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REGISTERED COMPANY NUMBER: 07123227
REGISTERED CHARITY NUMBER: 1148716

**REPORT OF THE TRUSTEES AND
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015
FOR
PROJECT SPACE LEEDS**

THURSDAY



A08 *A4ENIEDM* #186
27/08/2015
COMPANIES HOUSE

Revell Ward Limited
Chartered Accountants and Statutory Auditors
7th Floor
30 Market Street
Huddersfield
HD1 2HG

PROJECT SPACE LEEDS

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FOR THE YEAR ENDED 31 MARCH 2015**

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2015

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2015. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

07123227 (England and Wales)

Registered Charity number

1148716

Registered office

The Tetley
Hunslet Road
Leeds
LS10 1JQ

Trustees

Nigel McClea	Chair of trustees
Gerald Jennings	
Harry Meadley	(resigned 16 December 2014)
Prof Lubaina Himid MBE	(resigned 3 July 2014)
Philip Beeston	
Jean Dent OBE	
Simon Wallis	(resigned 3 July 2014)
Cllr Adam Ogilvie	(resigned 13 May 2015)
Pippa Hale	
Kerry Harker	
Heather Jackson	(resigned 3 December 2014)
Adrian Friedli	(appointed 13 May 2015)
Deborah Green	(appointed 13 May 2015)
Bob Lewis	(appointed 28 July 2014)

Company Secretary

Joss Richardson

Auditors

Revell Ward Limited
Chartered Accountants and Statutory Auditors
7th Floor
30 Market Street
Huddersfield
HD1 2HG

Bankers

Lloyds
Park Row
Leeds
LS1 1NX

Solicitors

Lupton Fawcett Denison Till
Yorkshire House
East Parade
Leeds
LS1 5BD

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STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The company gained charitable status on 9 August 2012 and since then it has been governed by its memorandum and articles of association as amended by special resolution on 9 August 2012.

The charity is also known as PSL or The Tetley.

Recruitment and appointment of new trustees

The charity may by ordinary resolution appoint a director and determine the rotation in which additional directors are to retire.

Induction and training of new trustees

All new trustees are sent an induction pack on appointment to provide them with background information on the organisation, its structure, business plan, its policies and its finances.

The induction pack forms part of the training of trustees. Formal training days for trustees will be held from time to time.

Organisational structure

The day to day operations of the charity are run by The CEO and the executive directors.

The role of the board of trustees is to oversee the directions and activities of the charity, including its policies and procedures, and to ensure that they are consistent with the charity's charitable purposes as defined in the objects clause in its constitution.

The board of trustees sets and monitors the strategic direction of the charity, with delivery delegated to the Senior Management Team.

There are three key sub groups made up of executive and non-executive directors:

- Programme
- Finance, Resources and Governance
- Fundraising, Marketing and PR

All subgroups are chaired by a trustee and receive participation from other directors. The role is to oversee activity in those areas, provide support and experience and to report key issues and plans to the full board of trustees.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

A new risk register has been created during the year and is reviewed at each Finance, Resources and Governance meeting. Now this has been established, the format of the risk register is being further developed.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The objects of the charity are:

The advancement of public education in and appreciation of the arts in particular but not exclusively by:

- Fostering and promoting an understanding and appreciation of the arts for the benefit of the public.
- Promoting and advancing the participation and education of the general public in the visual arts.
- Providing and maintaining an art gallery for the exhibition of visual art to the general public.
- Delivering visual arts and education programmes to children, young adults and adult learners.

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- Providing artists with advice, assistance and access to non-commercial gallery space for the public benefit

The trustees have considered the Charity Commission's guidance on public benefit and believe that many of the core objects of the charity are clearly aligned with this. The charity are providing and maintaining a centre for contemporary art, offering the opportunity for the general public to view free visual art. This directly relates to the aims of the charity. Further to this, and also in line with the objects of the charity, opportunities, education, advice and assistance are available to artists and an arts and education programme is in place with offerings for participants of different ages.

ACHIEVEMENTS AND PERFORMANCE

Main Activities of the Year

The financial year of 2014/15 was the charity's first year fully open and operational as the public venue, The Tetley. The organisation continues to grow and establish itself as an inclusive and respected centre for excellence in contemporary art and learning, within a unique heritage building where it aims to inspire and engage the widest possible audience. The Tetley has also made major strides in becoming more financially self-sufficient. It continues to work towards maximising the opportunities that The Tetley and its central location and large heritage building provide to increase earned income in addition to public funding and charitable contributions from individuals and trusts and foundations.

Exhibitions and projects

The Tetley's first full year of contemporary art programming continued with *A New Reality*, a series of exhibitions and projects that explored themes of 'labour' (manual, industrial, immaterial), the telling overlooked histories and the cyclical process of change. Artists within *A New Reality* were commissioned to generate contemporary work to consider The Tetley's conversion from a building on a former brewery site into a new dedicated art space for the city.

Exhibitions and projects under this theme included:

1. Ben Cain, *Down Time*, 11 April – 15 June 2014
2. Rachel Adams, *How to Live in a Flat*, 12 May – 15 June 2014
3. Stephen Iles, *Between Space*, 21 June – 31 August 2014
4. Aidan Moesby, *No Time for Nostalgia* (residency period and exhibition), May – August 2014
5. Nous Vous, *A Watery Line*, 19 July – 31 August 2014
6. Rehana Zaman, *Some Women, Other Women and All the Bittermen*, 14 November – 9 January 2015

Other major exhibitions and projects that took place in The Tetley's gallery spaces included:

1. *Concerning the Bodyguard*, co-curated with Laura Morrison, 12 September – 2 November 2014
2. *Educating Damien*, co-curated with Glyn Thompson, 14 November – 9 January 2015
3. Paul Digby, *Portraits of Emotions*, 16 January – 1 March 2015
4. The Jerwood Drawing Prize (touring exhibition), 16 January – 1 March 2015
5. *Collections & Collaborations*, exhibitions to coincide with the 18th International Artists' Book Fair, 7 – 22 March 2015

Participation projects

The Tetley's Curator of Participation continued to develop opportunities to enhance the understanding of and participation in the visual arts by a broad range of people. In particular, this focus has been on families and young people who visit The Tetley, including those living in the nearby wards of inner south Leeds.

Projects for young people have included:

1. The continuation of our *Springboard Artist Educator Training Programme*, into its first full year. This is a 6-month training scheme aimed at recent graduates and early-career artists seeking experience in

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participatory project development and delivery. Trainees are supported and shadowed by PSL staff and deliver weekly family-friendly drop-in activity that is free to the public. 18 volunteers took part in FY 2014-15.

2. *Family Art Workshops*. These are artist-led creative sessions that take place on Saturdays and during school holidays. All ages and families are welcome to drop in and each Workshop averages 45 attendees.
3. The launch of our *After-School Club – the Art Smart Superstars* in January 2015. The Club is for 20 schoolchildren in years 4 and 5 from three local Hunslet primary schools. The children meet weekly at The Tetley and the Club is led by two artists experienced in arts education. Many of the children had never previously been to an art gallery before becoming involved with The Tetley's Club.
4. *Banner Project*. The Tetley received funding from Leeds City Council to work with Hunslet primary schools pupils to create lamppost banners along a designated stretch of Dewsbury Road in South Leeds. The project provided children a unique chance to work alongside professional artists and to create public art in which they have authorship and ownership.
5. *Tiny Tetley* sessions became regularly scheduled for the last Wednesday of each month. These are artist-led sessions for small children under 5 years and their parents/carers.

Projects for adults and adult learners have included:

1. *Pyramid of Arts* Collaboration. Pyramid of Arts is an organisation that supports people with learning disabilities. This project involves 25 learning disabled participants attending educational sessions at The Tetley and producing work in response to current exhibitions (this will result in an exhibition in July 2015).
2. *Critically engaged events*. In FY 2014-15, The Tetley has staged events with participating artists, curators and academics, which explore themes in our exhibitions as well as wider concepts and trends in contemporary art. These are open to the public and have included Symposiums, Round Table Discussions, and Workshops. Some of these include:
 - Symposium related to group exhibition, *Concerning the Bodyguard*, 10 Sept 2014.
 - Round Table discussion with artist Rehana Zaman and women from the Justice for Domestic Workers' Leeds Group, to correspond with the *Some Women...* exhibition. 7 December 2014.
 - Glyn Thompson's Talk: *The Hirstian Pact; Boho or Boohoo?* to correspond with the *Educating Damien* exhibition. 8 January 2015.
 - *18th International Artists' Book Fair*. There were 22 events, performances and workshops related to the artists book and small press printing. All were open to the public. 7 – 22 March 2015.

Audience Engagement and Reach

During the 2014-15 year, The Tetley received 119,261 visitors. The organisation engaged with 3,922 participants through events such as Family Art Workshops, screenings, Curator Talks and symposiums. It is estimated 2,132 young people were involved in out-of-school activities at The Tetley in FY 2014-15.

Supporting early and mid-career artists

During the 2014-15 year, the charity provided opportunities for 183 artists and creative practitioners. This provision included:

- 9 residency periods and project spaces for artists to develop work in situ, resulting in exhibitions at The Tetley
- opportunities to create new work for new audiences – The Tetley commissioned approximately 70 new artworks in the last year
- opportunities for practitioners to lead creative workshops for the public that relates to their exhibition
- opportunities to show alongside other artists with international reputations in large group shows including *Concerning the Bodyguard*, and *The Jerwood Drawing Prize*
- opportunities to collaborate with other curators and artists in symposiums and events

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- opportunities to present work through the International Contemporary Artists' Book Fair taking place at The Tetley from 7-22 March 2015.

Working with The Tetley Heritage

During the 2014-2015 year, The Tetley partnered with its landowners Carlsberg UK and operators of the Tetley brand on a new artist's commission to celebrate our unique relationship. Ten artists were invited to respond to the fascinating archive of material from the brewery's industrial past to design and present new ideas for brand communications for Tetley's beer. The winning artist received a cash award and all ideas were on exhibition at The Tetley from 12 March – 10 May 2015.

PSL Enterprises Ltd

The charitable company owns 100% of the issued share capital of PSL Enterprises Ltd. During the year the company was used for non-primary purpose trading activities, namely it runs the bar and restaurant in The Tetley as well as organising commercial events. The trade has increased to £746,908 (2014: £213,510) producing a small loss for the year of £32,506 (2014: (£103,785)) after contributing to central overheads.

Volunteers

During the year, 38 volunteers supported the charity in a variety of capacities. 18 of these were involved in the Springboard programme, helping deliver innovative activity to audiences through Family Art Workshops and other events. The charity had a pool of casual volunteers, comprising students, recent graduates and community members interested in the arts, the heritage of the charity's new venue, and in arts engagement activity. They have assisted with the following activities: invigilating galleries during opening hours, installing and taking down exhibitions, photographing and documenting exhibitions, and assisting with the visitor experience.

FINANCIAL REVIEW

During the year, the financial focus was on securing adequate income to meet overheads required to run the organisation. Additionally, there have been significant efforts to secure longer-term public funding for the future as well as developing sustainable earned income streams.

In the year ended 31 March 2015, total income for the charitable group was £1,521,680 (2014: 954,950) with expenditure of £1,548,019 (2014: 770,086), giving net outgoing resources of £26,339.

At 31 March 2015, the unrestricted funds for the charity were £384,514 (2014: £289,917) which includes £184,079 (2014: 203,000) representing the remaining capital balance. An unrestricted negative reserves balance in the subsidiary, PSL Enterprises Ltd at 31 March 2015 of (£136,291) (2014: (£103,785)) reduces the overall group unrestricted reserves balance to £248,223 (2014: £186,132). Restricted funds all relate directly to the charity and were £53,927 at the year-end (2014: 123,107).

Endowment funds relate to previous Arts Council England capital funding, which stipulates the requirement to retain assets purchased with the funds.

Total funds for the group including capital, restricted and unrestricted income were £468,983 (2014: £495,322). For the charity, total funds at 31 March 2015 were £605,274 (2014: £599,107).

Reserves policy

The trustees have now adopted a reserves policy. The policy adopted is for the charity to aim to have unrestricted group reserve levels sufficient to cover the cost of six months of overheads relating to charitable activities.

Funds in deficit

There are currently no funds in deficit at 31 March 2015.

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FUTURE DEVELOPMENTS

Project Space Leeds and The Tetley will continue to support the development, production and exhibition of new work in contemporary art by both early career and established artists. We will continue to make this work accessible to the widest possible audience through our public-facing participation programme of free exhibitions, events and projects. In our first financial year in operation as The Tetley, we have come to understand what our resources and capabilities are, and intend to deliver a more focussed programme to reflect those. A more streamlined approach to our public programme will follow:

- Delivery of 4 major projects per annum, which may include one touring show
- Profiling emerging practitioners and practices via solo, two-person and group shows
- Concept driven shows exploring new curatorial approaches with relevance to the context of The Tetley
- Projects that explore cross-artform links between the visual arts and writing/performing arts/sound/film-making/heritage and museums, etc.
- Projects with strategic partners that advance our curatorial and audience development objectives.

The Tetley continues to learn from ongoing participation and engagement activities with local communities and audiences in South Leeds and has ambition to expand upon this work. This will include the continuation of the Springboard Programme and its After School Club, as well as more partnership projects with Pyramid of Arts and other community based organisations, and the establishment of a multi-year programme for disadvantaged young people between the ages of 13-19.

The Tetley will continue to invest in developing our commercial activity, as it remains committed to achieving a healthy balance of funding through public support, private fundraising and its own income generation. It will continue to develop and improve its competitive hire and events packages. The organisation will develop its consultancy services as part of the corporate offer. The capital works on the 3rd floor of The Tetley building are due for completion in FY15/16, which means increased revenue through the rental of all available creative workspaces. Although there will be focus on increasing our commercial activity, this should be well-integrated to the overall vision and purpose of the organisation as a dedicated centre for contemporary art and learning.

ACKNOWLEDGEMENTS

Project Space Leeds acknowledge the following for their support in the last financial year:

Major Funders and Partners

Carlsberg UK, Arts Council England, Leeds City Council, Esmée Fairbairn Foundation, Garfield Weston Foundation

Founding Partners, Corporate Members and donors and Founding Friends

Shirley Cooper, Barbara Corner, RCP Limited, Clayton Hotels

Other Trust & Foundation Support

The Igen Trust, Leeds City Council Lord Mayor's Charity Appeal, The Kirkby Foundation, Sylvia Waddilove Foundation, John S Cohen Foundation, Sir George Martin Trust.

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the group and parent charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;

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- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITORS

The auditors, Revell Ward Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

The trustees report has been prepared in accordance with the provisions available to entities subject to the small entities regime.

Approved by order of the board of trustees on 31.7.15 and signed on its behalf by:



.....
Nigel McClea
Chair of Trustees

PROJECT SPACE LEEDS

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF PROJECT SPACE LEEDS

We have audited the financial statements of Project Space Leeds for the year ended 31 March 2015 which comprise the Consolidated Statement of Financial Activities, the Consolidated Summary Income and Expenditure Account, the Consolidated and Charity Balance Sheets and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the charitable 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 charitable 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 charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2015, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; 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 the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF PROJECT SPACE LEEDS

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made;
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Trustees' Annual Report and take advantage of the small companies exemption from the requirement to prepare a Strategic Report.

.....
Karen Borowski FCA (Senior Statutory Auditor)
for and on behalf of Revell Ward Limited
Chartered Accountants and Statutory Auditor
7th Floor
30 Market Street
Huddersfield
HD1 2HG

Date: 5/8/15.....

Revell Ward Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

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CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME & EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2015

	Note	Unrestricted funds £	Restricted funds £	Endowment fund £	31.3.15 Total funds £	31.3.14 Total funds £
INCOME						
Income from generated funds						
Voluntary income	2	605,884	9,000	-	614,884	437,189
Activities for generating funds	3	818,195	-	-	818,195	216,734
Investment income		27	-	-	27	43
Income from charitable activities	4	72,040	16,534	-	88,574	300,218
Other income		-	-	-	-	766
Total income		<u>1,496,146</u>	<u>25,534</u>	<u>-</u>	<u>1,521,680</u>	<u>954,950</u>
EXPENDITURE						
Cost of generating funds						
Costs of generating voluntary income	6	38,974	-	-	38,974	59,635
Costs of activities for generating funds	7	779,114	-	-	779,114	315,245
Charitable activities	8	594,103	92,594	19,250	705,947	361,639
Governance costs	9	23,984	-	-	23,984	33,567
Total resources expended	5	<u>1,436,175</u>	<u>92,594</u>	<u>19,250</u>	<u>1,548,019</u>	<u>770,086</u>
Net incoming/(outgoing) resources before transfers		59,971	(67,060)	(19,250)	(26,339)	184,864
Gross transfers between funds	22	2,120	(2,120)	-	-	-
NET MOVEMENT IN FUNDS		<u>62,091</u>	<u>(69,180)</u>	<u>(19,250)</u>	<u>(26,339)</u>	<u>184,864</u>
RECONCILIATION OF FUNDS						
Total funds brought forward	22	186,132	123,107	186,083	495,322	310,458
TOTAL FUNDS CARRIED FORWARD	22	<u><u>248,223</u></u>	<u><u>53,927</u></u>	<u><u>166,833</u></u>	<u><u>468,983</u></u>	<u><u>495,322</u></u>

The notes form part of these financial statements


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CONSOLIDATED AND CHARITY BALANCE SHEETS AS AT 31 MARCH 2015

	Note	Group 2015 £	Group 2014 £	Charity 2015 £	Charity 2014 £
FIXED ASSETS					
Tangible assets	16	522,215	557,163	388,735	410,348
Investments	17	-	-	1	1
		<u>522,215</u>	<u>557,163</u>	<u>388,736</u>	<u>410,349</u>
CURRENT ASSETS					
Stock	18	19,049	12,437	193	965
Debtors	19	170,832	187,715	217,648	205,833
Cash at bank and in hand		132,310	143,649	73,218	93,234
		<u>322,191</u>	<u>343,801</u>	<u>291,059</u>	<u>300,032</u>
LIABILITIES					
Creditors: Amounts falling due within one year	20	(190,510)	(201,902)	(74,521)	(111,274)
NET CURRENT ASSETS		<u>131,681</u>	<u>141,899</u>	<u>216,538</u>	<u>188,758</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>653,896</u>	<u>699,062</u>	<u>605,274</u>	<u>599,107</u>
Creditors: Amounts fall due after more than one year	21	(184,913)	(203,740)	-	-
NET ASSETS		<u>468,983</u>	<u>495,322</u>	<u>605,274</u>	<u>599,107</u>
FUNDS					
Endowment fund	22	166,833	186,083	166,833	186,083
Restricted funds	22	53,927	123,107	53,927	123,107
Unrestricted funds	22	248,223	186,132	384,514	289,917
TOTAL FUNDS		<u>468,983</u>	<u>495,322</u>	<u>605,274</u>	<u>599,107</u>

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

The financial statements on pages 11 to 26 were approved by the trustees, and authorised for issue on 31.7.15 and are signed on their behalf by:



 Nigel McClea
 Chair of Trustees

The notes form part of these financial statements

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

1. STATEMENT OF ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Companies Act 2006 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities.

Going concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the group and company to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

The trustees have considered the current position and budgets of the group and company and after making appropriate enquiries, they have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Therefore they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Basis of consolidation

The Consolidated Statement Of Financial Activities, Consolidated Summary Income and Expenditure Account and Consolidated Balance Sheet include the financial statements of the company and its subsidiary undertaking made up to 31 March 2015. The results of subsidiaries sold or acquired are included in the statement of financial activities up to, or from, the date control passes. Intra-group sales and profits are eliminated fully on consolidation. The entity has taken exemption from presenting its unconsolidated Statement Of Financial Activities under section 408 of Companies Act 2006.

Incoming resources

All incoming resources are recognised when the group has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

- **Grants receivable**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the year is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in restricted or endowment funds.

Grants which are given for specific service provision are included within incoming resources from charitable activities.

Grants where there is no specific service provision are included within voluntary income. Grants receivable which are capital in nature or are of a general nature are included within voluntary income.

- **Donations**

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

- **Other income**

Other income is recognised in the year it is receivable and to the extent the goods have been provided or on completion of the service.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

1. ACCOUNTING POLICIES – continued

- **Rental income**
Rental income received under operating leases is credited to income on a straight line basis over the lease term.
- **Donated services and gifts in kind**
The value of donated services and gifts in kind provided to the charity are recognised at their open market value in the year in which they are receivable as incoming resources, where the benefit to the charity can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the charity's policies.

Resources expended

All expenditure is recognised in the period in which there is a legal or constructive obligation to make payment to a third party and has been classified under headings that aggregate all costs related 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. Details of the basis of allocation of support costs are given in the notes to the financial statements. All resources expended are inclusive of irrecoverable VAT.

- **Cost of generating voluntary income**
These are costs incurred in attracting voluntary income.
- **Costs of generating funds**
These are costs incurred in trading activities that raise funds.
- **Charitable activities**
These are costs which directly relate to activities which further the charitable objectives of the charity.
- **Governance costs**
These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit and trustees' meetings and reimbursed expenses.

Tangible fixed assets

Assets with a useful economic life of greater than one year are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost less estimated residual of each asset over its expected useful life, as follows:

Leasehold property improvements	-over the period of the lease
Fixtures, fittings and equipment	-3 to 10 years

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Fixed asset investments

Shares in group undertakings are valued at cost as in the opinion of the directors the cost involved in obtaining a suitable valuation would outweigh the benefits to the users of the accounts.

Stock

Stock is valued at the lower of cost or net realisable value.

PROJECT SPACE LEEDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

1. ACCOUNTING POLICIES – continued

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the charity at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes. Where funds are given for the purpose of purchasing fixed assets but there is no obligation on the charity to retain the assets purchased a transfer between funds is processed when the assets have been purchased and the restriction on the assets fulfilled.

Endowment funds represent income received for the purchase of fixed assets where there is an obligation on the charity to hold these assets for use in fulfilling the charity's objectives. Depreciation is charged to the endowment fund in line with the related assets.

2. VOLUNTARY INCOME

	Unrestricted funds £	Restricted funds £	Endowment fund £	31.3.15 Total funds £	31.3.14 Total funds £
Grants receivable	380,000	9,000	-	389,000	283,362
Donated goods and services	219,200	-	-	219,200	127,093
Other donations	6,684	-	-	6,684	26,734
	<u>605,884</u>	<u>9,000</u>	<u>-</u>	<u>614,884</u>	<u>437,189</u>

Grants receivable above includes the following:

	Unrestricted funds £	Restricted funds £	Endowment fund £	31.3.15 Total funds £	31.3.14 Total funds £
Arts Council England - revenue	350,000	-	-	350,000	73,362
Leeds City Council - capital	-	-	-	-	190,000
Partnership - Business Growth Fund	-	-	-	-	20,000
Garfield Weston Foundation	30,000	-	-	30,000	-
Other grants received	-	9,000	-	9,000	-
	<u>380,000</u>	<u>9,000</u>	<u>-</u>	<u>389,000</u>	<u>283,362</u>

PROJECT SPACE LEEDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

2. VOLUNTARY INCOME – continued

Donated goods and services above includes the following items, these items have been included at the trustees best estimates of the amounts they would have to pay to obtain similar goods and services on the open market.

	31.3.15 £	31.3.14 £
Rent and rates	219,200	93,067
Telephone	-	15,000
Advertising and promotion	-	10,500
Fixtures and fittings	-	3,000
Audit fees	-	5,000
Other donated goods and services	-	526
	<u>219,200</u>	<u>127,093</u>

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds £	Restricted funds £	Endowment fund £	31.3.15 Total funds £	31.3.14 Total funds £
Rental income	21,910	-	-	21,910	1,536
Shop and programme sales	1,155	-	-	1,155	1,688
Ticket sales	222	-	-	222	-
Sponsorship income	48,000	-	-	48,000	-
Bar, restaurant and events	746,908	-	-	746,908	213,510
	<u>818,195</u>	<u>-</u>	<u>-</u>	<u>818,195</u>	<u>216,734</u>

4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted funds £	Restricted funds £	Endowment fund £	31.3.15 Total funds £	31.3.14 Total funds £
Grants receivable	38,331	16,534	-	54,865	297,048
Artists' commissions and speaking fees	32,309	-	-	32,309	2,607
Other charitable income	1,400	-	-	1,400	563
	<u>72,040</u>	<u>16,534</u>	<u>-</u>	<u>88,574</u>	<u>300,218</u>

Grants receivable above includes the following:

	Unrestricted funds £	Restricted funds £	Endowment fund £	31.3.15 Total funds £	31.3.14 Total funds £
Arts Council England - revenue	38,331	-	-	38,331	129,910
Leeds City Council - revenue	-	-	-	-	65,200
Esmée Fairbairn Foundation	-	-	-	-	80,000
Other grants received	-	16,534	-	16,534	21,938
	<u>38,331</u>	<u>16,534</u>	<u>-</u>	<u>54,865</u>	<u>297,048</u>

PROJECT SPACE LEEDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

5. RESOURCES EXPENDED

	Staff costs	Other direct costs	Support costs (note 10)	31.3.15 Total funds	31.3.14 Total funds
	£	£	£	£	£
Costs of generating voluntary income (note 6)	29,374	3,551	6,049	38,974	59,635
Costs of activities for generating funds (note 7)	323,724	359,390	96,000	779,114	315,245
Total costs of generating funds	353,098	362,941	102,049	818,088	374,880
Charitable activities (note 8)	199,674	142,671	363,602	705,947	361,639
Governance costs (note 9)	12,124	11,860	-	23,984	33,567
Total resources expended	564,896	517,472	465,651	1,548,019	770,086

6. COSTS OF GENERATING VOLUNTARY INCOME

	Unrestricted funds	Restricted funds	Endowment fund	31.3.15 Total funds	31.3.14 Total funds
	£	£	£	£	£
Staff costs	29,374	-	-	29,374	36,954
Professional fees	-	-	-	-	-
Other direct costs	3,551	-	-	3,551	766
Total direct costs	32,925	-	-	32,925	37,720
Support costs (note 10)	6,049	-	-	6,049	21,915
	38,974	-	-	38,974	59,635

PROJECT SPACE LEEDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

7. COSTS OF ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds £	Restricted funds £	Endowment fund £	31.3.15 Total funds £	31.3.14 Total funds £
Staff costs	323,724	-	-	323,724	131,411
Staff training and expenses	423	-	-	423	1,086
Cost of goods sold	264,010	-	-	264,010	75,724
Cleaning	16,943	-	-	16,943	7,913
Printing, postage and stationery	2,004	-	-	2,004	408
IT expenses	-	-	-	-	329
Card and cash processing charges	7,696	-	-	7,696	1,952
Repairs and maintenance	2,093	-	-	2,093	974
Professional fees	-	-	-	-	31,107
Advertising and promotion	11,871	-	-	11,871	12,594
Interest payable	10,208	-	-	10,208	5,527
Accountancy	2,092	-	-	2,092	5,129
Depreciation	20,324	-	-	20,324	6,751
Other direct costs	21,726	-	-	21,726	10,340
Total direct costs	683,114	-	-	683,114	291,245
Support costs (note 10)	96,000	-	-	96,000	24,000
	<u>779,114</u>	<u>-</u>	<u>-</u>	<u>779,114</u>	<u>315,245</u>

8. CHARITABLE ACTIVITIES

	Unrestricted funds £	Restricted funds £	Endowment fund £	31.3.15 Total funds £	31.3.14 Total funds £
Staff costs	150,723	48,951	-	199,674	81,862
Curatorial costs	32,606	34,032	-	66,638	23,087
Participation costs	16,812	8,450	-	25,262	12,795
Advertising and promotion	34,241	-	-	34,241	35,784
Other direct costs	15,369	1,161	-	16,530	-
Total direct costs	249,751	92,594	-	342,345	153,528
Support costs (note 10)	344,352	-	19,250	363,602	208,111
	<u>594,103</u>	<u>92,594</u>	<u>19,250</u>	<u>705,947</u>	<u>361,639</u>

9. GOVERNANCE COSTS

	Unrestricted funds £	Restricted funds £	Endowment fund £	31.3.15 Total funds £	31.3.14 Total funds £
Staff costs	12,124	-	-	12,124	7,306
Legal and professional fees	2,400	-	-	2,400	13,606
Audit fees	9,310	-	-	9,310	12,350
Meeting costs	150	-	-	150	305
	<u>23,984</u>	<u>-</u>	<u>-</u>	<u>23,984</u>	<u>33,567</u>

PROJECT SPACE LEEDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

10. SUPPORT COSTS

	Costs of generating voluntary income £	Costs of activities for generating funds £	Charitable activities £	31.3.15 Total £	31.3.14 Total £
Staff costs	1,686	1,467	8,679	11,832	44,400
Staff training and expenses	849	738	4,369	5,956	833
Printing, postage and stationery	928	808	4,780	6,516	4,549
IT expenses	675	588	3,477	4,740	3,754
Bank charges	31	27	159	217	271
Legal and professional fees	625	544	3,219	4,388	1,017
Telephone	262	229	1,350	1,841	15,380
Accountancy	218	189	1,120	1,527	9,652
Other administrative expenses	775	675	3,992	5,442	7,803
Total administrative expenses	6,049	5,265	31,145	42,459	87,659
Staff costs	-	7,979	27,481	35,460	18,928
Rent and rates	-	50,445	173,755	224,200	93,067
Heat, light and water	-	13,648	47,011	60,659	18,780
Insurance	-	3,164	10,897	14,061	7,451
Cleaning	-	5,217	17,970	23,187	7,579
Health and safety	-	270	930	1,200	2,048
Maintenance and repairs	-	3,624	12,482	16,106	2,977
Security	-	161	552	713	480
Depreciation	-	6,227	41,379	47,606	15,057
Total premises costs	-	90,735	332,457	423,192	166,367
	6,049	96,000	363,602	465,651	254,026

Support costs are allocated on a basis consistent with the use of resources. The trustees have determined that the most consistent and reliable basis for the allocation is the use of full time equivalent staff for administrative expenses and floor area for premises costs. Costs allocated to the charitable company's subsidiary are in line with the agreed recharge basis between the two companies.

11. STAFF COSTS

Staff costs during the year were:

	31.3.15 Total £	31.3.14 Total £
Wages and salaries	545,743	272,530
Social security costs	36,863	20,942
	582,606	293,472
Consultants and freelancers	29,582	27,389
	612,188	320,861

Where appropriate the charity enters into contracts with self-employed freelance staff for the provision of the charity's services. This provides flexibility for the charity in planning its operations for the year.

PROJECT SPACE LEEDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

11. STAFF COSTS - continued

The average number of persons employed by the group during the year was 39 (2014 – 18). Expressed as full time equivalents this is analysed as follows:

	31.3.15 No.	31.3.14 No.
Fundraising	1.1	1.1
Bar, kitchen and events staff	19.8	7.2
Programme and curatorial	6.4	0.9
Premises, admin and management staff	3.4	4.0
	<u>30.7</u>	<u>13.2</u>

There were no employees who received emoluments above £60,000 for the year ended 31 March 2015 nor for the year ended 31 March 2014.

12. TRUSTEES' REMUNERATION AND EXPENSES

P Hale and K Harker only receive remuneration in respect of services they provide undertaking their roles as directors, and not in respect of their services as trustees, as permitted by the charitable company's articles of association. Other trustees did not receive any payments from the group in respect of their role as trustees. The value of the trustees' remuneration was as follows:

	31.3.15 £	31.3.14 £
P Hale (Part-time)	24,300	24,300
K Harker	30,300	30,992
	<u>54,600</u>	<u>55,292</u>

P Hale and K Harker were reimbursed for travel and subsistence expenses totalling £172 (2014 - £689) in respect of the roles as directors, and not in respect of their services as trustees. Other trustees did not receive reimbursement of any expenses during the year (2014 - £Nil).

Other related party transactions involving the trustees are set out in note 26.

13. NET MOVEMENT IN FUNDS

Net movement in funds is stated after charging:

	31.3.15 £	31.3.14 £
Fees payable to auditor:		
Audit of the financial statements	8,000	10,000
Other financial services	1,310	2,350
Depreciation	<u>67,930</u>	<u>21,808</u>

14. TAXATION

PSL Enterprises Limited has losses of £216,380 (2014 - £185,489) available to carry forward against future trading profits. A deferred tax asset of £43,276 (2014 - £37,098) has not been recognised on these amounts as the asset is not deemed recoverable in the foreseeable future.

15. SURPLUS OF PARENT CHARITY

As permitted by Section 408 of the Companies Act 2006 and the concession in paragraph 397 of the Charities SORP, a Statement Of Financial Activities and the Income and Expenditure Account of the parent charity is not presented as part of these financial statements. The parent charity's gross income for the financial year was £774,772 (2014 - £736,440) and the surplus for the financial year was £6,167 (2014 - £288,649).

PROJECT SPACE LEEDS**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015****16. TANGIBLE FIXED ASSETS
GROUP**

	Leasehold property improvements £	Fixtures, fittings and equipment £	Total £
COST			
At 1 April 2014	392,582	186,389	578,971
Additions	380	34,027	34,407
Disposals	(1,425)	-	(1,425)
At 31 March 2015	<u>391,537</u>	<u>220,416</u>	<u>611,953</u>
DEPRECIATION			
At 1 April 2014	13,086	8,722	21,808
Charge for the year	39,160	28,770	67,930
At 31 March 2015	<u>52,246</u>	<u>37,492</u>	<u>89,738</u>
NET BOOK VALUE			
At 31 March 2015	<u>339,291</u>	<u>182,924</u>	<u>522,215</u>
At 31 March 2014	<u>379,496</u>	<u>177,667</u>	<u>557,163</u>

CHARITY

	Leasehold property improvements £	Fixtures, fittings and equipment £	Total £
COST			
At 1 April 2014	392,582	32,823	425,405
Additions	380	27,038	27,418
Disposals	(1,425)	-	(1,425)
At 31 March 2015	<u>391,537</u>	<u>59,861</u>	<u>451,398</u>
DEPRECIATION			
At 1 April 2014	13,086	1,971	15,057
Charge for the year	39,160	8,446	47,606
At 31 March 2015	<u>52,246</u>	<u>10,417</u>	<u>62,663</u>
NET BOOK VALUE			
At 31 March 2015	<u>339,291</u>	<u>49,444</u>	<u>388,735</u>
At 31 March 2014	<u>379,496</u>	<u>30,852</u>	<u>410,348</u>

PROJECT SPACE LEEDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

17. FIXED ASSET INVESTMENTS CHARITY

	Shares in group undertakings £
COST	
At 1 April 2014 and 31 March 2015	<u>1</u>
NET BOOK VALUE	
At 31 March 2015 and 31 March 2014	<u>1</u>

The charitable company owns 100% of the issued share capital of PSL Enterprises Ltd. During the year the company was used for non-primary purpose trading activities, namely the operation of the bar and kitchen and the organisation of commercial events at The Tetley.

All activities of the subsidiary company have been consolidated on a line by line basis in the consolidated statement of financial activities. A summary of the results of PSL Enterprises Ltd is shown below:

	31.3.15 £	31.3.14 £
TURNOVER	746,908	213,510
Cost of sales	522,131	165,850
GROSS PROFIT	<u>224,777</u>	<u>47,660</u>
Administrative expenses	257,283	151,445
LOSS FOR THE FINANCIAL YEAR	<u>(32,506)</u>	<u>(103,785)</u>
Fixed assets	133,480	146,815
Current assets	109,041	84,334
Creditors: amounts falling due within one year	(193,898)	(131,193)
Creditors: amounts falling due after more than one year	(184,913)	(203,740)
NET LIABILITIES	<u>(136,290)</u>	<u>(103,784)</u>

18. STOCK

	Group		Charity	
	31.3.15 £	31.3.14 £	31.3.15 £	31.3.14 £
Bar and kitchen stocks	18,856	11,472	-	-
Consumables	193	965	193	965
	<u>19,049</u>	<u>12,437</u>	<u>193</u>	<u>965</u>

PROJECT SPACE LEEDS**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015****19. DEBTORS**

	Group		Charity	
	31.3.15	31.3.14	31.3.15	31.3.14
	£	£	£	£
Trade debtors	37,402	40,711	8,604	21,032
Amounts owed from group undertakings	-	-	77,909	40,567
Other debtors	14,095	19,384	14,416	19,279
Prepayments and accrued income	119,335	127,620	116,719	124,955
	<u>170,832</u>	<u>187,715</u>	<u>217,648</u>	<u>205,833</u>

The loan from the charity to PSL Enterprises Ltd is an unsecured, interest free loan which is repayable on demand.

ACCRUED GRANTS RECEIVABLE

	Group	Charity
	£	£
Accrued income at 1 April 2014	122,126	122,216
Income received in the year	(437,000)	(437,000)
Resources accrued in the year	426,874	426,874
Accrued income at 31 March 2015	<u>112,000</u>	<u>112,000</u>

Grants are included within accrued income where the charity has legal entitlement to the income and the amounts are both reliably measurable and virtually certain to be received. Accrued grants receivable are included within prepayments and accrued income above.

20. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	31.3.15	31.3.14	31.3.15	31.3.14
	£	£	£	£
Loans	(20,070)	(21,787)	-	-
Trade creditors	(32,597)	(101,967)	(13,204)	(69,532)
Social security and other taxation	(44,280)	(27,323)	(5,819)	(4,153)
Other creditors	(2,791)	(6,317)	(2,390)	(5,933)
Accruals and deferred income	(90,772)	(44,508)	(53,108)	(31,656)
	<u>(190,510)</u>	<u>(201,902)</u>	<u>(74,521)</u>	<u>(111,274)</u>

DEFERRED INCOME

	Group	Charity
	£	£
Deferred income at 1 April 2014	16,883	10,500
Resources deferred in the year	42,615	12,795
Resources utilised in the year	(16,883)	(10,500)
Deferred income at 31 March 2015	<u>42,615</u>	<u>12,795</u>

Deferred income at 31 March 2015 relates to sponsorship, lettings and events which relate to the following period but which have been received in advance. The amounts are included within accruals and deferred income above.

PROJECT SPACE LEEDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

21. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Charity	
	31.3.15	31.3.14	31.3.15	31.3.14
	£	£	£	£
Loans	(184,913)	(203,740)	-	-

Included within loans above is £94,944 (2014 - £119,530) which is due after more than five years. The loan taken out during 2013 is repayable over a 10 year period from October 2013 to September 2023. The interest rate applicable is 12% over the banks base rate.

PROJECT SPACE LEEDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

22. FUNDS: GROUP & CHARITY

GROUP	Balance at 1 April 2014 £	Incoming resources £	Resources expended £	Transfers between funds £	Balance at 31 March 2015 £
Restricted funds	123,107	25,534	(92,594)	(2,120)	53,927
Endowment fund	186,083	-	(19,250)	-	166,833
Unrestricted funds - Charity					
Charity	289,917	749,238	(656,761)	2,120	384,514
PEL Enterprise Limited	(103,785)	746,908	(779,414)	-	(136,291)
	<u>186,132</u>	<u>1,496,146</u>	<u>(1,436,175)</u>	<u>2,120</u>	<u>248,223</u>
TOTAL FUNDS GROUP	<u>495,322</u>	<u>1,521,680</u>	<u>(1,548,019)</u>	<u>-</u>	<u>468,983</u>

CHARITY	Balance at 1 April 2014 £	Incoming resources £	Resources expended £	Transfers between funds £	Balance at 31 March 2015 £
Restricted funds					
Catalyst funding - match funding	69,207	-	(29,813)	-	39,394
The Esmee Fairburn Foundation	40,000	-	(40,000)	-	-
Leeds Inspired 1	10,000	-	(10,000)	-	-
Leeds Inspired 2	-	1,000	(1,000)	-	-
Learning Studio	-	8,500	-	(2,120)	6,380
Other restricted funds	3,900	16,034	(11,781)	-	8,153
	<u>123,107</u>	<u>25,534</u>	<u>(92,594)</u>	<u>(2,120)</u>	<u>53,927</u>
Endowment fund					
The Tetley capital funding	186,083	-	(19,250)	-	166,833
Unrestricted funds					
Project Space Leeds	86,917	749,238	(635,720)	-	200,435
Assets purchased with capital grants	203,000	-	(21,041)	2,120	184,079
	<u>289,917</u>	<u>749,238</u>	<u>(656,761)</u>	<u>2,120</u>	<u>384,514</u>
TOTAL FUNDS CHARITY	<u>599,107</u>	<u>774,772</u>	<u>(768,605)</u>	<u>-</u>	<u>605,274</u>

DESCRIPTION AS TO THE PURPOSES OF EACH FUND

General fund – represents resources available at the trustees discretion in meeting the charitable objects of the charity. At the year end PSL Enterprises Ltd had a deficit on its capital and reserves of £136,290 (2014 - £103,784) this is due to a combination of start-up costs and losses incurred in initial trading.

PROJECT SPACE LEEDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

Assets purchased with capital grants – this designated fund represents the Net Book Value of assets purchased with government grants received for capital funding.

The Tetley capital funding – this fund represents funding received for the refurbishment and fit out of The Tetley.

Catalyst funding: match funding – this is funding received from Arts Council England matched against new contributed private income to the charity, which supports the delivery of new artistic activity.

22. FUNDS - continued

The Esmée Fairbairn Foundation – this represents funding received to support staff in the delivery of the charity's participation work with communities in inner south Leeds.

Leeds Inspired – this represents funding received from Leeds City Council for the charity to deliver specific art exhibitions and installations.

Learning Studio – this represents funding received to fit out the learning studio with new equipment and fixtures and fittings.

The Tetley capital funding – this endowment fund represents funding received from The Arts Council England for the refurbishment and fit out of The Tetley where there is a requirement to retain the assets purchased with the funding.

TRANSFERS BETWEEN FUNDS

£2,120 (2014 - £210,000) has been transferred from The Learning Studio (2014 - The Tetley capital funding) to the general fund to reflect fixed assets which have been purchased using restricted funds where there is no obligation on the charity to retain the related assets, therefore the purchase of the related assets has satisfied the restriction on the funds.

23. ANALYSIS OF NET ASSETS BETWEEN FUNDS -

Fund balances at 31 March 2015 are represented by:

GROUP	Unrestricted funds £	Restricted funds £	Endowment fund £	Total funds £
Tangible fixed assets	355,382	-	166,833	522,215
Current assets	268,241	53,950	-	322,191
Current liabilities	(190,487)	(23)	-	(190,510)
Long term liabilities	(184,913)	-	-	(184,913)
TOTAL NET ASSETS	248,223	53,927	166,833	468,983
CHARITY	Unrestricted funds £	Restricted funds £	Endowment fund £	Total funds £
Tangible fixed assets	221,902	-	166,833	388,735
Current assets	237,110	53,950	-	291,060
Current liabilities	(74,498)	(23)	-	(74,521)
Long term liabilities	-	-	-	-
TOTAL NET ASSETS	384,514	53,927	166,833	605,274

PROJECT SPACE LEEDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

24. CONTINGENT LIABILITIES

A grant for capital funding has been received in the year from Leeds City Council, the grant includes a repayment clause should there be a material breach of the grant agreement. The amount which would become due to Leeds City Council in this instance is £171,000 (2014 - £190,000).

25. MEMBERS' LIABILITY

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

26. RELATED PARTY TRANSACTIONS

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

Due to the composition of the board of trustees being drawn from local, public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board may have an interest. All transactions involving organisations in which a board member may have an interest are conducted at arms' length and in accordance with normal audit procedures.

Outsmart Agency Limited (a company in which P Harker, the spouse of K Harker, a trustee, is a director and shareholder) provided advertising and marketing services totalling £22,821 (2014 - £40,275) during the year. In addition during the year Outsmart Agency Limited was charged office rental of £12,000 (2014 - £1,536), paid for meeting rooms of £728 (2014 - £Nil) and paid other donations totalling £Nil (2014 - £2,500) to the group. At the year end the group owed Outsmart Agency Limited £Nil (2014 - £4,018).

Land Securities Properties Limited (a company in which G Jennings, a trustee, had an interest) made other donations to the company totalling £Nil (2014 - £5,000) and purchases of £11,729 (2014 - £Nil) during the year.

We Are Vista Limited (a company which D Mischendahl, the spouse of P Hale, a trustee, was a director and shareholder) provided leasehold improvements totalling £Nil (2014 - £27,712) and fixtures and fittings totalling £1,025 (2014 - £11,594) during the year. In addition the group made bar, restaurant and event sales to We Are Vista Limited totalling £762 (2014 - £4,821) period during which it was a related party. At the year end the group owed £Nil (2014 - £13,913) to We Are Vista Limited.

Grace & Tailor Ltd (a company which P Hale, a trustee, is a director) made sales totalling £4,402 (2014 - £2,519) to the group during the year. In addition Grace & Tailor Ltd made purchases from the group totalling £6,500 (2014 - £Nil). At the year end the group was owed £1,620 (2014 owed to - £48) from Grace & Tailor Ltd.

Leeds Ice Cream Company Limited (a company which D Mischendahl, the spouse of P Hale, a trustee, is a director and shareholder) made bar, restaurant and event sales to Leeds Ice Cream Company Limited totalling £1,385 (2014 - £Nil) during the year and the group made purchases from Leeds Ice Cream Company Limited of £46 (2014 - £Nil) At the year end the group owed £13 (2014 - £Nil) to Leeds Ice Cream Company Limited.

Ross & Cashmore (a company which D Mischendahl, the spouse of P Hale, a trustee, is a director and shareholder) made bar, restaurant and event sales to Ross & Cashmore totalling £1,221 (2014 - £Nil) during the year and the group made purchases from Ross & Cashmore for D Mischendahl's time of £20,143 (2014 - £Nil) At the year end the group owed £2,815 (2014 - £Nil) to Ross & Cashmore.