton (resigned 8th September 2004)
Julia Wharton
Paul Cardwell (appointed 13th October 2004)
Sarah Vine (appointed 13th October 2004)
Thomas Grieve (appointed 13th October 2004)

Director

Roanne Dods

Secretary and Registered Office

Barbara Francis
22 Fitzroy Square, London W1T 6EN

Auditors

Moore Stephens
Chartered Accountants
St. Paul's House, Warwick Lane, London EC4M 7BP

Bankers

Coutts & Co
Hanover Square Branch
23 Hanover Square, London W1A 4YE

Solicitors

Taylor Wessing
Carmelite House
50 Victoria Embankment, London EC4Y 0DX

A registered charity (Number 1074036) and a company limited by guarantee (Number 3679284)

The Jerwood Charity
(A registered charity and a company limited by guarantee)

Report of the Directors
For the year ended 31st December 2004

1. Introduction

The Jerwood Charitable Foundation was incorporated on 1st December 1998 and started operations on 1st April 1999. On 10th February 2004, the name of the company changed to The Jerwood Charity.

The Jerwood Charity receives its funding directly from the Jerwood Foundation. The Jerwood Foundation also supports The Jerwood Charity by providing accommodation and facilities at 22 Fitzroy Square. The Jerwood Charity and the Jerwood Foundation share certain management and administrative expenses.

2. Objects of the Charity

The Jerwood Charity is a registered charity and a company incorporated by guarantee with no share capital, exempted under Section 30 of the Companies Act 1985 from the requirement to use Limited as part of its name.

The objects for which the company is established are the distribution of funds granted by the Jerwood Foundation to individuals and organisations for the promotion of arts, education, design, conservation, medicine, science, engineering and other areas of human endeavour and excellence.

The Jerwood Charity distributes its funding according to published Guidelines available from the registered office.

3. Activities of the Charity

The Charity has had an active and stimulating year in 2004, extending and developing its dedication to responsible and imaginative funding. Many of the Charity's initiatives are in their fifth, sixth and even ninth years of Jerwood grants: a mark of our aim to provide sustainable support for some of the outstanding and inspiring young artists and arts organisations in the United Kingdom. At the same time, the Charity has been able to initiate a range of new commissions and projects that have strengthened the scope of its portfolio across all areas of its activity. This year the Charity started the first Royal Society of Literature/Jerwood Bursaries for Non-Fiction, its first support for young producers at Battersea Arts Centre, an award for young documentary film makers at the Sheffield International Documentary Film Festival, a programme of work with the highly acclaimed Music Theatre Wales, new commissions for PUSH, and support for a composer in residence with the Birmingham Contemporary Music Group. Many of these are projects were solicited by the Director and Board of Trustees after identifying a gap in provision.

In drama the Charity has continued its support of the Jerwood New Playwrights at the Royal Court, and has continued to work with the Young Vic to identify three outstanding directors and provide them five weeks of rehearsal space at the Jerwood Space to hone their skills under the mentorship and direction of the staff at the Young Vic. At the end of the year, we made a donation towards the highly respected James Menzies Kitchen Trust for young directors.

The Jerwood Charity

(A registered Charitable Foundation and a company limited by guarantee)

Report of the Directors For the year ended 31st December 2004 (Continued)

3. Activities of the Charity (Continued)

In dance the Charity had many triumphs. Two years ago the Jerwood Charity resolved to find ways to enable the development of work by choreographers for middle-scale theatre, and has been very pleased to see the results of this initiative. As a result of the Jerwood Changing Stages Choreolab last year, Akram Khan's piece *Ma* was presented at the Edinburgh International Festival and at Sadlers Wells and is touring internationally; Jasmin Vardimon Dance Company has been working on its most ambitious piece yet, *Park*, to be performed at Sadlers Wells in 2005. Henri Oguike's work from the workshops is also touring in Spring 2005. There was outstanding critical success with Maresa von Stockert's commission for the Wapping Project – *Grim[m] Tales* – with sellout performances at Wapping over a four week period. This piece is now touring nationally with the help of a major grant from Arts Council England. The Charity was also delighted with the intelligent and deep-learning opportunity created by the Siobhan Davies Dance Company through the Jerwood Bank.

Music continues to be an area of major significance. The Jerwood Rising Stars programme at Cheltenham Jazz Festival continues to attract accolades, and three of the jazz commissions at the Wapping Project will be broadcast on BBC Radio 3 in 2005. The Charity is in its final year of partnership with the Orchestra for the Age of Enlightenment, and continued its long term support for outstanding chamber musicians at Mendelssohn on Mull and Prussia Cove.

Despite the suspension of the Jerwood Painting Prize, the visual arts remain the Charity's largest area of support. Prizes for sculpture, photography, drawing and applied arts, continue to expand and attract strong visitor numbers and touring opportunities. The Charity was very pleased to announce its commitment to continue the Jerwood Applied Arts Prize cycle and to increase the size of the prize in 2005, and to add a sixth discipline.

The Jerwood Charity takes great pride in its partnerships with the very many organisations it supports financially and has engaged in developing partnerships with other funders to maximise the benefits of its resources and experience. In 2004, the Charity worked with the Scottish Arts Council to develop an initiative for Scottish choreographers at Cove Park in Argyll, and started the first of a professional development initiative for jazz musicians and composers, *Take Five*, with the PRS Foundation and Serious. The Charity also initiated a major collaboration with Arts & Business on the programme of work entitled Mission, Money and Models. This series of conferences and research papers was set up to look at the issues of sustainability for arts organisations in a climate of economic change. The first conference took place at the British Museum in June, followed by a programme of research and discussion among senior arts practitioners. Each of these collaborations introduces the Charity to new ways of working, and enables it to learn and improve its operations, at the same time building on its own accomplishments.

The Jerwood Charity continued its close association with the Jerwood Space. The Jerwood Young Directors at the Young Vic rehearse there at semi-subsidised rate, and visual arts collaborations expand with every year. The Jerwood Space has been able to house the Jerwood Artists Platform, and the Jerwood Photography Prize exhibitions, support *Being Present*, an exhibition of eight talented and award-winning figurative artists, and continue to commission large scale prints by young artists from a variety of fields.

This has been a year of transition in the Charity's evolution towards financial independence from the Jerwood Foundation. With the final and generous endowment to the Jerwood Charity expected to take place in 2005, we have placed considerable thought into setting up appropriate and rigorous financial controls, in preparation for the final tranche of the endowment. The Charity has a fully functioning and active Finance Committee, chaired by Anthony Palmer, a long-standing trustee with senior experience in banking and accountancy.

The Jerwood Charity
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Report of the Directors
For the year ended 31st December 2004 (Continued)

3. Activities of the Charity (Continued)

The Board was very sorry to lose a long-standing and highly-committed trustee, Dr Kerry Parton, but were delighted to welcome three new trustees – Paul Cardwell, Thomas Grieve and Sarah Vine. They will be a new source of inspiration to our ambitions and activity. None of what the Jerwood Charity does would be possible without the generosity and vision of Alan Grieve and the Jerwood Foundation, and the Charity continues to have a close dialogue with the Foundation, as it does with the third member of the Jerwood family, the Jerwood Space.

4. Organisational Structure

There are four levels of decision-making by the The Jerwood Charity and its Trustees in relation to applications; the quarterly Trustee meetings, decisions which require the consensus of all Trustees between meetings and a smaller committee of Trustees which makes decisions up to a limit of £10,000. The Chairman and Director also have authority to make decisions on three grants of up to £20,000 each in between each meeting. Any decision made between the full quarterly meetings must be ratified at the next meeting of the full Board of Trustees. These arrangements are reviewed annually. All applications are screened internally by the Chairman and Director to ensure that they meet our Guidelines and our current priorities before a decision is made to place them before the Trustees

The accounting records of the Charity are maintained at Fitzroy Square and are administered by suitably qualified personnel. Internal controls, appropriate for a charity of this size, have been put in place to protect the funds and to ensure their proper application.

The Charity undertakes a continual risk assessment strategy, reviewing and updating systems and controls as necessary. The Trustees believe all the major risks to which the Charity could be exposed, have been identified, and systems are in place to mitigate exposure to such risks.

5. Financial Results

The financial position of the Charity is set out in the balance sheet on page 10. At the end of the year the Charity had a surplus movement of £10,375,496.

6. Reserves

The Charity's policy is to have sufficient Reserves in place to meet its management and administration expenditure for the following year. Surplus Reserves will be included in the decision making process for the following year in accordance with the objects of the Charity.

7. Investment Policy

Under the Memorandum and Articles of Association there are no restrictions on the Charity's powers to invest. The overall investment policy is to achieve long-term capital growth in real terms, whilst providing a yield in excess of the UK Equity Markets. The funds are currently managed between JP Morgan, Morgan Stanley, the Absolute Return Trust and the Charities Property Fund.

8. Directors and Trustees

The charitable company is managed by a Board of Directors who also act as trustees of the charity.

The Jerwood Charity
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Report of the Directors
For the year ended 31st December 2004 (Continued)

9. Auditors

Moore Stephens, Chartered Accountants, were re-appointed as the company's auditors during the period and are willing to continue in office.

By Order of the Board

A handwritten signature in cursive script that reads "B. Francis".

BARBARA FRANCIS
Secretary and Director

The Jerwood Charity
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Statement of Directors' Responsibilities

It is the directors responsibility to prepare financial statements for each financial period, 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 Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and 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 for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Independent Auditors' Report to the Shareholders of
The Jerwood Charity**

(A registered charity and a company limited by guarantee)

We have audited the financial statements of The Jerwood Charity for the year ended 31st December 2004 set out on pages 9 to 16. These financial statements have been prepared under the historical cost convention and the accounting policies set out on page 11.

This report is made solely to the company's shareholders 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 company's shareholders 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 company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the charitable company's directors and trustees are 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 directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

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

Opinion

In our opinion the financial statements give a true and fair view of the state of the charitable company's affairs as at 31st December 2004 and of its incoming resources and application of resources including its income and expenditure for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

St. Paul's House,
London, EC4M 7BP

24: February 2005


MOORE STEPHENS

Chartered Accountants
Registered Auditors

The Jerwood Charity
(A registered charity and a company limited by guarantee)

Statement of Financial Activities
For the year ended 31st December 2004

	<u>Note</u>	<u>Endowment</u> <u>2004</u> £	<u>Unrestricted</u> <u>2004</u> £	<u>Total</u> <u>2004</u> £	<u>Total</u> <u>2003</u> £
Incoming Resources					
Grants receivable from Jerwood Foundation		10,000,000	1,069,079	11,069,079	6,252,989
Investment income		-	380,923	380,923	-
Bank interest		-	9,481	9,481	5,734
Total Incoming Resources		<u>£ 10,000,000</u>	<u>£ 1,459,483</u>	<u>£11,459,483</u>	<u>£ 6,258,723</u>
Resources Expended					
Direct Charitable Expenditure					
Grants payable	4	-	1,303,371	1,303,371	1,191,163
Other Expenditure					
Depreciation of computer equipment		-	2,934	2,934	2,934
Management and administration	5	-	171,073	171,073	137,515
Total Resources Expended		<u>-</u>	<u>1,477,378</u>	<u>1,477,378</u>	<u>1,331,612</u>
Net Incoming Resources	2	10,000,000	(17,895)	9,982,105	4,927,111
Gain on Revaluation of Investments		<u>393,391</u>	<u>-</u>	<u>393,391</u>	<u>72,087</u>
Net Movements in Funds		<u>10,393,391</u>	<u>(17,895)</u>	<u>10,375,496</u>	<u>4,999,198</u>
Total Funds Brought Forward		<u>5,072,087</u>	<u>212,566</u>	<u>5,284,653</u>	<u>285,455</u>
Total Funds Carried Forward		<u>£ 15,465,478</u>	<u>£ 194,671</u>	<u>£15,660,149</u>	<u>£ 5,284,653</u>

Summary of Income and Expenditure
For the year ended 31st December 2004

Gross income from continuing activities		11,459,483	6,258,723
Total expenditure in continuing activities		(1,477,378)	(1,331,612)
Net surplus	2	<u>9,982,105</u>	<u>4,927,111</u>
Unrealised gain on investment		<u>393,391</u>	<u>72,087</u>
Net movement on funds		<u>£10,375,496</u>	<u>£ 4,999,198</u>

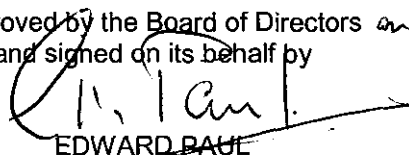
The Jerwood Charity
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Balance Sheet - 31st December 2004

	<u>Note</u>	<u>2004</u>	<u>2003</u>
Fixed Assets			
Tangible assets	6	2,934	5,868
Investments	7	15,465,478	5,072,087
Current Assets			
Debtors	8	47,834	-
Bank account		326,641	212,102
		<u>374,475</u>	<u>212,102</u>
Creditors, amounts falling due within one year	9	<u>(182,738)</u>	<u>(5,404)</u>
Net Current Assets		<u>191,737</u>	<u>206,698</u>
Total Assets Less Current Liabilities		<u>£ 15,660,149</u>	<u>£ 5,284,653</u>
Funds			
Unrestricted	10	194,671	212,566
Endowment	11	15,465,478	5,072,087
		<u>£ 15,660,149</u>	<u>£ 5,284,653</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the Board of Directors on 24. February 2005
and signed on its behalf by


EDWARD PAULE

Vice-Chairman

The notes on pages 11 to 16 form part of these financial statements.

The Jerwood Charity
(A registered charity and a company limited by guarantee)

Financial Statements
For the year ended 31st December 2004

1. Accounting Policies

(a) Basis of Accounting

The accounts have been drawn up in accordance with applicable accounting standards, the Statement of Recommended Practice "Accounting and Reporting by Charities" published in October 2000 ("Charities SORP"), and the special provisions of Part VII of the Companies Act 1985 relating to small companies. Finally, they have been prepared under the historical cost convention.

(b) Income

Income is recognised in the financial statements when receivable.

(c) Expenditure

Expenditure is recognised on an accruals basis. Grants, however, are charged in the year either when paid or when the offer is conveyed to the recipient except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions are fulfilled.

(d) Capitalisation

Expenditure on repairs, renewals, plant and machinery, fixtures and fittings which exceed £100 are capitalised.

(e) Tangible fixed assets and depreciation

Provision for depreciation of fixed assets held for use by the charitable company is made at annual rates calculated to spread the cost of each asset over its expected useful life. The depreciation rates currently in use are:

Computer equipment	Write off over 3 years
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(f) Investments

Investments are shown at market value. Realised and unrealised gains are recorded in the Endowment Fund.

(g) Taxation

No provision for taxation is included in the accounts as the charitable company is entitled to exemption from tax afforded by Section 505 of the Income and Corporation Taxes Act 1988.

The Jerwood Charity
(A registered charity and a company limited by guarantee)

Financial Statements
For the year ended 31st December 2004 (Continued)

2. Net Outgoing Resources

Net outgoing resources is stated after charging:

	<u>2004</u> £	<u>2003</u> £
Auditors remuneration	3,000	2,700

3. Staff Costs

	<u>2004</u> £	<u>2003</u> £
Wages and salaries	93,986	80,353
Social security costs	10,714	8,446
Pension costs	2,880	2,160
Other staff costs	4,366	5,401
	<u>£ 111,946</u>	<u>£ 96,360</u>

The average number of persons employed by the company during the year was:

<u>2</u>	<u>2</u>
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The Jerwood Charity
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Financial Statements
For the year ended 31st December 2004 (Continued)

4. Grants Payable	<u>2004</u>
8 Figurative Artists	10,000
Aldeburgh Poetry Festival	4,000
Arvon Foundation	35,200
Battersea Arts Centre : Young Producers	25,000
Burlington Magazine	12,000
Caber Music: Jerwood Jazz Progressions	22,040
Cove Park	10,000
Cove Park	15,000
Esther Benjamin Trust	3,000
First Development	10,000
First Film Shorts	25,000
Gurkha Welfare Trust	2,500
Illuminations	9,000
Jacqueline Mina	1,500
James Menzies Kitchen Trust	30,000
Jerwood Applied Arts Prize	45,000
Jerwood Artists Platform	82,366
Jerwood Bank: Siobhan Davies Dance Company	40,000
Jerwood Changing Stages Choreolab at DanceXchange	40,000
Jerwood Commissions at The Wapping Project	50,000
Jerwood Designs at the Gate	2,000
Jerwood Drawing Prize	45,161
Jerwood First Cuts Documentary Award	20,000
Jerwood Letter-cutting Apprenticeships	21,740
Jerwood New Playwrights at Royal Court	77,625
Jerwood Photography Prize	40,163
Jerwood Photography Project	50,000
Jerwood Proms: Dance Umbrella	18,500
Jerwood Rising Stars at Cheltenham Jazz Festival	45,500
Jerwood Sculpture Prize	112,451
Jerwood Space Commission	30,907
Jerwood Space Gallery Assistant	12,000
Jerwood Understudy Scheme at Garsington	10,000
Jerwood Young Directors at the Young Vic	65,000
Live Music Now !	1,537
Mendelssohn on Mull	20,000
Michael Clark	5,000
Mission, Money & Models	16,181
Music Theatre Wales	30,000
National Galleries of Scotland	20,000
North Lands Creative Glass	20,000
Orchestra of the Age of Enlightenment	20,000
Pimlico Opera	25,000
PRS Foundation collaboration	20,000
Prussia Cove	20,000
PUSH	29,000
Royal Society for Literature	28,000
Salters Jerwood Award	11,000
SPNM/BCMG	10,000
United Biscuits	5,000
Total	£ <u>1,303,371</u>

The Jerwood Charity
(A registered charity and a company limited by guarantee)

Financial Statements
For the year ended 31st December 2004 (Continued)

5. Management and Administration

	<u>2004</u>	<u>2003</u>
	£	£
Postage ,Telephone ,Telex	3,982	3,773
Salaries and staff costs (Note 3)	111,946	96,360
Computer	18,864	9,653
Legal and other professional expenses (Reports)	4,224	2,680
Newspapers and periodicals	1,534	1,786
Catering	4,245	4,697
Stationery	2,318	4,806
Accountancy fees	7,336	-
Audit fee	3,547	2,700
Travelling	6,714	6,552
Sundry expenses	5,582	2,878
Bank charges and interest	780	1,630
	<u>£ 171,073</u>	<u>£ 137,515</u>

6. Fixed Assets

(Held for Direct Charitable Purposes)

	<u>2004</u>
	£
Cost	
Balance at 1st January 2004 and as	
At 31st December 2004	£ 8,802
Depreciation	
Balance at 1st January 2004	2,934
Charge for the period	2,934
Balance at 31st December 2004	£ 5,868
Net book value	
At 31st December 2004	£ 2,934
At 31st December 2003	£ 5,868

The Jerwood Charity
(A registered charity and a company limited by guarantee)

Financial Statements
For the year ended 31st December 2004 (Continued)

7. Investments

	Market Value Balance at 1st January <u>2004</u> £	<u>Incomings</u> £	Movement on Investments Gains/ (Losses) £	Market Value Balance at 31st December <u>2004</u> £
Permanent expendable endowment from the Jerwood Foundation	5,072,087	10,000,000	393,391	15,465,478

The investments are split between the following managers:

Morgan Stanley	7,024,651
JP Morgan	3,158,095
Absolute Return Trust	2,688,438
Charities Property Fund	2,594,294
	<u>£ 15,465,478</u>

8. Debtors

	<u>2004</u> £	<u>2003</u> £
Accrued Income	47,834	-
	<u>£ 47,834</u>	<u>£ -</u>

9. Creditors, amounts falling due within one year

	<u>2004</u> £	<u>2003</u> £
Grants payable	128,756	-
Accruals and deferred income	53,982	5,404
	<u>£ 182,738</u>	<u>£ 5,404</u>

10. Net Assets of the Charity's Funds

	<u>Fixed Assets</u> £	<u>Investments</u> £	<u>Net Current Assets</u> £	<u>Fund Balance</u> £
Endowment funds	-	15,465,478	-	15,465,478
Unrestricted funds	2,934	-	320,493	323,427
	<u>£ 2,934</u>	<u>£ 15,465,478</u>	<u>£ 320,493</u>	<u>£ 15,788,905</u>

The Jerwood Charity
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Financial Statements
For the year ended 31st December 2004 (Continued)

11. Endowment Fund

The Endowment Fund represents a permanent expendable endowment from The Jerwood Foundation. The fund is invested to provide an income out of which to make future grants at the same time as maintaining the capital value of the fund.

12. Trustees Remuneration and Expenses

There were no payments made to the trustees during the year.

13. Contingent Liabilities

In the opinion of the directors there were no contingent liabilities or contractual commitments at 31st December 2004.

14. Commitments

Grants have been committed and not yet paid at the balance sheet date which fall due as follows :

	<u>2004</u> £	<u>2003</u> £
Within one year	1,136,425	128,756
2-5 years	333,500	-
	<u>£ 1,469,925</u>	<u>£ 128,756</u>