

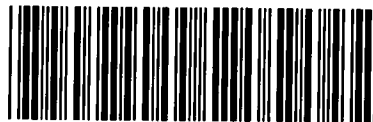
Registered No. 4345367

Baltic Contemporary Visual Arts Trading Limited

Report and Financial Statements

31 March 2018

THURSDAY



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COMPANIES HOUSE

Directors

R Cordy
J Feeley
J Ray
J D Richardson
M Saravanamuttu

Auditor

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 2018.

Results and dividends

The profit for the year after taxation amounted to £423,165 in the year ended 31 March 2018 (2017 – £480,974), prior to gift aid payments of £528,956 (2017 - £601,217).

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 £323,064, including amounts due to its parent undertaking of £832,331. 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 (resigned 4 October 2017)

R Cordy

J Feeley

J Ray

J D Richardson

M Saravanamuttu

T M Tate (resigned 4 October 2017)

Disclosure of information to the auditor


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.

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.

Directors' report

On behalf of the Board

A handwritten signature in black ink, appearing to read 'J.D. Richardson', with a long, sweeping horizontal stroke extending to the right.

J D Richardson

Director

Date: 10 October 2018

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

Opinion

We have audited the financial statements of Baltic Contemporary Visual Arts Trading Limited for the year ended 31 March 2018 which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Financial Position and the related note 1 to 14, including a summary of significant accounting policies. 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"

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial
- statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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.

Independent auditor's report (continued)

To the members of Baltic Contemporary Visual Arts Trading Limited

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters 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.

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.

Independent auditor's report (continued)

To the members of Baltic Contemporary Visual Arts Trading Limited

Responsibilities of directors

As explained more fully in the statement of directors' responsibilities 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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements


Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the

Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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.



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

24 October 2018

Income statement

for the year ended 31 March 2018

| | Notes | 2018 £ | 2017 £ |
|--------------------------------------|-------|-----------|-----------|
| Turnover | 2 | 1,123,640 | 1,160,021 |
| Cost of sales | | (418,278) | (421,053) |
| Gross Profit | | 705,362 | 738,968 |
| Administrative expenses | | (380,993) | (321,813) |
| Other operating income | 3 | 204,587 | 184,062 |
| Profit before taxation | 3 | 528,956 | 601,217 |
| Tax on profit | | (105,791) | (120,243) |
| Profit for the financial year | | 423,165 | 480,974 |

All amounts relate to continuing activities.

Statement of Comprehensive Income

for the year ended 31 March 2018

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 £423,165 in the year ended 31 March 2018 (2017 – £480,974).

Statement of Changes in Equity

for the year ended 31 March 2018

| | Share capital £ | Profit and loss account £ | Total share- holders' funds £ |
|---|--------------------|---------------------------------|---|
| 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 1 April 2017 | 2 | – | 2 |
| Total comprehensive income for the financial year | – | 423,165 | 423,165 |
| Gift aid payment | – | (528,956) | (528,956) |
| Current tax credit | – | 105,791 | 105,791 |
| At 31 March 2017 | 2 | – | 2 |

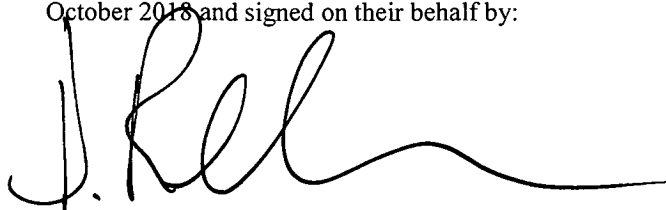
Statement of Financial Position

at 31 March 2018

| | Notes | 2018 £ | 2017 £ |
|---|-------|-----------|-----------|
| Fixed assets | | | |
| Tangible assets | 6 | 323,066 | 3,073 |
| Current assets | | | |
| Stocks | 7 | 101,543 | 85,967 |
| Debtors | 8 | 151,657 | 148,037 |
| Cash at bank and in hand | | 376,633 | 536,569 |
| | | 629,833 | 770,573 |
| Creditors: amounts falling due within one year | 9 | (952,897) | (773,644) |
| Net current liabilities | | (323,064) | (3,071) |
| 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 10 October 2018 and signed on their behalf by:



J D Richardson
Director

Notes to the financial statements

at 31 March 2018

1. Accounting policies

Statement of Compliance

Baltic Contemporary Visual Arts Trading Limited is a private limited liability company, limited by shares, 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 2018.

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 £323,064, including amounts due to its parent undertaking of £832,331. 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 £2,500 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 2018

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 company 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):

| | 2018 £ | 2017 £ |
|---|-----------|-----------|
| Auditors' remuneration— audit services* | — | — |
| Sponsorship income | (204,587) | (184,062) |
| Directors' remuneration | — | — |

*audit fees of £3,000 (2017 - £3,000) for the company are borne by the parent undertaking.

The directors do not participate in the company pension scheme arrangement.

4. Staff costs

| | 2018 £ | 2017 £ |
|-----------------------------|----------------|----------------|
| Wages and salaries | 229,328 | 215,564 |
| Social security costs | 18,338 | 16,809 |
| Staff pension contributions | 12,880 | 11,733 |
| | <u>260,546</u> | <u>244,106</u> |

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

| | No. | No. |
|----------------|-----------|-----------|
| Administrative | <u>10</u> | <u>10</u> |

Notes to the financial statements

at 31 March 2018

5. Gift aid

| | 2018 | 2017 |
|------------------------------------|----------------|----------------|
| | £ | £ |
| Gift aid payment to parent charity | <u>528,956</u> | <u>601,217</u> |

6. Tangible fixed assets

| | <i>Fixtures & fittings</i> £ |
|---------------------------|-------------------------------------|
| Cost: | |
| At 1 April 2017 | 3,840 |
| Additions | 323,457 |
| At 31 March 2018 | <u>327,297</u> |
| Accumulated Depreciation: | |
| At 1 April 2017 | 767 |
| Charge | 3,464 |
| At 31 March 2018 | <u>4,231</u> |
| Net book value: | |
| At 31 March 2018 | <u>323,066</u> |
| At 1 April 2017 | <u>3,073</u> |

7. Stocks

| | 2018 | 2017 |
|----------------|----------------|---------------|
| | £ | £ |
| Finished goods | <u>101,543</u> | <u>85,967</u> |

Included within stocks is a provision for slow moving and obsolete goods of £4,092 (2017 - £2,986).
Stocks recognised as expense in the period is £301,476 (2017 - £294,535)

8. Debtors

| | 2018 | 2017 |
|--------------------------------|----------------|----------------|
| | £ | £ |
| Trade debtors | 144,189 | 102,162 |
| Prepayments and accrued income | 7,468 | 45,875 |
| | <u>151,657</u> | <u>148,037</u> |

Notes to the financial statements

at 31 March 2018

9. Creditors: amounts falling due within one year

| | 2018 | 2017 |
|------------------------------------|----------------|----------------|
| | £ | £ |
| Trade creditors | 73,561 | 14,778 |
| Amounts owed to group undertakings | 832,331 | 667,819 |
| Accruals and deferred income | 47,005 | 91,047 |
| | <u>952,897</u> | <u>773,644</u> |

10. Issued share capital

| | No. | 2018 | No. | 2017 |
|---|-----|----------|-----|----------|
| | | £ | | £ |
| <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 £12,880 (2017–£11,733). 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.

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.