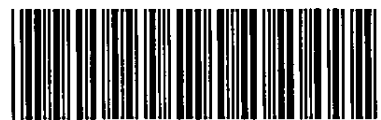


Topolski Memoir Limited

**Directors' and Trustees' report and
Unaudited financial statements
Company number 05081621
Registered charity number 1103516
30 September 2012**

FRIDAY



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Directors' and Trustees' report

The Directors and Trustees present their report and the unaudited financial statements for the eighteen months to 30 September 2012

Reference and Administrative Details of the Charity, its Trustees and Advisers

Topolski Memoir Limited is a registered charity, registered at the Charity Commissioners as number 1103516 and has a company registration number 05081621 at Companies House. The registered office address is 150-152 Hungerford Bridge, Concert Hall Approach, Waterloo, London SE1 8XU.

The names of the charity's trustees and directors at the date of this report and those who served during the period are as follows

Angus Falconer

Robert Gillespie

John Langley

Olga Polizzi (Chair of Appeal Committee)

Lord Razzall (Chairman)

Lynton Richmond (Treasurer, resigned 4 February 2013)

Andrew Baird (Treasurer, appointed 17 December 2012)

Teresa Topolski

Daniel Topolski (Interim Chair of Management Committee)

Southbank Centre Limited (represented by Mike McCart)

The charity's bankers are Coutts & Co, 440 Strand, London WC2R 0QS

Structure, Governance and Management

The charity is a company limited by guarantee and governed by the Memorandum and Articles of Association. Details of rules concerning members, appointment of Directors and Trustees and board composition are set out in the Company's Articles of Association, a copy of which can be obtained from the registered office of the charity. All new Trustees are monitored by the board and training given where necessary as to their responsibilities as Trustees.

The Board of Directors and Trustees meets, as a minimum, twice every calendar year in order to monitor progress and set the strategic direction for the Company. Although the Board has established two committees to implement the Company's strategy, namely the Management Committee (formerly the Steering Committee) and the Appeal Committee, the circumstances of the Company have resulted in the Board meeting more frequently and effectively assuming the responsibilities of the two committees.

The critical risk to which the Company is exposed, as discussed in previous Annual Reports, is the need to find and develop a commercial operation capable of providing a sustainable future for the display of Topolski's art and the Company's other activities, and, until this goal is achieved, funding its basic expenditure. As explained in the sections which follow, progress has been made towards achieving this long-term objective, while significant short-term funding support has been supplied by the Southbank Centre. The sections entitled 'Plans for the future' and 'Financial Review' explain the progress being made and how the Directors and Trustees are addressing the risks highlighted here. In relation to risk assessment, given the size of the Company and its financial circumstances, the Directors consider that the key risks are appropriately considered on a continuing basis through their regular meetings and on-going dialogue. The Directors recognise that the consideration of fraud risk is, in principle,

particularly important. Wherever possible the Directors have sought to institute appropriate controls and segregation of duties to mitigate the risk of fraud. When Topolski Century was open on a full time basis, the greatest fraud risk related to the handling of relatively small quantities of petty cash. The risk of petty cash being misappropriated at present is, in the opinion of the Directors, low and there are no other sources of significant fraud risk that the Directors have identified.

Objectives and Activities

The objective of the Company is the advancement of education and the arts for the benefit of the public by providing access to the works of Feliks Topolski and the works of other artists associated with his life.

The Company set about meeting this objective by laying out detailed plans to restore and re-present Feliks Topolski's Memoir of the 20th Century ("the Memoir"), refurbish the railway arches under Hungerford Railway Bridge in which it is displayed, and having done so, open the exhibit to the general public. This was achieved when the Topolski Century opened to the public on 7th January 2009. In August 2010, the Directors took the decision to close Topolski Century temporarily to the public in order to preserve modest cash resources against a backdrop of poor visitor numbers and consequent low revenues. At the date of this report, Topolski Century remains open to the public by appointment only.

The Company also has the ambition to expand and develop the Company's educational activities in the newly refurbished Topolski's Studio housed in a separate arch under Hungerford Railway Bridge just to the North of the Memoir.

Performance

As a result of the decision to close Topolski Century to the public in August 2010, the level of operational activity in the company has been very low. The Company has continued to employ an education officer who has been focussed on the charity's educational strategy and planning for the future on the assumption that the Company successfully establishes a commercial revenue stream to allow it to sustain itself.

Considerable progress has been made during the eighteen months to 30 September 2012, and since the period end, towards the goal of establishing a commercial income stream for the Company in the medium to long term. Contracts are in the final stages of negotiation to establish a high-end café in the main arches which will allow for approximately 30% the existing Topolski Century artwork to remain on display at any one time, with the remainder stored in the refurbished Studio arch in a configuration which will allow for its use by the education officer. The artwork will be rotated so that substantially all of it will be displayed at intervals in the café. The Directors and Trustees believe this will result in a considerably greater level of public access to the art of Feliks Topolski than was being achieved up until August 2010 with the experience of very low visitor numbers to Topolski Century.

The café operation will be undertaken by Company of Cooks, the principal catering company operating in the Southbank Centre. Company of Cooks will pay a percentage-of-revenue based rent which will be shared between the Southbank Centre and the Company. The Directors and Trustees believe that Company of Cooks is the best available option, particularly in the light of the operator's experience of the Southbank Centre and its ability to make use of its existing kitchen facilities within the Centre.

The Heritage Lottery Fund gave its consent to the proposed business plan on 27 September 2012. Planning Permission to allow the catering operation to come into being was granted by Lambeth Council on 26 February 2013. Work on refurbishing the Studio arch and preparing it to receive the stored was completed in April 2013. Work on the main arches is due to commence as soon as contracts have been finalised and signed.

The renting of the Studio arch by the Company is made possible by financial assistance received from the Southbank Centre. Moreover, the Southbank Centre has met and continues to meet various costs associated with the strategy of introducing a catering operation, and the rent of the main arches. The bulk of this expenditure will be repaid over time from the proceeds of the catering operation. The Directors and Trustees record here their continued thanks to the Southbank Centre for its very considerable support.

Employees and volunteers

The Company provided employment in the form of one full time position during the period. The Directors and Trustees are extremely grateful for the work done in difficult circumstances.

Plans for the future

The work required to set the Company onto a new course is advanced but it is not without its risks, albeit reduced by the Heritage Lottery Fund's acceptance of the plans and by the Southbank Centre's financial support. It remains the responsibility of the Company to meet its remaining overheads and wage bill. The Directors and Trustees continue to make applications to trusts and other potential donors to provide financial support to allow the charity's on-going modest work programme to continue while the project to convert the arches proceeds.

Thereafter, the Company intends to use the proceeds from the catering operation not only to maintain and preserve the Topolski Century artwork but to accelerate and expand the educational activities. Should funds allow, the Directors and Trustees intend to hire staff with the intention of sending selected panels of the artwork on tour within the UK.

Financial Review

In the period covered by these financial statements, the Company recorded total grants and donations, including Gift Aid, of £28,184 (2011 £43,040). Total operating expenditure in the period amounted to £229,725 (2011 £261,168). Interest income from cash held on deposit and other income amounted to £1,576 and £45,000 (2011 £49 and £37,217) respectively. The net movement in funds for the period was therefore an outflow of £151,915 (2011 £164,968), resulting in cumulative reserves of £492,936 (2011 £644,851). Within expenditure for the year, the Company's rental and insurance contribution payments amounted to £129,094 (2011 £86,062). At the year end, the Company held cash balances of £9,897 (2011 £44,474). The Company recorded net current liabilities of £94,768 (2011 net current assets £8,349).

Since the end of August 2010 when Topolski Century closed to the general public, the operating costs of the operation have been significantly reduced. The most significant outgoing in the previous year related to the rent payable for the arches, but Southbank Centre did not pursue collection over this period. As referred to above, in connection with the programme to convert the arches to accommodate a catering operation, the Southbank Centre effectively deferred the rental payments throughout the period, with a view to repayment over time once the catering operation has become profitable.

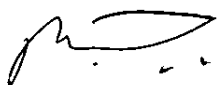
Although the Directors and Trustees are optimistic of the future viability of the commercial catering programme, cash flows from this source remain some way off and will, of course, be dependent on formal legal contracts being signed between the relevant parties. In the event that such contracts are not signed on a timely basis or the catering operation fails to reach profitability, the Company would have to cease trading at that point in time.

Significant progress towards the goal of establishing a catering operation has been made, and the Directors and Trustees do not anticipate difficulty in finalising and signing the contracts. Moreover, the Southbank Centre remains committed to providing funding to meet the great majority of the Company's obligations until the catering operation is profitably established. The Directors and Trustees have concluded that it remains appropriate to prepare these financial statements on the basis that the Company and charity remains a going concern.

Independent Examiners

G M Chappell FCA of D Stoker & Co has been appointed the charity's independent examiners and D Stoker & Co formally resigned as auditors on that date. The charity no longer wished to have their financial statements audited given that this was not required under requirements of either the Charities Act 2011 or the 2006 Companies Act.

By order of the board



Andrew Baird
Director

Topolski Memoir Limited
150-152 Hungerford Bridge
Concert Hall Approach
Waterloo
London SE1 8XU

26th June 2013

Statement of Directors' and Trustees' responsibilities

Company law requires the Directors to prepare financial statements for each financial period which give true and fair view of the state of affairs of the company and of the profit or loss for the period. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (UK GAAP). 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 incoming resources and application of resources including the SoFA of the company for that period. In preparing those 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 financial reporting standards have been followed, including the adoption of Accounting and Reporting by Charities' Statement of Recommended Practice (Revised 2005), 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 and Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to take reasonable steps for the prevention and detection of fraud and other irregularities. The Directors' are responsible for the maintenance and integrity of the corporate information included on the charitable company's website.

In so far as the Directors are aware, there is no relevant information (information needed by the charitable Company's independent examiners in connection with preparing their report) of which the Company's independent examiners are unaware, and the Directors have taken all the steps that they ought to have taken to make themselves aware of any relevant information and to establish that the Company's independent examiners are aware of that information.

Independent Examiner's Report to the Trustees of Topolski Memoir Limited

I report on the accounts of the company for the period ended 30 September 2012 which are set out on pages 6-14

Respective responsibilities of Trustees and Examiner

The Trustees (who are also the Directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The Trustees consider that an audit is not required for this period under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

Having satisfied myself that the charitable company is not subject to audit under company law and is eligible for independent examination, it is my responsibility to

- examine the accounts under section 145 of the 2011 Act,
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act, and
- to state whether particular matters have come to my attention

Basis of Independent Examiner's Report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items of disclosures in the accounts, and seeking explanations from you as Trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent Examiner's statement

In connection with my examination, no matter has come to my attention

- (1) which gives me reasonable cause to believe that in any material respect the requirements
 - to keep accounting records in accordance with section 386 of the Companies Act 2006, and
 - to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charitieshave not been met, or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached



GM Chappell FCA
Independent Examiner
D Stoker & Co.
Accountants and Registered Auditors
Abacus House
367 Blandford Road
Beckenham, Kent BR3 4NW

26th June 2013

Statement of Financial Activities
for the 18 months to 30th September 2012

	Note	Unrestricted £	2012 Restricted £	Total £	Unrestricted £ Restated	2011 Restricted £	Total £
Incoming Resources	1						
Donations							
Trusts		20,000	-	20,000	-	42,500	42,500
Personal (under gift aid)		6,500	-	6,500			
Personal		59	-	59	540	-	540
Gift aid		1,625	-	1,625	-	-	-
		<u>28,184</u>	<u>-</u>	<u>28,184</u>	<u>540</u>	<u>42,500</u>	<u>43,040</u>
Education Programme		977	-	977	9,081	-	9,081
Interest receivable		1,576	-	1,576	49	-	49
Admission income		1,378	-	1,378	1,915	-	1,915
Other income		45,000	-	45,000	37,217	-	37,217
Retail income		695	-	695	4,898	-	4,898
		<u>77,810</u>	<u>-</u>	<u>77,810</u>	<u>53,700</u>	<u>42,500</u>	<u>96,200</u>
Resources Expended							
Costs of generating funds		(270)	-	(270)	(1380)		(1,380)
Rent		(129,094)	-	(129,094)	(86,062)	-	(86,062)
Administration, including legal costs	2-4	(100,361)	-	(100,361)	(146,880)	(26,846)	(173,726)
		<u>(229,725)</u>	<u>-</u>	<u>(229,725)</u>	<u>(234,322)</u>	<u>(26,846)</u>	<u>(261,168)</u>
Net movement of funds in period carried forward		<u>(151,915)</u>	<u>-</u>	<u>(151,915)</u>	<u>(180,622)</u>	<u>15,654</u>	<u>(164,968)</u>

Balance sheet
at 30 September 2012

	<i>Note</i>	2012 £	£	2011 £ Restated	£
Fixed Assets	6		587,704		636,502
Current assets	7	86,917		61,621	
Debtors		9,897		44,474	
Cash at bank and in hand					
		<u>96,814</u>		<u>106,095</u>	
Creditors amounts falling due within one year	8	<u>(191,582)</u>		<u>(97,746)</u>	
Net current (liabilities)/assets			(94,768)		8,349
Net assets			<u>492,936</u>		<u>644,851</u>
Funds of the charity			264,999		264,999
Restricted income funds			227,937		379,852
Unrestricted income funds					
Total Charity funds	9-10		<u>492,936</u>		<u>644,851</u>

The director's statements required by Sections 475(2) and (3) are shown on the following page which forms part of this Balance Sheet

The notes on pages 9 to 14 form an integral part of these financial statements

Balance Sheet (Continued)

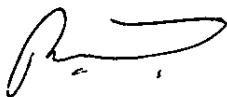
Director's statements required by Sections 475(2) and (3) For the period ended 30th September 2012

In approving these financial statements as director of the company I hereby confirm

- (a) that for the period stated above the company was entitled to the exemption conferred by Section 477 of the Companies Act 2006
- (b) that no notice has been deposited at the registered office of the company pursuant to Section 476 requesting that an audit be conducted for the period ended 30 September 2012, and
- (c) that I acknowledge my responsibilities for
 - (1) ensuring that the company keeps accounting records which comply with Section 386, and
 - (2) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial period and of its profit or loss for the period then ended in accordance with the requirements of Section 393 and which otherwise comply with the provisions of the Companies Act 2006 relating to financial statements, so far as applicable to the company

These accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved by the Board on 26 June 2013 and signed on its behalf by



Andrew Baird

Director

Registration Number 05081621

The notes on pages 9-14 form an integral part of these financial statements

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements except as noted below

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards, including Accounting and Reporting by Charities Statement of Recommended Practice (Revised 2005), and under the historical cost accounting rules

Under Financial Reporting Standard 1, the Company is exempt from the requirement to prepare a cash flow statement on the grounds of its size

Going concern

As explained in the Directors' and Trustees' Report, the Company has entered into heads of terms to proceed with a programme to establish commercial catering in the arches housing Topolski's Memoir of the 21st Century. The Directors and Trustees believe this should provide a credible and realistic way forward for the Company and charity to sustain itself financially in the medium to long term. However, full legal contracts relating to the establishment of the new arrangements will take a certain amount of time to prepare and are dependent on a number of commercial discussions and actions.

Although the Company has reduced its overheads very substantially, there remains the need to fund these costs. The South Bank Centre is assisting with the funding of costs directly related to the conversion of the arches but all other expenses remain for the account of the Company. The Directors and Trustees therefore need to secure sufficient funding to meet these costs. Four donations/interest free loans have already been received after 30th September 2012 which gives the Directors and Trustees confidence that they will be able to secure such short term funding and there are further plans in place to apply for additional grants.

There can be no guarantee that donations and funding will be received for all short term funding requirements and until legal contracts are entered into regarding the conversion of the arches to establish the commercial catering arrangements, these matters represent material uncertainties with regard to the Company being able to continue as a going concern.

However, the Directors and Trustees continue to believe that the longer term commercial plans are viable and have no reason to believe that they are not capable of being executed in due course. Furthermore, with four donations/interest free loans having already been received and further activities underway to seek finance to meet the existing and much reduced level of overheads, the Directors and Trustees have concluded that it remains appropriate to prepare these financial statements on the basis that the Company and charity remains a going concern. These financial statements do not include any adjustments that would result from the going concern basis of preparation being inappropriate.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the statement of income and expenditure.

Leases

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors. Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

Heritage assets

The Company holds, as trustee, the artwork of Feliks Topolski comprising his Memoir of the 21st Century. The previous trustee was the South Bank Centre and in the event of the Company ceasing to trade, the custody of artwork will revert, under trust, to the South Bank Centre. The Company has no authority, as trustee, to dispose of the artwork.

The Company places no value on the artwork in these financial statements due to the inherent uncertainty in determining a reliable and supportable market based value. No consideration was paid to the South Bank Centre when the Company took over the artwork as trustee and in addition, there is no track record of earned income deriving from the artwork which would allow the Directors and Trustees to impute a value from discounted projected cash flows.

The Company has no plans to acquire additional heritage assets.

Fund Accounting

Unrestricted funds are available for use at the discretion of the directors in furtherance of the general objectives of the charitable company.

Restricted funds are subjected to specific restrictions on their expenditure imposed by the donor.

Taxation

The charge for taxation is based on the taxable profit for the period that is not covered by the Company's tax exemption with HM Revenue & Customs.

Incoming Resources

Donations are accounted for as income once the Company has received the amount of the donation in the form of cash, cheque or bank transfer. Intangible income is valued at the cost of provision by the relevant 3rd party or where this information is not available, at Directors' estimate.

Notes (continued)

Depreciation

Fixed assets are depreciated on a straight line basis over the following periods

Furniture, fixtures and equipment – 5 years

Interactives & computers - 5 years

Leasehold improvements – 30 years

2 Income and expenditure

	2012 £	2011 £
Independent examiners fees	<u>2,478</u>	<u>2,478</u>

Notes (continued)

3 Remuneration of directors

	2012 £	2011 £
Directors' and Trustees' emoluments	7,500	5,000

The Treasurer was the sole director and trustee to receive emoluments

4 Staff numbers and costs

The Company employed one full time member of staff during the period (2011 – three full time and two part time), payroll costs amounted to gross salaries totalling £34,500 (2011 - £58,386) and employer's NIC £3,269 (2011 - £5,429)

5 Taxation

The Company did not generate a taxable profit in the period

6 Fixed assets

	FF&E and computer equipment £	Leasehold improvements	Total £
Cost brought forward	53,796	655,632	709,428
Additions/(adjustments)	-	-	-
Cost carried forward	53,796	655,632	709,428
Depreciation brought forward	(23,801)	(49,125)	(72,926)
Charge for the year	(16,016)	(32,782)	(48,798)
Depreciation carried forward	(39,817)	(81,907)	(121,724)
Net book value 30.9 2012	13,979	573,725	587,704
Net book value 31.3 2011	29,995	606,507	636,502

Notes (continued)

7 Debtors

	2012 £	2011 £ restated
Rent deposit	-	4,438
Value Added Tax	18,085	9,060
Other debtors and prepayments	68,832	48,123
	<u>86,917</u>	<u>61,621</u>

8 Creditors: amounts falling due within one year

	2012 £	2011 £
Trade creditors	149,514	32,923
Income tax and NIC	662	678
Other creditors and accruals	41,406	64,145
	<u>191,582</u>	<u>97,746</u>

9 Share capital

The Company is a private company, limited by guarantee and therefore has no share capital

10 Reserves

	2012 £	2011 £ Restated
At beginning of year as restated	644,851	809,819
Net inflow/(outflow) of funds in period	(151,915)	(164,968)
At end of period	<u>492,936</u>	<u>644,851</u>

10(i) Prior year adjustment

The net inflow of funds for the year ended 31st March 2011 has been reclassified to incorporate £15,000 of rental contribution relating back to that accounting period

Notes (continued)

11 Commitments

a) Annual commitments under non-cancellable operating leases are as follows

	2012		2011	
	Land and buildings £	Other £	Land and buildings £	Other £
Operating leases which expire				
Between one and two years	86,062	-	86,062	-
Over five years	1	-	1	-
	<u>86,063</u>	<u>-</u>	<u>86,063</u>	<u>-</u>

The commitment includes a contribution of £1,062 towards insurance costs along with the rental of £85,000

12 Related party disclosures

Being a charitable organisation, the Directors and Trustees have made donations in cash or in kind to the Company in the period. The Treasurer has received emoluments as disclosed in note 3