

Company registration number: 05051134

Charity registration number: 1108974

Third Text Ltd.

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 March 2018

Accountancy Advantage Limited
Netwise House 24 Old Jamaica Road
Bermondsey
London
SE16 4AW



Third Text Ltd.

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Third Text Ltd.

Reference and Administrative Details

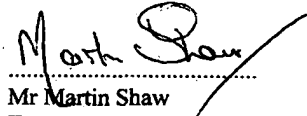
Trustees	Mrs Felicity Allen Antonis Panayiotou Dr Alice Correia Mr Martin Shaw Rene Gimpel Mr Simon Tegala Dr Voon Pow Bartlett
Secretary	Richard Dyer
Registered Office	Enclave Studios, Unit 6 50 Resolution Way Deptford London SE8 4AL
Company Registration Number	05051134
Charity Registration Number	1108974
Independent Examiner	Accountancy Advantage Limited Netwise House 24 Old Jamaica Road Bermondsey London SE16 4AW

Third Text Ltd.

Strategic Report for the Year Ended 31 March 2018

The trustees, who are directors for the purposes of company law, present their strategic report for the year ended 31 March 2018, in compliance with s414C of the Companies Act 2006.

The strategic report was approved by the trustees of the charity on 30 November 2018 and signed on its behalf by:


.....
Mr Martin Shaw
Trustee

Third Text Ltd.

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements of the charitable company for the year ended 31 March 2018.

Objectives and activities

Public benefit

The Charity's objects are to advance the education of the public whether in the United Kingdom or overseas in all matters relating to the arts and in particular the visual arts, which includes painting, sculpture, crafts, textile arts, printmaking, graphic arts, photography, mixed media, film television, video, animation and stage design. The objective is achieved through the productions and publication of 'Third Text' journal.

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Achievements and performance

During the year, the Charity has continued to meet its aims and objectives. The directors are satisfied with the Charity's performance and believe that policies are in place to achieve the aims and objectives of the Charity in future periods.

Financial review

The Charity made a profit in the year of £56,144 (2017 -£18,044 loss). As at the balance sheet date, the charity held unrestricted funds amounting to £134,859 (2017 £84,716) and restricted funds amounting to £6,001 (2017 Nil). It is the policy of the charity to hold sufficient funds to meet the forthcoming obligations of the charity. In the opinion of the directors sufficient funds are held by charity at the balance sheet date to comply with this policy. The financial statements of the charitable company, which is a public benefit under FRS102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by charities: statement of recommended practice applicable to charities preparing their accounts in accordance with the financial reporting standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

Structure, governance and management

Nature of governing document

The charity is controlled by its governing document, a memorandum and articles of association, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Financial instruments

Objectives and policies

The charity's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the charity's policies approved by the board of trustees, which provide written principles on the use of financial derivatives to manage these risks. The charity does not use derivative financial instruments for speculative purposes.

Cash flow risk

The charity's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The charity uses foreign exchange forward contracts and interest rate swap contracts to hedge these exposures.

Interest bearing assets and liabilities are held at fixed rate to ensure certainty of cash flows.

Third Text Ltd.

Trustees' Report

Credit risk

The charity's principal financial assets are bank balances and cash, trade and other receivables, and investments. The charity's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

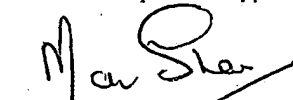
The charity has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the charity uses a mixture of long-term and short-term debt finance.

Further details regarding liquidity risk can be found in the Statement of accounting policies in the financial statements.

The annual report was approved by the trustees of the charity on 30 November 2018 and signed on its behalf by:



.....
Mr Martin Shaw
Trustee

Third Text Ltd.

Statement of Trustees' Responsibilities

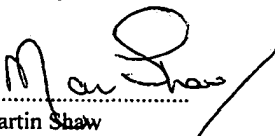
The trustees (who are also the directors of Third Text Ltd. for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees 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 charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the trustees of the charity on 30 November 2018 and signed on its behalf by:


.....
Mr Martin Shaw
Trustee

Third Text Ltd.

Independent Examiner's Report to the trustees of Third Text Ltd.

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31 March 2018 which are set out on pages 7 to 13.

Respective responsibilities of trustees and examiner

As the charity's trustees of Third Text Ltd. (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of Third Text Ltd. are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of Third Text Ltd. as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



.....
Yasar Khan
Accountancy Advantage Limited

Netwise House 24 Old Jamaica Road
Bermondsey
London
SE16 4AW

November
30 ~~January~~ 2018

Third Text Ltd.

Statement of Financial Activities for the Year Ended 31 March 2018
(Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2018 £
Income and Endowments from:				
Voluntary income		146,000	6,001	152,001
Expenditure on:				
Charitable activities		<u>(91,342)</u>	<u>-</u>	<u>(91,342)</u>
Total expenditure		<u>(91,342)</u>	<u>-</u>	<u>(91,342)</u>
Net income		<u>54,658</u>	<u>6,001</u>	<u>60,659</u>
Net movement in funds		54,658	6,001	60,659
Reconciliation of funds				
Total funds brought forward		<u>84,716</u>	<u>-</u>	<u>84,716</u>
Total funds carried forward	12	<u>139,374</u>	<u>6,001</u>	<u>145,375</u>
	Note	Unrestricted funds £	Total 2017 £	
Income and Endowments from:				
Voluntary income		63,850	63,850	
Interest Received	3	<u>416</u>	<u>416</u>	
Total income		<u>64,266</u>	<u>64,266</u>	
Expenditure on:				
Charitable activities		<u>(82,310)</u>	<u>(82,310)</u>	
Total expenditure		<u>(82,310)</u>	<u>(82,310)</u>	
Net expenditure		<u>(18,044)</u>	<u>(18,044)</u>	
Net movement in funds		(18,044)	(18,044)	
Reconciliation of funds				
Total funds brought forward		<u>102,760</u>	<u>102,760</u>	
Total funds carried forward	12	<u>84,716</u>	<u>84,716</u>	

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2017 is shown in note 12.

Third Text Ltd.

**(Registration number: 05051134)
Balance Sheet as at 31 March 2018**

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	8	2,324	3,520
Current assets			
Debtors	9	4,710	5,789
Cash at bank and in hand		<u>138,748</u>	<u>78,806</u>
		143,458	84,595
Creditors: Amounts falling due within one year	10	<u>(407)</u>	<u>(3,399)</u>
Net current assets		<u>143,051</u>	<u>81,196</u>
Net assets		<u>145,375</u>	<u>84,716</u>
Funds of the charity:			
Restricted funds		6,001	-
Unrestricted income funds			
Unrestricted funds		<u>139,374</u>	<u>84,716</u>
Total funds	12	<u>145,375</u>	<u>84,716</u>

For the financial year ending 31 March 2018 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements on pages 7 to 13 were approved by the trustees, and authorised for issue on 30 November 2018 and signed on their behalf by:



Mr Martin Shaw
Trustee

Third Text Ltd.

Notes to the Financial Statements for the Year Ended 31 March 2018

1 Charity status

The charity is limited by guarantee, incorporated in 2004, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

The address of its registered office is:

Enclave Studios, Unit 6
50 Resolution Way
Deptford
London
SE8 4AL

These financial statements were authorised for issue by the trustees on 30 November 2018.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

Basis of preparation

Third Text Ltd. meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Exemption from preparing a cash flow statement

The charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

Income and endowments

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Third Text Ltd.

Notes to the Financial Statements for the Year Ended 31 March 2018

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Plant and machinery	20% on reducing balance
Computer equipment	33% on cost

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees's discretion in furtherance of the objectives of the charity.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

Third Text Ltd.

Notes to the Financial Statements for the Year Ended 31 March 2018

3 Investment income

	Total 2018 £	Total 2017 £
Interest receivable and similar income;		
Interest receivable on bank deposits	-	416

4 Net incoming/outgoing resources

Net incoming/(outgoing) resources for the year include:

	2018 £	2017 £
Depreciation of fixed assets	1,196	1,296
Other operating lease	8,657	7,218

5 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2018.

6 Staff costs

The monthly average number of persons (including senior management team) employed by the charity during the year expressed as full time equivalents was as follows:

	2018 No	2017 No
The average monthly number of employees	1	1

Third Text Ltd.

Notes to the Financial Statements for the Year Ended 31 March 2018

7 Taxation

The charity is a registered charity and is therefore exempt from taxation.

8 Tangible fixed assets

	Furniture and equipment £	Computer equipment £	Total £
Cost			
At 1 April 2017	11,317	2,500	13,817
At 31 March 2018	11,317	2,500	13,817
Depreciation			
At 1 April 2017	9,464	833	10,297
Charge for the year	371	825	1,196
At 31 March 2018	9,835	1,658	11,493
Net book value			
At 31 March 2018	1,482	842	2,324
At 31 March 2017	1,853	1,667	3,520

9 Debtors

	2018 £	2017 £
Prepayments	372	1,451
Other debtors	4,338	4,338
	4,710	5,789

10 Creditors: amounts falling due within one year

	2018 £	2017 £
Other creditors	407	407
Accruals	-	2,992
	407	3,399

11 Leasing agreements

The total value of future minimum lease payments was as follows:

	2018 £	2017 £
In two to five years	10,000	10,000

Third Text Ltd.

Notes to the Financial Statements for the Year Ended 31 March 2018

12 Funds

	Balance at 1 April 2017 £	Incoming resources £	Resources expended £	Balance at 31 March 2018 £
Unrestricted funds				
General	(84,716)	(146,000)	91,342	(139,374)
Restricted funds	<u>-</u>	<u>(6,001)</u>	<u>-</u>	<u>(6,001)</u>
Total funds	<u>(84,716)</u>	<u>(152,001)</u>	<u>91,342</u>	<u>(145,375)</u>

13 Analysis of net assets between funds

	Unrestricted funds General £	Total funds £
Tangible fixed assets	2,324	2,324
Current assets	143,458	143,458
Current liabilities	<u>(407)</u>	<u>(407)</u>
Total net assets	<u>145,375</u>	<u>145,375</u>

14 Analysis of net funds

	At 1 April 2017 £	Cash flow £	At 31 March 2018 £
Cash at bank and in hand	78,806	59,942	138,748
Net debt	<u>78,806</u>	<u>59,942</u>	<u>138,748</u>

Third Text Ltd.

Detailed Statement of Financial Activities for the Year Ended 31 March 2018

	<u>2018</u>		<u>2018</u>	
	Unrestricted funds	Restricted funds	Total	Total 2017
	General £	funds £	£	£
<i>Income</i>				
Voluntary Income	146,000	-	146,000	63,850
Grants receivable	-	6,001	6,001	-
	<u>146,000</u>	<u>6,001</u>	<u>152,001</u>	<u>63,850</u>

	<u>2018</u>		<u>Total 2017</u>
	Total £		£
<i>Investment income</i>			
Interest on cash deposits	-		416
	<u>-</u>		<u>416</u>

	<u>2018</u>	<u>2018</u>	
	Unrestricted funds	Total	Total 2017
	General £	£	£
<i>Charitable activities</i>			
Subcontract cost	(27,184)	(27,184)	(21,418)
Accountancy fees	(1,440)	(1,440)	(1,440)
Wages and salaries	(38,433)	(38,433)	(38,798)
Rent	(7,206)	(7,206)	(7,218)
Rates	-	-	(16)
Insurance	(480)	(480)	(784)
Repairs and renewals	-	-	(567)
Telephone and fax	(868)	(868)	(1,073)
Computer software and maintenance costs	-	-	(1,082)
Printing, postage and stationery	(309)	(309)	(398)
Sundry expenses	(4,482)	(4,482)	(2,250)
Travel and subsistence	(8,150)	(8,150)	(5,908)
Advertising	(1,574)	(1,574)	(22)
Bank charges	(20)	(20)	(40)
Depreciation of plant and machinery	(371)	(371)	(463)

Third Text Ltd.

Detailed Statement of Financial Activities for the Year Ended 31 March 2018

	2018	2018	
	Unrestricted funds		Total 2017
	General £	Total £	£
Depreciation of office equipment	<u>(825)</u>	<u>(825)</u>	<u>(833)</u>
	<u>(91,342)</u>	<u>(91,342)</u>	<u>(82,310)</u>