

REGISTERED COMPANY NUMBER: 07123227

REGISTERED CHARITY NUMBER: 1148716

**REPORT OF THE TRUSTEES AND
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018
FOR
PROJECT SPACE LEEDS**

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

WEDNESDAY



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COMPANIES HOUSE

PROJECT SPACE LEEDS

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FOR THE YEAR ENDED 31 MARCH 2018**

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TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2018

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 2018. The trustees have adopted the provisions of the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011. The trustees' report also contains the directors' report as required by company law.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

07123227 (England and Wales)

Country of Incorporation

Great Britain

Registered Charity number

1148716

Registered office

The Tetley
Hunslet Road
Leeds
LS10 1JQ

Trustees

Gerald Jennings, Chair of Trustees
Philip Beeston
Jacqueline Dawn Cameron
Jean Dent OBE, Deputy Chair
Adrian Friedli
Deborah Green
Pippa Hale (up to 21 February 2018)
Joe Hill (from 29 September 2017)
P C R (Bob) Lewis
Rosi Lister
Jonathan Straight
Rehana Zaman (from 28 September 2017)

Company Secretary

Joss Richardson

Auditors

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

Bankers

Lloyds
65-68 Briggate
Leeds
LS1 6LH

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2018

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Charity is a company limited by guarantee. 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 Articles of Association were amended and the revised articles adopted on 12 March 2018.

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. Terms for directors were reviewed and amended in the 2018 revised articles of association. Directors now serve for a fixed term of three years. At the end of the fixed term, that director must retire and, if recommended for re-election by the directors, may serve for a second three-year fixed term and then must retire as a director and member at the end of this second three-year term. Exceptionally, after a second three-year term, a director may be re-elected for one further one-year term.

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. This forms part of the training of trustees. Away days and formal training days for trustees are held from time to time.

Insurance

In line with good practice, the charity purchased insurance to indemnify its trustees against losses caused by any legal actions taken against them.

Organisational structure

The day to day operations of the charity are run by the Artistic Director and Executive Director. The role of the board of trustees is to oversee the direction and activities of the charity, including its overall governance, policies and procedures, and to ensure that these 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 Executive team.

Governance and finance matters are further overseen and monitored by the Audit Committee which is made up of two trustees, one of whom chairs the group. The Executive Director and Artistic Director report into the committee. Key matters arising from quarterly meetings are reported to the board.

The trading subsidiary, PSL Enterprises Ltd, also has an active board of directors, who also report in to the main charity board.

Management personnel

During the year the following senior personnel were in post across the organisation:

Interim Chief Executive	Angela Galvin (to 31 Oct 2017)
Executive Director	Kirsty Bullen
Artistic Director	Bryony Bond
Commercial Director	Sam Gundelfinger (to Dec 2017)
Head of Business Development	Helen Flower (from Feb 2018)

Pay for key management personnel, which is agreed by the trustees, is set and agreed by reference to budgets and against industry standards.

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FOR THE YEAR ENDED 31 MARCH 2018

Risk management

The trustees understand their 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 strategic risk register is in place and has been further developed during the year. It is reviewed on a quarterly basis by the Audit Committee and by the board.

The trustees consider that the principal risks facing the charity and its subsidiary undertakings are those surrounding the building's lease and the risk of disruption in the short and medium term to some of our activities as the redevelopment of the surrounding South Bank area is underway. To support this, a smaller group of trustees and leadership team meet regularly to explore in more detail any related property matters and potential issues and opportunities. In turn, they report back to the board of trustees.

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.
- 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 all of the core objects of the charity are clearly aligned with this. The charity is 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

Annual performance is measured against business plan objectives. Moving forward, a new business plan is in place for 2018-22 with overarching aims and specific key performance indicators identified for each year of the business plan period.

Main Activities of the Year

The Tetley, as a venue operated by the Project Space Leeds charity, opened in November 2013. As a young organisation, The Tetley continues to establish itself as a critical part of the cultural ecology in Leeds for artists and audiences. Whilst supporting artists to make and exhibit new work, The Tetley ensures its contemporary visual arts programming is accessible to a wide and diverse audience.

In June 2017 The Tetley was accepted as Arts Council England's National Portfolio Organisation for the first time, this ensured that The Tetley will continue to receive funding from ACE in 2018-22. From April 2017 to March 2018 The Tetley welcomed over 126,000 visitors and directly engaged over 9,000 with our events and activities. Four major exhibition seasons spanned this financial year:

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Refinding: Jessie Flood-Paddock With Kenneth Armitage, 6 May – 30 July 2017

This exhibition brought together new and recent works by London-based artist Jessie Flood-Paddock, with the Oak Tree series of sculptures, drawings and prints by the celebrated 20th century sculptor, the late Kenneth Armitage, who was born in Leeds.

With the support of the Henry Moore Foundation and the Elephant Trust we produced a significant new commission by Flood-Paddock that filled the triple height of The Tetley's Leeds Beckett Atrium.

Refinding was part of the Armitage Centenary programme in Leeds, which also included the exhibition Kenneth Armitage: Sculpture and Drawing of the 1950s at the Stanley and Audrey Burton Gallery, and a series of events in partnership with the Kenneth Armitage Foundation.

We also produced a fully illustrated catalogue to accompany the exhibition, with essays by Bryony Bond, Artistic Director at The Tetley and renowned critic and curator, Tom Morton.

50 Years Of Leeds West Indian Carnival

Joseph Buckley: Brotherhood Tapestry, 12 August – 29 October 2017

In partnership with Leeds West Indian Carnival, and supported by the Heritage Lottery Fund, this exhibition explored and celebrated the legacy of the Leeds West Indian Carnival with a mix of cultural, aesthetic and political displays including costume, film, sound and ephemera. The exhibition brought a new audience to The Tetley for the first time and saw coverage of the exhibition on Look North and across local news channels.

Alongside this archival exhibition we also presented the work of Joseph Buckley, in his first solo exhibition in a public gallery in the UK. Buckley was born and raised in Leeds and studied at Leeds College of Art, and is now based in New York. This exhibition came from a six week residency by Buckley, and helped to raise his profile, resulting in the sculptures commissioned by The Tetley being included in the prestigious Glasgow International exhibition.

"The opportunity came at a point when I was questioning my future as an artist. I don't know what I'd be doing right now if it weren't for the show." Joseph Buckley

Saelia Aparicio: Your Consequences Have Actions With Works From The Musgrave Kinley Outsider Art Collection, 24 November 2017 – 28 January 2018

Saelia Aparicio's first major exhibition in a public gallery in the UK, brought together newly commissioned works made especially for The Tetley, shown alongside a selection of existing works and several drawings and sculptures from the Musgrave Kinley Outsider Art Collection at the Whitworth, The University of Manchester.

The selected artists from the Musgrave Kinley Outsider Art collection, with sculptures by Marie Rose Lortet and Judith Scott, and drawings by Aloise Corbaz, Madge Gill, Lee Godie and Martha Grunenwaldt. The Musgrave Kinley Outsider Art collection was started in 1984 with the express purpose of collecting artworks created outside the mainstream system of formal art training. The collection includes a wide range of artists from across the world, including the USA, Germany, France and Britain, and artists with mental and physical disabilities.

"The artists (including disabled artists) are not rendered invisible and their importance is recognised, but the artwork takes prominence." Gill Crawshaw in Disability Arts Online

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Mahbub Jokhio: In The City Of Lost Times

Madiha Aijaz: These Silences Are All The Words

The House That Heals The Soul, 9 February 2018 – 22 April 2018

These three exhibitions presented the work of two Pakistani artists in the UK for the first time alongside an ongoing project by Nick Thurston, an artist based in York and a lecturer at Leeds University. Each show explored the conditions of public space, with *These Silences...* and *The House That Heals...* focusing on public libraries in Karachi and Leeds. This project was supported by an Arts Council England Ambition for Excellence grant working in partnership with Biennials in South Asia and partners in Manchester and Liverpool. Madiha Aijaz's work will go on to be presented at the Liverpool Biennial in 2018.

The project has also enabled a digital project with schools in Leeds and in Karachi, each exploring libraries now and what they might be in the future. The result of this project will be presented in Sept 2018.

This exhibition attracted a large percentage of South Asian visitors for the Tetley, and resulted in a strong emotional response:

"I love the photography, the work in gallery 6 made me cry. I've just come back from the Middle East so this means a lot to me. We are lucky to live here." Visitor

In addition to these major exhibitions The Tetley also supported the following residencies:

Jenny Steele, April - May 2017

Steele researched the archives of The Tetley to make a new series of prints and fabrics which were shown in the Bar & Kitchen.

Performance Art Intensive, 31 July – 6 August 2017

Twelve performance artists from South Asia and the UK took part in a week-long workshop led by international performance artists Nikhil Chopra, Madhavi Gore and Jana Prepeluh which culminated in a weekend of performances and public talks. Supported by the New North and South Network, ACE Ambition for Excellence.

Louise Adkins: Re-Visioning A Smoky Meeting, September – November 2017

Artist Louise Adkins researched and produced a new performance in the historic boardroom, drawing on material in the brewery archive, her research materials were shown in the Bar & Kitchen

Samuel Hertz, February 2018

Samuel Hertz was the winner of the inaugural DARE Art Prize, a collaboration between University of Leeds and Opera North at The Tetley Hertz created interactive public performances with a series of collaborators.

Harry Meadley: Ey Up, August 2017 – ONGOING

Leeds based artist Harry Meadley is recording a series of interviews with guest speakers at The Tetley. New episodes are released every Monday morning.

Participation programmes

The Tetley is committed to providing opportunities to enhance the understanding of and participation in the visual arts by a broad range of people. In particular, we are focussed on families and young people living in nearby wards of inner south Leeds.

Participation programmes during 2017/18:

- After School Art Club – The Tetley continued its provision of extra-curricular activities for four primary schools in south Leeds offering 33 sessions and creating 488 occasions of participation, developing new skills and increasing confidence.

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- **Tiny Tetley** – Monthly artist-led workshop for babies and children under 5 and their carers. Each session takes a different theme, and messy creative activity is spread across the ground floor gallery. Tiny Tetley attracts many families from south Leeds postcodes LS10 and LS11. The programme has become so popular that booking is required, although it remains free. Each up to 100 people participate over 2 hour-long sessions.
- **Family Art Workshops** – These are artist-led creative sessions that take place every other Saturday and during school holidays. All ages and families are welcome to drop in and each Workshop averages 50 attendees.
- **Schools and Colleges**. We developed a new digital project supported by the New North and South programme that engaged with school children who had never been to The Tetley before, including developing a new relationship with Batley Academy and working in partnership with Karachi Biennial to deliver a digitally linked programme between the UK and Pakistan.
- **Tetley Teenagers**. An after school programme for young people aged 14 – 18 delivered in partnership with south Leeds social enterprise Health for All and funded by the Paul Hamlyn Foundation, Tetley Teenagers (as named by the young people) engages some of the most disadvantaged young people in Leeds in regular creativity activity.

Event Highlights

2017/18 was full of a diverse range of live events, symposiums, discussions and performances, including:

- **The Tetley Weekender (5 & 6 August 2017)**
This was the second time we ran the Weekender, this year it focused on performance and links with South Asia. South Asian Arts youth ensemble performed on the Friday evening bringing a new audience to the Tetley and over the Weekend performances by artists Muhammad Ali, Sophie Lisa Beresford, Helen Cammock, Chloe Cooper, Shivani Gupta, Natasha Jozi, Raisa Kabir, Komal Naz, Rory Pilgrim, Joydeb Roaja and Stephen Sheehan were presented to audiences and live cast on This Is Tomorrow. Over 1,000 people visited the Tetley this weekend, 378 people took part in activities and for the first time we had 408 live streaming the events.
- **Fantasy Carnival Garden (26 to 28 August 2017)**
A new mass-participatory event was held on the Brewery Green over the August Bank Holiday weekend supported by a Play Enabling Grant from Leeds City Council the event created a garden with a carnival theme, with trailblazing workshops held in the run up to the event at the White Rose shopping centre, Hamara in Beeston and in the city centre with Pop Up and Play and Breeze Festival. In total 489 took part in these activities – many who were new to The Tetley.
- **Light Night (5 & 6 October 2017)**
Over two evenings we welcomed 1,460 visitors to The Tetley, to look round the exhibitions after dark, with over 200 taking part in workshops inspired by the Leeds West Indian Carnival exhibition.
- **Artists' Book Fair 2018 (3 & 4 March 2018)**
The Book Fair weekend was unfortunately held on a very snowy weekend, resulting in slightly less visitors than the previous year. However we began new initiatives, including a Spotlight event on stallholders in the Fair and a performance by the Commoners Choir, which made many participants describe the fair as the liveliest yet.

Audience Engagement and Reach

The Tetley welcomed over 126,000 visitors and directly engaged over 9,000 with our events and activities.

Supporting artists and the creative community

The charity provided opportunities for more than 100 artists and creative practitioners. This provision included:

- opportunities for artists at all stages in their careers, from emerging to more established, to create new work for new audiences;
- opportunities for artists to have their first solo show in the UK, namely Madiha Aijaz, Joseph Buckley and Mahbub Jokhio
- opportunities for emerging artists to develop their practice through residencies;

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FOR THE YEAR ENDED 31 MARCH 2018

- opportunities to collaborate with other curators and artists in symposiums and events;
- opportunities to gain experience delivering artistic engagement activity with the public through our Springboard Programme and
- opportunities to present work through the International Contemporary Artists' Book Fair which took place at The Tetley in March 2018.

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 taking commercial events bookings and undertaking the shop's retail operations. The turnover has increased to £934,975 (2017: £922,453) producing a profit for the year of £12,695 (2017: £68,289) after contributing to central overheads. Contributions to overheads have increased to £132,000 in 2018 (2017 - £130,000).

Volunteers

Over the year, The Tetley worked with over 60 volunteers. From volunteer publishers helping people use the publishing facilities in The House That Heals The Soul exhibition to Art Gallery and Museum placements working on the interpretation of the history of the building, we had a record number of days of volunteering with 84 days given from volunteers. For many volunteers this is an incredibly valuable experience. There is also the Springboard Volunteer Programme, which is a training, development programme for approximately 15 early career artists each year who want to enthuse and engage the public with contemporary art. The trustees would like to express their gratitude for all volunteers who have supported the organisation.

Fundraising

The Tetley does not employ external professional fundraisers. Fundraising with the public is largely limited to donation boxes within our building.

FINANCIAL REVIEW

During the year, the financial focus has continued to be on securing adequate income to meet overheads required to run the organisation. Additionally, there have been significant efforts to secure longer-term funding for the future as well as developing sustainable earned income streams. We have successfully secured Arts Council England NPO status for 2018-22, which is a huge testament to the work undertaken to date. We continue to receive significant multi-year funding from Esmée Fairbairn Foundation. Earned income in the charity, profits in the trading company, private income and public income have all been ahead of budget this year. This additional income, combined with some one-off savings in overheads has resulted an increase in group free reserves.

In the year ended 31 March 2018, total income for the charitable group was £1,697,898 (2017: £1,672,743) with expenditure of £1,760,653 (2017: £1,612,937), giving net outgoing resources of £62,755 (2017: £59,806 incoming resources).

At 31 March 2018, the unrestricted funds for the charity were £256,131 (2017: £278,553) which includes £119,000 (2017: £140,000) representing the remaining capital balance. An unrestricted negative reserves balance in the subsidiary, PSL Enterprises Ltd at 31 March 2018 of (£43,942) (2017: (£56,637)) reduces the overall group unrestricted reserves balance to £212,189 (2017: £221,916). Restricted funds all relate directly to the charity and were £31,493 at the year-end (2017: £65,271).

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 £352,765 (2017: £415,520). For the charity, total funds at 31 March 2018 were £396,707 (2017: £472,157). Free reserves were £77,850 (2017: £66,357)

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2018

Reserves policy

The reserves policy is for the charity to aim to have unrestricted (free) group reserve levels sufficient to cover the cost of six months of overheads relating to charitable activities, which is currently c£393k. Charity group free reserves are currently £77,850 (2017: £66,357) showing an improvement during the year. Future budgets are designed to continue to build up free reserves, although it is acknowledged that the charity may take some time to achieve its desired policy.

Funds in deficit

There are currently no funds in deficit at 31 March 2018 (2017: nil).

FUTURE DEVELOPMENTS

The Tetley is young, it is learning and it is re-imagining the role of a visual arts gallery. We recognize the complex creative, community and commercial contexts we are operating in, and understand the importance of building a shared long term vision with key partners. Our strategic priorities are:

Supporting and encouraging new work in a way that is unusual, unexpected and artistically daring:

- Defining clear strands of work to deliver our creative ambition;
- Supporting early career artists to realize their potential;
- Developing best practice with artists who have previously faced barriers to engagement.

Embedding critical dialogue between artists, audiences and partners Promoting regional, national and international opportunities to stimulate intercultural dialogue:

- expanding digital connectivity to reach and inspire new and diverse audiences;
- developing opportunities for children from disadvantaged, diverse and transient communities to express their creativity;
- shaping community involvement in place-making and commissioning art for the public realm;
- responding to the heritage of our local communities by taking a lead in exchanges between the UK, South Asia and Europe.

Taking full advantage of the opportunities presented by our location at the heart of the Leeds South Bank regeneration site:

- enhancing our sustainability by reinforcing the cultural, commercial and community relevance of visual art;
- identifying and developing corporate relationships to support a sustainable infrastructure during and beyond the South Bank construction period;
- tailoring our commercial offer to minimize short-term disruption and maximize long-term benefits.

Challenging conventional approaches to how a gallery space works - its relationships, its systems and its approach - and benchmarking impact, quality and innovation with arts and non-arts partners:

- Cultivating a learning environment;
- Mentoring the next generation of artists, staff and trustees.

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;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2018

- 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:

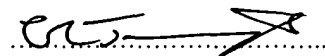
- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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 31/07/18 and signed on its behalf by:



Gerald Jennings
Chair of Trustees

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

Opinion

We have audited the financial statements of Project Space Leeds (the 'charitable Group') for the year ended 31 March 2018 which comprise the Consolidated Statement of Financial Activities, Consolidated and Charity Balance Sheets, Consolidated Cash Flow and notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2018 and of the group's incoming resources and application of resources, including its results, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charitable group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities set out on pages 8 and 9, 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Our responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

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 auditors' 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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

Date: 6/8/18

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CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME & EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2018

		Unrestricted funds £	Restricted funds £	Endowment fund £	31.3.18 Total funds £	31.3.17 Total funds £
	Note					
INCOME						
Income and endowments from:						
Donations and legacies	2	524,238	94,700	-	618,938	645,879
Charitable activities	3	56,809	87,166	-	143,975	104,392
Income from trading activities	4	934,975	-	-	934,975	922,453
Investment income		10	-	-	10	19
Total income		1,516,032	181,866	-	1,697,898	1,672,743
EXPENDITURE						
Expenditure on:						
Raising funds	6	974,341	-	-	974,341	932,265
Charitable activities	7	553,316	213,746	19,250	786,312	680,672
Total resources expended	5	1,527,657	213,746	19,250	1,760,653	1,612,937
Net (expenditure) / income		(11,625)	(31,880)	(19,250)	(62,755)	59,806
Gross transfers between funds	22	1,898	(1,898)	-	-	-
NET MOVEMENT IN FUNDS		(9,727)	(33,778)	(19,250)	(62,755)	59,806
RECONCILIATION OF FUNDS						
Total funds brought forward	22	221,916	65,271	128,333	415,520	355,714
TOTAL FUNDS CARRIED FORWARD	22	212,189	31,493	109,083	352,765	415,520

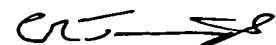
The notes form part of these financial statements

CONSOLIDATED AND CHARITY BALANCE SHEETS AS AT 31 MARCH 2018

	Note	Group 2018 £	Group 2017 £	Charity 2018 £	Charity 2017 £
FIXED ASSETS					
Tangible assets	14	380,913	443,468	287,364	340,529
Investments	15	-	-	1	1
		<u>380,913</u>	<u>443,468</u>	<u>287,365</u>	<u>340,530</u>
CURRENT ASSETS					
Stock	16	17,347	17,740	-	-
Debtors	17	90,344	129,544	74,857	117,755
Cash at bank and in hand		149,389	154,975	71,735	74,518
		<u>257,080</u>	<u>302,259</u>	<u>146,592</u>	<u>192,273</u>
LIABILITIES					
Creditors: Amounts falling due within one year	18	(167,656)	(187,931)	(37,250)	(60,646)
NET CURRENT ASSETS		<u>89,424</u>	<u>114,328</u>	<u>109,342</u>	<u>131,627</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>470,337</u>	<u>557,796</u>	<u>396,707</u>	<u>472,157</u>
Creditors: Amounts falling due after more than one year	19	(117,572)	(142,276)	-	-
NET ASSETS		<u><u>352,765</u></u>	<u><u>415,520</u></u>	<u><u>396,707</u></u>	<u><u>472,157</u></u>
FUNDS					
Endowment fund	22	109,083	128,333	109,083	128,333
Restricted funds	22	31,493	65,271	31,493	65,271
Unrestricted funds	22	212,189	221,916	256,131	278,553
TOTAL FUNDS		<u><u>352,765</u></u>	<u><u>415,520</u></u>	<u><u>396,707</u></u>	<u><u>472,157</u></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 provisions applicable to entities subject to the small entities regime.

The financial statements were approved by the trustees, and authorised for issue on 31/07/18 and are signed on their behalf by:



Gerald Jennings
Chair of Trustees

The notes form part of these financial statements

PROJECT SPACE LEEDS**CONSOLIDATED CASH FLOW STATEMENT
YEAR ENDED 31 MARCH 2018**

	Note	2018 £	2017 £
Cash flows from operating activities:			
Cash generated from operations	27	41,791	88,018
Interest received		10	19
Net cash provided by operating activities		<u>41,801</u>	<u>88,037</u>
Cash flows from investing activities:			
Purchases of tangible assets		<u>(18,238)</u>	<u>(8,248)</u>
Net cash used in investing activities		<u>(18,238)</u>	<u>(8,248)</u>
Cash flows from financing activities			
Repayments of borrowings		(23,575)	(20,081)
Interest paid		<u>(5,574)</u>	<u>(9,069)</u>
Net cash used in financing activities		<u>(29,149)</u>	<u>(29,150)</u>
Change in cash and cash equivalents in the year		(5,586)	50,639
Cash and cash equivalents at the beginning of the year		154,975	104,336
Cash and cash equivalents at the end of the year		<u>149,389</u>	<u>154,975</u>

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

1. STATEMENT OF ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared under the historical cost convention. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

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 Cash Flow Statement and Consolidated Balance Sheet include the financial statements of the company and its subsidiary undertaking made up to 31 March 2018. 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, receipt is probable and the amount can be measured with sufficient reliability. Turnover is derived from the provision of goods and services and is stated after trade discounts, other sales taxes and net of VAT. Further details on specific income streams are provided below.

- **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 donations and legacies. Grants receivable which are capital in nature or are of a general nature are included within donations and legacies.

- **Donations**

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

PROJECT SPACE LEEDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1. ACCOUNTING POLICIES – continued

- **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.
- **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 creditors and provisions for liabilities are allocated on the same basis. All resources expended are inclusive of irrecoverable VAT.

- **Cost of raising funds**
Expenditure on raising funds includes all expenditure incurred by a charity to raise funds for its charitable purposes. It includes the costs of all fundraising activities, events and non-charitable trading activities.
- **Charitable activities**
These are costs which directly relate to activities which further the charitable objectives of the charity.

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 value 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. Stocks are valued using the first-in, first-out (FIFO) method.

PROJECT SPACE LEEDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1. ACCOUNTING POLICIES – continued

Taxation

The charity is exempt from tax on its charitable activities.

Deferred tax

Deferred tax is recognised in the subsidiary company and consolidated accounts in respect of all timing differences that have originated but not reversed at the balance sheet date. The deferred tax balance has not been discounted.

Key accounting estimates and assumptions

Accounting estimates, by definition, will often vary from the actual results. They are continually evaluated and are based on historical experience and other factors, including expectations of future events that are deemed to be reasonable under the circumstances. The nature of the estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year are addressed below. The carrying amount of the estimates and assumptions at the year-end are disclosed in the relevant note to the accounts.

Useful economic lives of tangible assets:

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets, which are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

Valuation of gifts in kind:

Gifts in kind are included within the accounts at an estimated value. The estimated value is based on the value the charity would have been required to pay for equivalent services.

Financial instruments

The charity has adopted section 11 of FRS 102 in respect of financial instruments.

Short term debtors are measured at transaction price, less any impairment. Short term creditors are measured at the transaction price. Other financial liabilities, including loans, are measured initially at transaction price, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

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.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

General information

The charity is a company limited by guarantee and is incorporated in England and Wales. The address of its registered offices is The Tetley, Hunslet Road, Leeds, LS10 1JQ.

PROJECT SPACE LEEDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

2. DONATIONS AND LEGACIES

	Unrestricted funds £	Restricted funds £	Endowment fund £	31.3.18 Total funds £
Grants receivable	251,500	94,700	-	346,200
Donated goods and services	269,267	-	-	269,267
Other donations	1,971	-	-	1,971
Sponsorship income	1,500	-	-	1,500
	<u>524,238</u>	<u>94,700</u>	<u>-</u>	<u>618,938</u>

Grants receivable above includes the following:

	Unrestricted funds £	Restricted funds £	Endowment fund £	31.3.18 Total funds £
Arts Council England	250,000	-	-	250,000
Leeds City Council	-	24,700	-	24,700
Esmee Fairbairn	-	70,000	-	70,000
Other grants received	1,500	-	-	1,500
	<u>251,500</u>	<u>94,700</u>	<u>-</u>	<u>346,200</u>

2017 Comparatives

	Unrestricted funds £	Restricted funds £	Endowment fund £	31.3.17 Total funds £
Grants receivable	250,000	115,283	-	365,283
Donated goods and services	261,845	-	-	261,845
Other donations	6,751	-	-	6,751
Sponsorship income	12,000	-	-	12,000
	<u>530,596</u>	<u>115,283</u>	<u>-</u>	<u>645,879</u>

PROJECT SPACE LEEDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

2. DONATIONS AND LEGACIES - continued

Grants receivable above includes the following:

	Unrestricted funds £	Restricted funds £	Endowment fund £	31.3.17 Total funds £
Arts Council England	250,000	-	-	250,000
Leeds City Council	-	24,700	-	24,700
Ambition for Excellence	-	4,583	-	4,583
Esmee Fairbairn	-	70,000	-	70,000
Other grants received	-	16,000	-	16,000
	<u>250,000</u>	<u>115,283</u>	<u>-</u>	<u>365,283</u>

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.

	31.3.18 £	31.3.17 £
Rent and rates	215,615	216,796
Other donated goods and services	53,652	45,049
	<u>269,267</u>	<u>261,845</u>

3. CHARITABLE ACTIVITIES

	Unrestricted funds £	Restricted funds £	Endowment fund £	31.3.18 Total funds £
Rental income	55,056	-	-	55,056
Shop and programme sales	129	-	-	129
Grants	-	84,364	-	84,364
Artists' commissions and speaking fees	650	-	-	650
Other charitable income	974	2,802	-	3,776
	<u>56,809</u>	<u>87,166</u>	<u>-</u>	<u>143,975</u>

PROJECT SPACE LEEDS**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018****3. CHARITABLE ACTIVITIES - continued**

Grants receivable above includes the following:

	Unrestricted funds £	Restricted funds £	Endowment fund £	31.3.18 Total funds £
Carnival Exhibition	-	20,766	-	20,766
Ambition for Excellence	-	52,618	-	52,618
Other grants received	-	10,980	-	10,980
	<u>-</u>	<u>84,364</u>	<u>-</u>	<u>84,364</u>

2017 Comparatives

	Unrestricted funds £	Restricted funds £	Endowment fund £	31.3.17 Total funds £
Rental income	48,835	-	-	48,835
Shop and programme sales	1,125	-	-	1,125
Grants	-	24,320	-	24,320
Artists' commissions and speaking fees	28,212	-	-	28,212
Other charitable income	1,900	-	-	1,900
	<u>80,072</u>	<u>24,320</u>	<u>-</u>	<u>104,392</u>

Grants receivable above includes the following:

	Unrestricted funds £	Restricted funds £	Endowment fund £	31.3.17 Total funds £
Asda Foundation	-	15,000	-	15,000
Other grants received	-	9,320	-	9,320
	<u>-</u>	<u>24,320</u>	<u>-</u>	<u>24,320</u>

4. INCOME FROM TRADING ACTIVITIES

	Unrestricted funds £	Restricted funds £	Endowment fund £	31.3.18 Total funds £
Bar and restaurant sales	934,975	-	-	934,975
	<u>934,975</u>	<u>-</u>	<u>-</u>	<u>934,975</u>

PROJECT SPACE LEEDS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

4. INCOME FROM TRADING ACTIVITIES - continued

2017 Comparatives

	Unrestricted funds £	Restricted funds £	Endowment fund £	31.3.17 Total funds £
Bar and restaurant sales	922,453	-	-	922,453
	<u>922,453</u>	<u>-</u>	<u>-</u>	<u>922,453</u>

5. RESOURCES EXPENDED

	Staff costs £	Other direct costs £	Support costs (note 8) £	31.3.18 Total funds £
Costs of raising funds (note 6)	421,670	388,827	163,844	974,341
Cost of charitable activities (note 7)	211,672	215,505	359,135	786,312
Total resources expended	<u>633,342</u>	<u>604,332</u>	<u>522,979</u>	<u>1,760,653</u>

2017 Comparatives

	Staff costs £	Other direct costs £	Support costs (note 8) £	31.3.17 Total funds £
Costs of raising funds (note 6)	410,071	357,517	164,677	932,265
Cost of charitable activities (note 7)	203,674	151,895	325,103	680,672
Total resources expended	<u>613,745</u>	<u>509,412</u>	<u>489,780</u>	<u>1,612,937</u>

6. COSTS OF RAISING FUNDS

	Unrestricted funds £	Restricted funds £	Endowment fund £	31.3.18 Total funds £
Staff costs	421,670	-	-	421,670
Other direct costs	388,827	-	-	388,827
Total direct costs	<u>810,497</u>	<u>-</u>	<u>-</u>	<u>810,497</u>
Support costs (note 8)	163,844	-	-	163,844
	<u>974,341</u>	<u>-</u>	<u>-</u>	<u>974,341</u>

PROJECT SPACE LEEDS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

6. COSTS OF RAISING FUNDS - continued

2017 Comparatives

	Unrestricted funds £	Restricted funds £	Endowment fund £	31.3.17 Total funds £
Staff costs	410,071	-	-	410,071
Other direct costs	357,517	-	-	357,517
Total direct costs	767,588	-	-	767,588
Support costs (note 8)	164,677	-	-	164,677
	<u>932,265</u>	<u>-</u>	<u>-</u>	<u>932,265</u>

7. COSTS OF CHARITABLE ACTIVITIES

	Unrestricted funds £	Restricted funds £	Endowment fund £	31.3.18 Total funds £
Staff costs	121,794	89,878	-	211,672
Curatorial costs	70,508	90,324	-	160,832
Participation costs	8,384	33,544	-	41,928
Advertising and promotion	12,745	-	-	12,745
Total direct costs	213,431	213,746	-	427,177
Support costs (note 8)	339,885	-	19,250	359,135
	<u>553,316</u>	<u>213,746</u>	<u>19,250</u>	<u>786,312</u>

2017 Comparatives

	Unrestricted funds £	Restricted funds £	Endowment fund £	31.3.17 Total funds £
Staff costs	108,464	95,210	-	203,674
Curatorial costs	75,913	5,515	-	81,428
Participation costs	9,265	32,136	-	41,401
Advertising and promotion	11,330	-	-	11,330
Other direct costs	17,736	-	-	17,736
Total direct costs	222,708	132,861	-	355,569
Support costs (note 8)	305,853	-	19,250	325,103
	<u>528,561</u>	<u>132,861</u>	<u>19,250</u>	<u>680,672</u>

PROJECT SPACE LEEDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

8. SUPPORT COSTS

	Costs of raising funds £	Costs of charitable activities £	31.3.18 Total £
Staff costs	3,482	66,340	69,822
Staff training and expenses	411	7,816	8,227
Printing, postage and stationery	193	3,682	3,875
IT expenses	270	5,148	5,418
Bank charges	9	172	181
Legal and professional fees	187	3,562	3,749
Telephone	40	762	802
Other administrative expenses	216	4,108	4,324
Total administrative expenses	4,808	91,590	96,398
Staff costs	8,934	12,723	21,657
Rent and rates	88,941	126,674	215,615
Heat, light and water	22,043	31,395	53,438
Insurance	5,762	8,206	13,968
Cleaning	9,074	12,927	22,001
Health and safety	619	881	1,500
Maintenance and repairs	6,022	8,577	14,599
Security	290	413	703
Depreciation	16,115	42,201	58,316
Total premises costs	157,800	243,997	401,797
Staff costs	604	11,511	12,115
Legal and professional fees	262	4,995	5,257
Audit fees	334	6,366	6,700
Meeting costs	22	411	433
Trustees' expenses	14	265	279
Total governance costs	1,236	23,548	24,784
	163,844	359,135	522,979

PROJECT SPACE LEEDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

8. SUPPORT COSTS - continued

2017 Comparatives

	Costs of raising funds £	Costs of charitable activities £	31.3.17 Total £
Staff costs	7,644	49,874	57,518
Staff training and expenses	1,031	6,722	7,753
Printing, postage and stationery	566	3,689	4,255
IT expenses	657	4,287	4,944
Bank charges	12	78	90
Legal and professional fees	368	2,401	2,769
Telephone	131	858	989
Accountancy	-	-	-
Other administrative expenses	650	4,241	4,891
Total administrative expenses	11,059	72,150	83,209
Staff costs	10,305	14,676	24,981
Rent and rates	86,129	122,668	208,797
Heat, light and water	20,855	29,703	50,558
Insurance	5,311	7,563	12,874
Cleaning	8,746	12,458	21,204
Health and safety	495	705	1,200
Maintenance and repairs	2,616	3,726	6,342
Security	260	370	630
Depreciation	15,976	42,004	57,980
Total premises costs	150,693	233,873	384,566
Staff costs	1,393	9,090	10,483
Legal and professional fees	652	4,251	4,903
Audit fees	864	5,636	6,500
Meeting costs	15	95	110
Trustees' expenses	1	8	9
Total governance costs	2,925	19,080	22,005
	164,677	325,103	489,780

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 governance 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.

PROJECT SPACE LEEDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

9. STAFF COSTS

Staff costs during the year were:

	31.3.18	31.3.17
	Total	Total
	£	£
Wages and salaries	637,908	624,427
Social security costs	41,416	41,250
Pensions	1,940	-
	<u>681,264</u>	<u>665,677</u>
Consultants and freelancers	55,672	41,050
	<u>736,936</u>	<u>706,727</u>

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.

The charity considers its key management personnel to comprise the CEO, the finance director, the commercial director, creative director and the head of business. The total employment benefits of key management personnel were £171,989 (2017 - £156,953).

The average number of persons employed by the group during the year was 44 (2017 – 43). Expressed as full time equivalents this is analysed as follows:

	31.3.18	31.3.17
	No.	No.
Fundraising	0.4	1.2
Bar, kitchen and events staff	19.0	20.0
Programme and curatorial	7.2	8.1
Premises, admin and management staff	3.3	3.0
	<u>29.9</u>	<u>32.3</u>

There were no employees who received emoluments above £60,000 for the year ended 31 March 2018 nor for the year ended 31 March 2017.

10. TRUSTEES' REMUNERATION AND EXPENSES

The board of Trustees during the year served on a voluntary basis and received no remuneration for their services to the company (2017 - £Nil). The charity reimbursed or incurred expenses directly on behalf of 2 (2017 – 0) trustees for travel expenditure totalling £279 (2017 - £Nil). Other related party transactions involving the trustees are set out in note 26.

PROJECT SPACE LEEDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

11. NET MOVEMENT IN FUNDS

Net movement in funds is stated after charging:

	31.3.18	31.3.17
	£	£
Audit fees	6,700	6,500
Auditors remuneration for non-audit work	2,200	2,100
Depreciation	80,793	79,002
Stock recognised as an expense	292,418	278,380
Loan interest paid	4,456	9,069

12. TAXATION

PSL Enterprises Limited has losses and short term timing differences of £116,372 (2017: £138,055) available to carry forward against future trading profits. A deferred tax asset of £8,884 (2017: £14,873) has been recognised on these amounts as the asset is deemed recoverable in the foreseeable future.

13. SURPLUS/ (DEFICIT) 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 £894,923 (2017: £880,290) and the deficit for the financial year was £75,450 (2017: £8,483 deficit).

14. TANGIBLE FIXED ASSETS

GROUP

	Leasehold property improvements £	Fixtures, fittings and equipment £	Total £
COST			
At 1 April 2017	434,732	252,756	687,488
Additions	-	18,238	18,238
At 31 March 2018	<u>434,732</u>	<u>270,994</u>	<u>705,726</u>
DEPRECIATION			
At 1 April 2017	139,161	104,859	244,020
Charge for the year	44,341	36,452	80,793
At 31 March 2018	<u>183,502</u>	<u>141,311</u>	<u>324,813</u>
NET BOOK VALUE			
At 31 March 2018	<u>251,230</u>	<u>129,683</u>	<u>380,913</u>
At 31 March 2017	<u>295,571</u>	<u>147,897</u>	<u>443,468</u>

PROJECT SPACE LEEDS**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018****14. TANGIBLE FIXED ASSETS - continued****CHARITY**

	Leasehold property improvements £	Fixtures, fittings and equipment £	Total £
COST			
At 1 April 2017	434,732	82,715	517,447
Additions	-	5,151	5,151
At 31 March 2018	<u>434,732</u>	<u>87,866</u>	<u>522,598</u>
DEPRECIATION			
At 1 April 2017	139,161	37,757	176,918
Charge for the year	44,341	13,975	58,316
At 31 March 2018	<u>183,502</u>	<u>51,732</u>	<u>235,234</u>
NET BOOK VALUE			
At 31 March 2018	<u>251,230</u>	<u>36,134</u>	<u>287,364</u>
At 31 March 2017	<u>295,571</u>	<u>44,958</u>	<u>340,529</u>

15. FIXED ASSET INVESTMENTS**CHARITY**

	Shares in group undertakings £
COST	
At 1 April 2017 and 31 March 2018	<u>1</u>
NET BOOK VALUE	
At 31 March 2018 and 31 March 2017	<u>1</u>

The charitable company owns 100% of the issued share capital of PSL Enterprises Ltd, company number 08246664. The address of its registered office is The Tetley, Hunslet Road, Leeds, LS10 1JQ. 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:

PROJECT SPACE LEEDS**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018****15. FIXED ASSET INVESTMENTS - continued**

	31.3.18 £	31.3.17 £
TURNOVER	938,167	924,637
Cost of sales	(576,301)	(545,591)
GROSS PROFIT	<u>361,866</u>	<u>379,046</u>
Administrative expenses	(349,171)	(313,099)
Other operating income	-	2,342
PROFIT FOR THE FINANCIAL YEAR	<u>12,695</u>	<u>68,289</u>
Fixed assets	93,549	102,939
Current assets	127,293	138,501
Creditors: amounts falling due within one year	(147,211)	(155,800)
Creditors: amounts falling due after more than one year	(117,572)	(142,276)
NET LIABILITIES	<u>(43,941)</u>	<u>(56,636)</u>

16. STOCK

	Group		Charity	
	31.3.18 £	31.3.17 £	31.3.18 £	31.3.17 £
Bar and kitchen stocks	17,347	17,740	-	-
	<u>17,347</u>	<u>17,740</u>	<u>-</u>	<u>-</u>

17. DEBTORS

	Group		Charity	
	31.3.18 £	31.3.17 £	31.3.18 £	31.3.17 £
Trade debtors	41,551	49,758	22,018	28,004
Amounts owed from group undertakings	-	-	16,805	28,515
Other debtors	24,597	42,819	15,713	27,806
Prepayments and accrued income	24,196	36,967	20,321	33,430
	<u>90,344</u>	<u>129,544</u>	<u>74,857</u>	<u>117,755</u>

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

PROJECT SPACE LEEDS**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018****17. DEBTORS – continued****ACCRUED GRANTS RECEIVABLE**

	Group £	Charity £
Accrued income at 1 April 2017	6,670	6,670
Income received in the year	(6,670)	(6,670)
Resources accrued in the year	3,662	3,662
Accrued income at 31 March 2018	<u>3,662</u>	<u>3,662</u>

2017 Comparatives**ACCRUED GRANTS RECEIVABLE**

	Group £	Charity £
Accrued income at 1 April 2016	5,975	5,975
Income received in the year	(5,975)	(5,975)
Resources accrued in the year	6,670	6,670
Accrued income at 31 March 2017	<u>6,670</u>	<u>6,670</u>

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

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	31.3.18	31.3.17	31.3.18	31.3.17
	£	£	£	£
Loans	(23,457)	(22,328)	-	-
Trade creditors	(24,899)	(19,648)	(4,951)	(5,862)
Social security and other taxation	(39,634)	(41,384)	(5,461)	(2,637)
Other creditors	(6,142)	-	(642)	-
Accruals and deferred income	(73,524)	(104,571)	(26,196)	(52,147)
	<u>(167,656)</u>	<u>(187,931)</u>	<u>(37,250)</u>	<u>(60,646)</u>

PROJECT SPACE LEEDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - continued

DEFERRED INCOME

	Group	Charity
	£	£
Deferred income at 1 April 2017	46,270	3,515
Resources deferred in the year	36,223	-
Resources utilised in the year	(37,650)	(3,515)
Deferred income at 31 March 2018	<u>44,843</u>	<u>-</u>

2017 Comparatives

	Group	Charity
	£	£
Deferred income at 1 April 2016	48,842	24,422
Resources deferred in the year	45,102	3,515
Resources utilised in the year	(47,674)	(24,422)
Deferred income at 31 March 2017	<u>46,270</u>	<u>3,515</u>

Deferred income at 31 March 2018 relates to events which are to take place in the following period but which have been received in advance. The amounts are included within accruals and deferred income above.

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

	Group		Charity	
	31.3.18	31.3.17	31.3.18	31.3.17
	£	£	£	£
Loans	<u>(117,572)</u>	<u>(142,276)</u>	<u>-</u>	<u>-</u>

Included within loans above is £12,451 (2017 - £41,671) 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 4% over the bank's base rate.

20. PENSION COMMITMENTS

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company. At the year end pension contributions of £704 (2017 - £Nil) were outstanding.

21. FUNDS HELD AS AN AGENT

During the year the charity received funds of £13,473 (2017 - £Nil) to be held as an agent for an artist. Funds were paid out totalling £6,053 (2017 - £Nil) leaving a balance of £7,420 (2017 - £Nil) held on behalf of the artist at the year end.

PROJECT SPACE LEEDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

22. FUNDS: GROUP & CHARITY

GROUP	Balance at 1 April 2017 £	Incoming resources £	Resources expended £	Transfers between funds £	Balance at 31 March 2018 £
Restricted funds	65,271	181,866	(213,746)	(1,898)	31,493
Endowment fund	128,333	-	(19,250)	-	109,083
Unrestricted funds	221,916	1,516,032	(1,527,657)	1,898	212,189
TOTAL FUNDS GROUP	<u>415,520</u>	<u>1,697,898</u>	<u>(1,760,653)</u>	<u>-</u>	<u>352,765</u>

CHARITY	Balance at 1 April 2017 £	Incoming resources £	Resources expended £	Transfers between funds £	Balance at 31 March 2018 £
Restricted funds					
Esmee Fairbairn	-	70,000	(70,000)	-	-
After School Club	4,775	5,000	(4,775)	-	5,000
Play Sculpture	24,200	5,000	(28,207)	-	993
Leeds City Council Arts Funding	-	24,700	(24,700)	-	-
Youth Forum	16,474	-	(16,474)	-	-
Equipment Funds	12,652	-	-	(1,898)	10,754
Carnival Exhibition	-	20,766	(20,766)	-	-
Ambition for Excellence	-	52,618	(38,870)	-	13,748
Other restricted funds	7,170	3,782	(9,954)	-	998
	<u>65,271</u>	<u>181,866</u>	<u>(213,746)</u>	<u>(1,898)</u>	<u>31,493</u>
Endowment fund					
The Tetley capital funding	128,333	-	(19,250)	-	109,083
Unrestricted funds					
Project Space Leeds	138,553	713,057	(716,377)	1,898	137,131
Assets purchased with capital grants	140,000	-	(21,000)	-	119,000
	<u>278,553</u>	<u>713,057</u>	<u>(737,377)</u>	<u>1,898</u>	<u>256,131</u>
TOTAL FUNDS CHARITY	<u>472,157</u>	<u>894,923</u>	<u>(970,373)</u>	<u>-</u>	<u>396,707</u>

PROJECT SPACE LEEDS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

22. FUNDS: GROUP & CHARITY - continued

2017 Comparatives

GROUP	Balance at 1 April 2016 £	Incoming resources £	Resources expended £	Transfers between funds £	Balance at 31 March 2017 £
Restricted funds	60,525	139,603	(132,861)	(1,996)	65,271
Endowment fund	147,583	-	(19,250)	-	128,333
Unrestricted funds	147,606	1,533,140	(1,460,826)	1,996	221,916
TOTAL FUNDS GROUP	<u>355,714</u>	<u>1,672,743</u>	<u>(1,612,937)</u>	<u>-</u>	<u>415,520</u>

CHARITY	Balance at 1 April 2016 £	Incoming resources £	Resources expended £	Transfers between funds £	Balance at 31 March 2017 £
Restricted funds					
Esmee Fairbairn	-	70,000	(70,000)	-	-
After School Club	15,025	-	(10,250)	-	4,775
Play Sculpture	10,000	15,000	(800)	-	24,200
Leeds City Council Arts Funding	-	24,700	(24,700)	-	-
Youth Forum	35,000	-	(18,526)	-	16,474
Equipment Funds	-	15,000	(352)	(1,996)	12,652
Other restricted funds	500	14,903	(8,233)	-	7,170
	<u>60,525</u>	<u>139,603</u>	<u>(132,861)</u>	<u>(1,996)</u>	<u>65,271</u>
Endowment fund					
The Tetley capital funding	147,583	-	(19,250)	-	128,333
Unrestricted funds					
Project Space Leeds	103,025	740,687	(715,662)	10,503	138,553
Assets purchased with capital grants	169,507	-	(21,000)	(8,507)	140,000
	<u>272,532</u>	<u>740,687</u>	<u>(736,662)</u>	<u>1,996</u>	<u>278,553</u>
TOTAL FUNDS CHARITY	<u>480,640</u>	<u>880,290</u>	<u>(888,773)</u>	<u>-</u>	<u>472,157</u>

PROJECT SPACE LEEDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

22. FUNDS: GROUP & CHARITY - continued

DESCRIPTION AS TO THE PURPOSES OF EACH FUND

Unrestricted 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 reserves of £43,942 (2017 -£56,637) this is due to a combination of start-up costs and losses incurred in initial trading.

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

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.

After School Club funding has been received from Igen to fund a regular free after school club held at the Tetley for children from local schools.

Leeds City Council Arts Funding is part of a regular Arts@Leeds funding agreement to support the general work of The Tetley. This has been treated as restricted in line with the funding agreement.

Youth Forum funds are received from the Paul Hamlyn Foundation and are being used to develop and run a new Youth programme for young people at The Tetley.

Esmee Fairbairn funds are received to support the charity's staff costs.

Play Sculpture funds have been received to enable the realisation of some outside play sculpture.

The Equipment Fund has been funded by the Foyle Foundation to enable the charity to purchase specialist technological equipment.

Ambition for Excellence funding relates to projects funded by Arts Council's Ambition for Excellence for a programme of cultural exchange between the North of England and South Asia. The programme supports a range of projects from artist's residencies, staff development, exhibitions and educational projects.

Carnival Exhibition funding was provided through Leeds West Indian Carnival to support our Carnival Exhibition at The Tetley.

23. FINANCIAL INSTRUMENTS

	Group		Charity	
	31.3.18	31.3.17	31.3.18	31.3.17
	£	£	£	£
Financial assets that are debt instruments measured at amortised cost	<u>60,195</u>	<u>80,641</u>	<u>56,714</u>	<u>86,021</u>
Financial liabilities measured at amortised cost	<u>200,569</u>	<u>242,552</u>	<u>31,608</u>	<u>54,493</u>

PROJECT SPACE LEEDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

24. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 March 2018 are represented by:

GROUP	Unrestricted funds £	Restricted funds £	Endowment fund £	Total funds £
Tangible fixed assets	271,830	-	109,083	380,913
Current assets	225,387	31,693	-	257,080
Current liabilities	(167,456)	(200)	-	(167,656)
Long term liabilities	(117,572)	-	-	(117,572)
TOTAL NET ASSETS	212,189	31,493	109,083	352,765

CHARITY	Unrestricted funds £	Restricted funds £	Endowment fund £	Total funds £
Tangible fixed assets	178,282	-	109,083	287,365
Current assets	114,899	31,693	-	146,592
Current liabilities	(37,050)	(200)	-	(37,250)
Long term liabilities	-	-	-	-
TOTAL NET ASSETS	256,131	31,493	109,083	396,707

2017 Comparatives

Fund balances at 31 March 2017 are represented by:

GROUP	Unrestricted funds £	Restricted funds £	Endowment fund £	Total funds £
Tangible fixed assets	315,135	-	128,333	443,468
Current assets	236,988	65,271	-	302,259
Current liabilities	(187,931)	-	-	(187,931)
Long term liabilities	(142,276)	-	-	(142,276)
TOTAL NET ASSETS	221,916	65,271	128,333	415,520

CHARITY	Unrestricted funds £	Restricted funds £	Endowment fund £	Total funds £
Tangible fixed assets	212,197	-	128,333	340,530
Current assets	127,002	65,271	-	192,273
Current liabilities	(60,646)	-	-	(60,646)
Long term liabilities	-	-	-	-
TOTAL NET ASSETS	278,553	65,271	128,333	472,157

PROJECT SPACE LEEDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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

The company has taken advantage of the exemption in Financial Reporting Standard number 102 from the requirement to disclose the transactions with group companies on the grounds that they are wholly owned.

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.

The group made purchases from Northern Bloc Limited (a company in which D Mischendahl, spouse of trustee P Hale, is a director and shareholder) £96 (2017: £2,268). At the year end the group owed £Nil (2017: £Nil) to Northern Bloc Limited.

The group made purchases from Ross & Cashmore (a company in which D Mischendahl, spouse of P Hale and P Hale, a trustee, are directors) for D Mischendahl's time of £Nil (2017: £18,000). At the year end the group owed £Nil (2017: £Nil) to Ross & Cashmore.

West and North Yorkshire Chamber of Commerce (a company in which G Jennings, a trustee, is a director) made purchases from the group totalling £722 (2017: £959). During the year the group purchased £467 (2017: £394) for membership. At the year end the group owed £Nil (2017: £Nil) to West and North Yorkshire Chamber of Commerce.

The group made purchases from BHHS Bakery (a company in which J Straight, a trustee, is a director) of £8,344 (2017: £7,269). At the year end the group owed £35 (2017: £Nil) to BHHS Bakery.

Engage (a company in which Dawn Cameron, a trustee, is the extend programme co-ordinator) made purchases from the group totalling £333 (2017: £3,876). At the year end the group owed £Nil (2017: £Nil) to Engage.

We Are Ive (a company in which J Straight, a trustee, is a Director) made purchases from the group totalling £411 (2017: £630). At the year end the company owed the group £94 (2017: £Nil).

Straight Charitable Trust (a Trust in which J Straight, a trustee, is a Trustees) made a donation to the group totalling £1,500 (2017: £Nil). At the year end the company owed the group £Nil (2017: £Nil).

The number of donations received from related parties during the year totalled 1 (2017 – 0)

PROJECT SPACE LEEDS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

27. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2018 £	2017 £
Cash flows from operating activities		
Net (expenditure) / income for the financial year	(62,755)	59,806
Adjustments for:		
Depreciation of tangible assets	80,793	79,002
Interest received	(10)	(19)
Interest paid	4,456	9,069
Decrease / (increase) in trade and other debtors	39,200	(49,077)
Decrease / (increase) in stocks	393	(1,189)
Decrease in trade and other creditors	(20,286)	(9,574)
Net cash generated from operating activities	<u>41,791</u>	<u>88,018</u>