

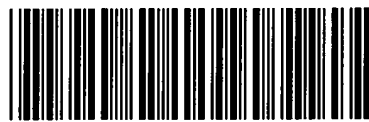
Registered No. 4345367

# **Baltic Contemporary Visual Arts Trading Limited**

## **Report and Financial Statements**

31 March 2017

TUESDAY



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10/10/2017

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COMPANIES HOUSE

**Directors**

G T Worthington

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 2017.

### **Results and dividends**

The profit for the year after taxation amounted to £480,974 in the year ended 31 March 2017 (2016 – £436,625), prior to gift aid payments of £601,217 (2016 - £545,781).

### **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 £3,071, including amounts due to its parent undertaking of £667,819. 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 (resigned 27 October 2016)  
R Cordy  
J Feeley  
J Ray  
J D Richardson  
M Saravanamuttu  
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: 4 October 2017

## 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 auditor's 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 2017 which comprise the Income Statement, the Statement of Comprehensive Income, Statement of Changes in Equity, the Statement of Financial Position and the related note 1 to 14. 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 FRS 102 "The Financial Reporting standard applicable in the UK 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 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 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 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102 "The Financial Reporting standard applicable in the UK 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 has been prepared in accordance with applicable legal requirements.


## **Independent auditor's report (continued)**

### **Matters on which we are required to report by exception**

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.

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



Darren Rutherford (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
Newcastle Upon Tyne

4 October 2017

## Income statement

for the year ended 31 March 2017

	Notes	2017 £	2016 £
<b>Turnover</b>	2	1,160,021	1,136,442
Cost of sales		(421,053)	(402,550)
<b>Gross Profit</b>		738,968	733,892
Administrative expenses		(321,813)	(334,228)
Other operating income	3	184,062	146,117
<b>Profit before taxation</b>	3	601,217	545,781
Tax on profit		(120,243)	(109,156)
<b>Profit for the financial year</b>		480,974	436,625

All amounts relate to continuing activities.

## Statement of Comprehensive Income

for the year ended 31 March 2017

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 £480,974 in the year ended 31 March 2017 (2016 – £436,625).

## Statement of Changes in Equity

for the year ended 31 March 2017

	Share capital	Profit and loss account	Total share- holders' funds
	£	£	£
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 1 April 2016	2	–	2
Total comprehensive income for the financial year	–	480,974	480,974
Gift aid payment	–	(601,217)	(601,217)
Current tax credit	–	120,243	120,243
At 31 March 2017	2	–	2



## Statement of Financial Position

at 31 March 2017

	Notes	2017 £	2016 £
<b>Fixed assets</b>			
Tangible assets	6	3,073	3,840
<b>Current assets</b>			
Stocks	7	85,967	90,415
Debtors	8	148,037	93,487
Cash at bank and in hand		536,569	417,676
		770,573	601,578
<b>Creditors: amounts falling due within one year</b>	9	(773,644)	(605,416)
<b>Net current liabilities</b>		(3,071)	(3,838)
<b>Net assets</b>		2	2
<b>Capital and reserves</b>			
Called up share capital	10	2	2
<b>Shareholders' funds</b>		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 4 October 2017 and signed on their behalf by:



G T Worthington  
Director  
4 October 2017

## Notes to the financial statements

at 31 March 2017

### 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 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 2017.

#### **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 £3,071, including amounts due to its parent undertaking of £667,819. 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 2017

## 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 before taxation

This is stated after charging/(crediting):

	2017 £	2016 £
Auditors' remuneration– audit services*	–	–
Sponsorship income	(184,062)	(146,117)
Directors' remuneration	–	–

\*audit fees of £3,000 (2016 - £3,000) for the company are borne by the parent undertaking.

## 4. Staff costs

	2017 £	2016 £
Wages and salaries	215,564	228,146
Social security costs	16,809	17,862
Staff pension contributions	11,733	12,014
	<u>244,106</u>	<u>258,022</u>

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

	No.	No.
Administrative	<u>10</u>	<u>11</u>

## Notes to the financial statements

at 31 March 2017

### 5. Gift aid

	2017	2016
	£	£
Gift aid payment to parent charity	<u>601,217</u>	<u>545,781</u>

### 6. Tangible fixed assets

	<i>Fixtures &amp; fittings</i>
	£
Cost:	
At 1 April 2016	3,840
Additions	—
At 31 March 2017	<u>3,840</u>
Accumulated Depreciation:	
At 1 April 2016	—
Charge	767
At 31 March 2017	<u>767</u>
Net book value:	
At 31 March 2017	<u>3,073</u>
At 1 April 2016	<u>3,840</u>

### 7. Stocks

	2017	2016
	£	£
Finished goods	<u>85,967</u>	<u>90,415</u>

Included within stocks is a provision for slow moving and obsolete goods of £2,986 (2016 - £nil). Stocks recognised as expense in the period is £294,535 (2016 - £297,502)

### 8. Debtors

	2017	2016
	£	£
Trade debtors	102,162	67,436
Prepayments and accrued income	45,875	26,051
	<u>148,037</u>	<u>93,487</u>

## Notes to the financial statements

at 31 March 2017

### 9. Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade creditors	14,778	41,417
Amounts owed to group undertakings	667,819	490,253
Accruals and deferred income	91,047	73,746
	<u>773,644</u>	<u>605,416</u>

### 10. Issued share capital

	No.	2017	No.	2016
		£		£
<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 £11,733 (2016–£12,014). 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 has had no related party transactions this year. In 2016 the company sold goods to Ryder Architecture Limited, of which Peter Buchan is a director, amounting to £24,000 on commercial terms. At 31 March 2017 a balance of £nil (2016 – £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.