

Registered No. 4345367

Baltic Contemporary Visual Arts Trading Limited

Report and Financial Statements

31 March 2016

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COMPANIES HOUSE

Directors

G T Worthington
D Clipsham
R Cordy
J Feeley
J Ray
J D Richardson
M Saravanamuttu
T M Tate

Auditors

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

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

Registered No. 4345367

Directors' report

The directors present their report and financial statements for the year ended 31 March 2016.

Results and dividends

The profit for the year after taxation amounted to £436,625 in the year ended 31 March 2016 (2015 – £395,370), prior to gift aid payments of £545,781 (2015 - £494,212).

Principal activity

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.

Going concern

The directors have prepared the financial statements on a going concern basis which assumes that the company will continue in operational existence for the foreseeable future and meet its liabilities as they fall due.

The company has net current liabilities of £3,838, including amounts due to its parent undertaking of £490,253. The company is dependent on continuing financial support from its parent undertaking.

The directors have received confirmation from the company's parent undertaking that the necessary financial support will continue to be available to the company for the foreseeable future and, in particular, for a period of at least twelve months from the date of approval of these financial statements. Accordingly, the directors of the company believe that it is appropriate to prepare the financial statements on a going concern, on the grounds that they have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

Directors

The directors who served the company during the year were as follows:

G T Worthington

D Clipsham

R Cordy (appointed 24 March 2016)

J Feeley (appointed 28 January 2016)

J Ray (appointed 24 March 2016)

J D Richardson

M Saravanamuttu (appointed 28 January 2016)

T M Tate

Disclosure of information to the 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, each director has 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.

Directors' report

Small company exemptions

This report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime within Part 15 of the Companies Act 2006.

On behalf of the Board



G T Worthington
Director
Date: 5 October 2016

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 judgments 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; and
- 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 adequate 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.

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 2016 which the Income Statement, the Statement of Comprehensive Income, Statement of Changes in Equity, the Statement of Financial Position and the related notes 1 to 15. 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), including FRS102 the Financial Reporting Standard applicable to the U.K. and Republic of Ireland.

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 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 Report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS102 the Financial Reporting Standard applicable to the U.K. and Republic of Ireland; 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, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Directors' Report have been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified no material misstatements in the Directors' Report.

Independent auditors' report

to the members of Baltic Contemporary Visual Arts Trading Limited

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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime, take advantage of the small companies' exemption in not preparing the Strategic Report and take advantage of the small companies' exemption in preparing the Directors' Report.



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

Date 12 October 2016

Income statement

for the year ended 31 March 2016

	Notes	2016 £	2015 £
Turnover	2	1,136,442	1,018,666
Cost of sales		(402,550)	(351,463)
Gross Profit		733,892	667,203
Administrative expenses		(334,228)	(834,053)
Other operating income	3	146,117	166,850
Profit on ordinary activities before taxation	3	545,781	494,212
Tax		(109,156)	(98,842)
Profit for the financial year		436,625	395,370

All amounts relate to continuing activities.

Statement of Comprehensive Income

for the year ended 31 March 2016

There is no other comprehensive income other than the profit for the year, attributable to the shareholders of the company, therefore total comprehensive income is of £436,625 in the year ended 31 March 2016 (2015 – £395,370).

Statement of Changes in Equity

for the year ended 31 March 2016

	Share capital £	Profit and loss account £	Total share- holders' funds £
At 1 April 2014	2	–	2
Total comprehensive income for the financial year	–	395,370	395,370
Gift aid payment	–	(494,212)	(494,212)
Current tax credit	–	98,842	98,842
At 1 April 2015	2	–	2
Total comprehensive income for the financial year	–	436,625	436,625
Gift aid payment	–	(545,781)	(545,781)
Current tax credit	–	109,156	109,156
At 31 March 2016	2	–	2

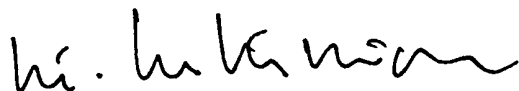
Statement of Financial Position

at 31 March 2016

	Notes	2016 £	2015 £
Fixed assets			
Tangible assets	6	3,840	-
Current assets			
Stocks	7	90,415	73,796
Debtors	8	93,487	106,529
Cash at bank and in hand		417,676	416,811
		601,578	597,136
Creditors: amounts falling due within one year	9	605,416	597,136
Net current (liabilities)/assets		(3,838)	2
Total assets less current liabilities		3,840	
Net assets		2	2
Capital and reserves			
Called up share capital	10	2	2
Shareholders' funds		2	2

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the provisions of FRS 102 Section 1A – small entities.

These financial statements were approved by the Board of Directors and authorised for issue on 5 October 2016 and signed on their behalf by:



G T Worthington
Director
Date: 5 October 2016

Notes to the financial statements

at 31 March 2016

1. Accounting policies

Statement of Compliance

Baltic Contemporary Visual Arts Trading Limited is a limited liability company incorporated in England. The Registered Office is Baltic Centre For Contemporary Art, Gateshead Quays, South Shore Road, Gateshead, Tyne and Wear, NE8 3BA. The Company's financial statements have been prepared, for the first time, in compliance with the provisions of FRS 102 Section 1A small entities as it applies to the financial statements of the Company for the year ended 31 March 2016. The Company transitioned from previously extant UK GAAP to FRS 102 Section 1A as at 1 April 2014. An explanation of how transition to FRS102 Section 1A has affected the reported financial position and financial performance is given in note 13.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards. The financial statements are prepared in GBP sterling which is the functional currency of the Company and rounded to the nearest £.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However the nature of estimation means that actual outcomes could differ from those estimates. The key judgement relates to the estimation of an appropriate provision for slow moving and obsolete stock.

Going concern

The directors have prepared the financial statements on a going concern basis which assumes that the company will continue in operational existence for the foreseeable future and meet its liabilities as they fall due.

The company has net current liabilities of £3,838, including amounts due to its parent undertaking of £490,253. The company is dependent on continuing financial support from its parent undertaking.

The directors have received confirmation from the company's parent undertaking that the necessary financial support will continue to be available to the company for the foreseeable future and, in particular, for a period of at least twelve months from the date of approval of these financial statements. Accordingly, the directors of the company believe that it is appropriate to prepare the financial statements on a going concern, on the grounds that they have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

Short term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

Tangible fixed assets

All fixed assets valued over £1,000 are initially recorded at cost.

Depreciation is provided on all tangible assets, at rates calculated to write off costs, less estimated residual value based on prices prevailing at the date of acquisition of each asset evenly over its expected useful life, as follows:

Fixtures & Fittings - over 5 to 10 years

Computer Equipment - 3 years

The carrying value of tangible fixed assets is reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Notes to the financial statements

at 31 March 2016

1. Accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and in hand and short term deposits with an original maturity date of three months or less.

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.

Deferred taxation

Deferred tax is recognised in respect of all timing differences which are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

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 result for the year are attributable to one continuing activity, solely within the United Kingdom.

3. Profit on ordinary activities before taxation

This is stated after charging/(crediting):

	2016 £	2015 £
Auditors' remuneration– audit services*	–	–
Sponsorship income	(146,117)	(166,850)
Directors' remuneration	–	–

*audit fees of £3,000 (2015: £3,000) for the company are borne by the parent undertaking.

4. Staff costs

	2016 £	2015 £
Wages and salaries	228,146	226,648
Social security costs	17,862	17,098
Staff pension contributions	12,014	8,674
	<u>258,022</u>	<u>252,420</u>

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

	No.	No.
Administrative	<u>11</u>	<u>11</u>

Notes to the financial statements

at 31 March 2016

5. Gift aid

	2016 £	2015 £
Gift aid payment to parent charity	<u>545,781</u>	<u>494,212</u>

6. Tangible fixed assets

	<i>Fixtures & fittings</i> £
Cost:	
Additions	3,840
At 31 March 2016	<u>3,840</u>
Net book value:	
At 31 March 2016	<u>3,840</u>
At 1 April 2015	<u>-</u>

The asset was acquired on 31 March 2016, therefore no depreciation was charged in the year.

7. Stocks

	2016 £	2015 £
Finished goods	<u>90,415</u>	<u>73,796</u>

8. Debtors

	2016 £	2015 £
Trade debtors	67,436	104,679
Prepayments and accrued income	<u>26,051</u>	<u>1,832</u>
	<u>93,487</u>	<u>106,529</u>

Notes to the financial statements

at 31 March 2016

9. Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	41,417	27,342
Amounts owed to group undertakings	490,253	469,687
Accruals and deferred income	73,746	100,107
	<u>605,416</u>	<u>597,136</u>

10. Issued share capital

	No.	2016 £	No.	2015 £
<i>Allotted, called up and fully paid</i>				
Ordinary shares of £1 each	2	<u>2</u>	2	<u>2</u>

11. Reserves

Profit and loss account

This reserve represents the cumulative comprehensive income recognised in the company, less any dividends paid.

12. Pensions

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 £12,014 (2015–£8,674). No contributions were outstanding or prepaid to the fund at the period end.

13. Related party transactions

The company has not disclosed transactions with other Group companies, as it has taken advantage of the exemption contained within FRS 102.33.1A on the grounds that the company is a wholly owned subsidiary.

The company sold goods to Ryder Architecture Limited, of which Peter Buchan is a director, amounting to £24,000 (2015 – £nil) on commercial terms. At 31 March 2016 a balance of £nil (2015 – £nil) was due to Baltic Contemporary Visual Arts Trading Limited.

14. Ultimate 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 group 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.

15. Transition to FRS 102 Section 1A

The company transitioned to FRS 102 Section 1A from previously extant UK GAAP as at 1 April 2014.

The only difference arising relates to the presentation of gift aid payments and associated tax impact. The gift aid payment is considered to be a distribution and is therefore not shown within administrative expenses where it has been previously shown. The profit before taxation is therefore not £nil in the year ended 31 March 2015, but £494,212. A tax charge is therefore recognised on this amount totalling £98,842, giving a profit after taxation of £395,370. The statement of changes in equity then shows the gift aid payment of £494,212 and the related tax impact of a credit through reserves of £98,842. There were no restatements required to the balance sheet on transition.