Registered No 4345367

Baltic Contemporary Visual Arts Trading Limited

Report and Financial Statements

31 March 2011

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COMPANIES HOUSE

Directors
M G Brown
S R Taylor
J Webster
S M Wilson
I R Stolliday
J W Hargreaves
T M Tate

Secretary
S T Nicolson

Auditors
Ernst & Young LLP
Citygate
St James' Boulevard
Newcastle upon Tyne
NE1 4JD

Legal Advisers
Ward Hadaway
Sandgate House
102 Quayside
Newcastle upon Tyne
NE1 3DX

Bankers
Yorkshire Bank plc
12 The Interchange Centre
West Street
Gateshead
Tyne and Wear
NE8 1BH

Registered Office
Baltic Centre For Contemporary Art
Gateshead Quays
South Shore Road
Gateshead
Tyne and Wear
NE8 3BA

Directors' report

The directors present their report and financial statements for the year ended 31 March 2011

Results and dividends

The profit for the year, after taxation, amounted to £nil (2010 – £nil) The directors do not recommend the payment of a dividend

Principal activity and review of the business

The principal activity of the company during the year was the provision of catering, retail and room hire services, as well as seeking to attract business sponsorship

The directors note the gift aid payment of £291,106 (2010 – £314,841), made to Baltic Flour Mills Visual Arts Trust in order to support the core activities of the centre

Principal risks and uncertainties

The company's principal financial instruments comprise cash and amounts owed to group undertakings Other financial assets and liabilities, such as trade creditors and trade debtors, arise directly from the company's operating activities

The main risks associated with the company's financial assets and liabilities are set out below The company does not undertake any hedging activity and any significant financial risks are addressed on a case-by-case basis

Interest rate risk

The company invests surplus cash in a floating rate interest yielding bank accounts, therefore financial assets, interest income and cash flows can be affected by movements in interest rates However, the directors do not consider there to be any significant exposure The company has no bank borrowings

Price risk

There is no significant exposure to changes in the carrying value of financial liabilities

Credit risk

The company's policy is aimed at minimising such losses Individual exposures and overdue debts are monitored with customers to ensure that the company's exposure to bad debts is not significant

Liquidity risk

The company aims to mitigate liquidity risk by managing cash generated by its operations Flexibility is maintained by retaining surplus cash in readily accessible bank deposit accounts Limits on spending authority are in place

Foreign currency risk

There are minimal transactions in foreign currency As a result, no hedging activity is undertaken to mitigate this risk

Directors' report

Directors

The directors who served during the year are set out below

M G Brown
J Webster
S R Taylor
S M Wilson
I R Stolliday
J W Hargreaves
T M Tate (appointed 18 May 2011)

Going concern

The directors have considered the company's current and future prospects and it's availability of financing, and we are satisfied that the company can continue to pay its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements For this reason the directors continue to adopt the going concern basis of preparation for these financial statements

Disclosure of information to auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware Having made enquiries of fellow directors and the company's auditor, the directors have taken all the steps that they are obliged to take as directors in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting

On behalf of the Board

J Webster
Director
5 October 2011

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period In preparing these 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records that are sufficient to show and explain the company's transactions and 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 2006 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

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

ERNST & YOUNG

Independent auditors' report

to the members of Baltic Contemporary Visual Arts Trading Limited

We have audited the financial statements of Baltic Contemporary Visual Arts Trading Limited for the year ended 31 March 2011 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, and the related notes 1 to 12 The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements In addition, we read all the financial and non-financial information in the financial statements to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Ernst + Young LLP

Caroline Mulley (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Newcastle upon Tyne

10 October 2011

Profit and loss account

for the year ended 31 March 2011

	Notes	2011 £	2010 £
Turnover	2	923,746	908,591
Cost of sales		(336,238)	(356,614)
Gross profit		587,508	551,977
Administrative expenses		(649,325)	(620,975)
Other operating income		61,817	68,998
Profit on ordinary activities before taxation	3	-	-
Tax on profit on ordinary activities		-	-
Result for the financial year transferred to reserves	9	-	-

Statement of total recognised gains and losses

for the year ended 31 March 2011

There are no recognised gains or losses other than the result for the year, attributable to the shareholders of the company of £nil in the year ended 31 March 2011 (2010 – £nil)

Balance sheet

at 31 March 2011

	Notes	2011 £	2010 £
Current assets			
Stocks	5	104,373	103,839
Debtors	6	113,997	128,916
Cash at bank and in hand		458,592	290,705
		676,962	523,460
Creditors amounts falling due within one year	7	676,960	523,458
Net current assets		2	2
Total assets less current liabilities		2	2
Capital and reserves			
Called up share capital	8	2	2
Equity shareholders' funds	9	2	2

Approved by the Board and signed on their behalf by

J Webster
Director
5 October 2011

Notes to the financial statements

at 31 March 2011

1. Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

Statement of cash flows

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a statement of cash flows in the financial statements on the grounds that the company is wholly owned and its parent publishes consolidated financial statements

Stocks

Stocks are stated at the lower of cost and net realisable value Net realisable value is based on estimated selling price less any further costs to be incurred in disposal

Pensions

The Charity contributes to personal pension plans of its employees based on a percentage of salary The personal plans are defined contribution schemes and the funds are independently administered

2. Turnover

Turnover, which is stated net of value added tax, represents amounts invoiced for goods and services provided, as stated in the directors' report

The turnover and pre-tax profit are attributable to one continuing activity, solely within the United Kingdom

3. Profit on ordinary activities before taxation

This is stated after charging/(crediting)

	2011	*2010*
	£	£
Sponsorship income	(61,817)	(68,998)
Auditors' remuneration – audit services*	-	-
Directors' emoluments	-	-
Gift aid payment to parent charity	291,106	314,841

*audit fees for the company are borne by the parent undertaking

4. Staff costs

	2011	*2010*
	£	£
Wages and salaries	224,930	202,215
Social security costs	20,687	18,087
Staff pension contributions	8,087	6,665
	253,704	226,967

Notes to the financial statements

at 31 March 2011

4. Staff costs (continued)

The average monthly number of employees during the year was made up as follows

	2011	*2010*
	No	*No*
Administrative staff	11	9

5. Stocks

	2011	*2010*
	£	*£*
Finished goods	104,373	103,839

6. Debtors

	2011	*2010*
	£	*£*
Trade debtors	97,444	127,586
Prepayments and accrued income	16,553	1,330
	113,997	128,916

7. Creditors: amounts falling due within one year

	2011	*2010*
	£	*£*
Trade creditors	26,753	28,345
Amounts owed to group undertakings	607,361	456,249
Other taxation	32,275	20,792
Accruals and deferred income	10,571	18,072
	676,960	523,458

8. Issued share capital

		2011		*2010*
Allotted, called up and fully paid	*No*	*£*	*No*	*£*
Ordinary shares of £1 each	2	2	2	2

Notes to the financial statements

at 31 March 2011

9. Reconciliation of shareholders' funds and movement on reserves

	Share capital £	*Profit and loss account* £	*Total share-holders' funds* £
1 April 2009	2	-	2
31 March 2010	2	-	2
Profit for the year	-	-	-
At 31 March 2011	2	-	2

10. Pension commitments

The company operates a defined contribution pension scheme The assets of the scheme are held separately from those of the company in an independently administered fund The pension cost charge for the year represents contributions payable by the company to the fund and amounted to £8,087 (2010 £6,665) No contributions were outstanding or prepaid to the fund at the period end

11. Related party transaction

The company has taken advantage of the exemption within Financial Reporting Standard 8 (FRS 8) from disclosing transactions with other group companies There are no other transactions that require disclosure under FRS 8

12. Immediate parent undertaking and controlling party

The company's immediate and ultimate parent undertaking and controlling party is Baltic Flour Mills Visual Arts Trust, a registered charity It has included the company in its consolidated financial statements, copies of which can be obtained from its registered office, Baltic Centre for Contemporary Art, Gateshead Quays, South Shore Road, Gateshead, Tyne and Wear, NE8 3BA