

Edinburgh Printmakers Limited

(Company Limited by Guarantee)

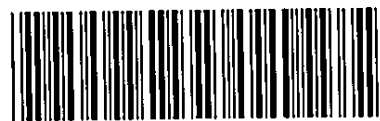
Report and accounts

Company number SC044723

Scottish Charity number SC009015

31 March 2013

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Directors' report

The directors, who are also trustees for the purposes of charity law, present their report and accounts of the charity for the year ended 31 March 2013.

Reference and Administrative Information

Charity name	Edinburgh Printmakers
Scottish Charity number	SC009015
Company number	SC044723
Registered office	23 Union Street Edinburgh EH1 3LR
Patron	Alan Davie CBE HRSA Hon D.Lit.
Directors	Alastair Snow (Chair) Lesley Logue (Vice Chair) Lynne Higgins (Treasurer: resigned 17/12/2012) Marlene Wood (Treasurer: appointed 17/12/2012) Gordon Boyd (resigned 17/12/2012) Jessica Crisp (appointed 17/12/2012) David Faithfull Anne Forte (resigned 17/12/2012) Andrea Geile (appointed 17/12/2012) Robert Jack (appointed 17/12/2012) Kittie Jones (appointed 17/12/2012) James Nelves (appointed 17/12/2012) Kelly Stewart
Company secretary	Lindsays
Chief executive	Sarah Price
Auditors	Henderson Loggie 34 Melville Street Edinburgh EH3 7HA
Bankers	Bank of Scotland 6 Picardy Place Edinburgh EH1 3JT

Directors' report

Structure, governance and management

Governing document

Edinburgh Printmakers Limited ("Edinburgh Printmakers") is a charitable company limited by guarantee, incorporated on 19 June 1967 and registered as a charity on 11 March 1988. The Company is established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. Edinburgh Printmakers is a membership company. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

Recruitment and appointment of the Board

The directors of the company comprise the Board and they are also charity trustees for the purposes of charity law. Under the requirements of the Memorandum and Articles of Association the directors are elected to serve for a period of three years after which time they may, upon offering themselves for re-election, be re-elected at the next Annual General Meeting to serve a further 3 years. The maximum duration any trustee can serve is 9 years.

Edinburgh Printmakers seeks to maintain and develop its position at the forefront of contemporary printmaking practice by ensuring the Board is made up of appropriately skilled and experienced individuals.

New directors are recruited to Edinburgh Printmakers board of directors by the current directors on a voluntary basis from within the organisation's membership and from external commercial and not for profit establishments, organisations and companies. Directors are selected on the basis of skills and expertise gained in their professional occupations, therefore bringing to the Board management knowledge and expertise directly linked to their profession, organisation or employers area of operations. Following a periodic skills audit potential new members are sought to ensure skills coverage. The Board abide by a Code of Conduct in relation to Conflict of Interest whereby "A member of the Board should explicitly withdraw from involvement in any discussion, action or decision where there would be reasonable public perception that they would be influenced in their actions by the history of their relationship with a particular organisation, company, individual service provider or member of staff". The Chair is responsible for ensuring both the code of conduct and the conflict of interest policies are operated effectively throughout the year. In respect of these and other OSCR duties and responsibilities Board operations are monitored externally through a number of mechanisms including 'observers' from the City of Edinburgh Council attending board meetings.

The Board has a range of expertise in key areas including senior level organisational and financial management, law, property development, printmaking practice, contemporary arts, arts development and arts education. Members of Edinburgh Printmakers paid staff, including the chief executive, are present as ex officio members for advisory and reporting purposes only.

The Board reviews its performance annually and reports on this and forthcoming targets to members at the annual AGM. In terms of enrolment to the Board, new directors may be recommended and adopted to the Board at any Board meeting during the year, however, they must be voted onto the Board by the membership at the Annual General Meeting.

In addition to quarterly Board meetings, directors each sit on specific working groups and attend regular meetings to plan, implement, monitor and review operational developments in key areas of Artistic Programming, Organisational Development, Financial Management, Sales and Marketing. Each working group is attended by staff responsible for implementation.

Director induction and training

New directors are given an induction pack consisting of an executive summary of the business plan, last set of audited accounts, guidance for trustees – roles and responsibilities, Memorandum and Articles of Association and are given a tour of the organisation. Continued development is encouraged through provision of at least two Board Development days and the opportunity to take part in aspects of the organisation's education and interpretation programme.

Directors' report *(continued)*

Structure, governance and management *(continued)*

Risk management

Edinburgh Printmakers has identified organisational risks which are assessed, reviewed, managed, monitored and communicated by the CEO and Board quarterly. The organisations quarterly board meetings are the principle vehicle through which the organisation manages key risks to the business relating to: legislative risk, transparency, reporting and communications risk, conflict of interest, breach of duty in relation to charitable purposes, acting with care and diligence, creating purpose, developing people, operational systems, processes and policies.

On-going operational risks are assessed and reviewed on a quarterly basis and managed by staff, communicated through staff meetings. Key organisational risks are carried through to an operational level. For example at operational level legislative risk is assessed in terms of a multitude of legal obligations such as Health and Safety within the organisation, which would be reviewed still further at this level in terms of Fire Protection, Security Protection, First Aid Policies, Environmental Policy etc. which drill down to measures to mitigate, so in the Fire Protection risk category steps to mitigate such as staff training, purchase of adequate insurance covers, installation of fire extinguishers, evacuation planning, fire drills etc. are managed.

The Board has assessed the major risks to which the company is exposed in particular those relating to the finances of the company including continued financial support from Creative Scotland, security of tenure and adherence to Health and Safety and Employment Law legislation and are satisfied that steps have been taken to reduce the probability of the risk threat in the first instance, to implement corrective actions in order to avoid threats.

The continued development of improved systems of reporting are recognised as being a significant area of activity to enable financial planning and strategic decision making.

Security of Tenure is secured in the short term but remains a mid to long term objective. The Board are continuing to explore options available to them to secure long term occupation of a building fit for purpose within the means of the organisation.

To comply with Health and Safety and Employment Law legislation, the Board ensures adequate training is in place for staff to whom they delegate responsibility.

Reserves policy

The Board has established a policy whereby the unrestricted reserves not committed or invested in tangible fixed assets ('the free reserves') held by the company should be four months of the resources expended which equates to approximately £100,000 in general reserves. At this level, the Board would feel able to manage a significant drop in funding. At present there are "free reserves" of £84,215, of which £50,000 has been transferred to a Designated Reserve for Operational Expenditure Reserve.

Organisational structure

Edinburgh Printmakers has a Board, which comprises the directors and is attended by the chief executive, which meets quarterly and is responsible for the strategic planning of the organisation. Board members make up three working groups where they serve alongside staff members to design, implement, monitor and review development plans. The chief executive and her assistant are responsible for the implementation of all plans, managing a small team of nine additional staff, ten interns and in this financial year one government assisted 6 month internships ensuring the on-going training and development of staff and maintenance of best practice in all areas of operation.

Directors' report *(continued)*

Structure, governance and management *(continued)*

Management

Day to day management of Edinburgh Printmakers is delegated to the chief executive, Sarah Price, communicated via the company's Business Plan. Whilst operational duties are delegated to staff, the Board is responsible for authorising policy development and business implementation plans agreeing how best to realise targets through the authorisation of resource allocation to be managed by the CEO: the ultimate responsibility for every aspect of the company's operation lies with the Board. The chief executive and her staff have normal powers to make work plans, manage budgets and so on, but all matters of principle, strategy and financial planning are referred to regular meetings of the Board.

A Finance Working Group involving the chief executive, finance administrator, the nominated Board representative and the company's professional accountant meet quarterly to monitor and review financial management reports, analyse budget management, assess funding targets and prepare reports to the Board on on-going financial matters. The company strives to maintain a qualified CA on the Board to monitor financial management.

The Organisational Development Working Group involving the chief executive, chair, vice chair and members of the Board with development experience meet to undertake business planning, facilities and resources planning including HR structure, resource investment and service development planning. In 2012-13 the main role of this group was to focus on the furtherance of capital development ambitions.

The Artistic Policy Working Group involving the chief executive, gallery & studio staff and three members of the Board assist with the development of the artistic policy and exhibition programme. Reflecting the organisational strategy to produce and promote excellence in contemporary fine art printmaking.

Objects of the charity and principal activities

The charity is constituted as a company limited by guarantee and is therefore governed by its Memorandum and Articles of Association.

Edinburgh Printmakers is about supporting artistic excellence in the medium of print through inspiration, education, innovation and facilitation. Our mission is to be a vital and dynamic organisation working at the cutting edge of contemporary visual art, producing pioneering and innovative artwork with leading and emerging artists and functioning as a key agent in the cultural life of Scotland.

The plan for 2012-13 aimed to bring about modest growth and development in a market challenged by recession, to develop the companies capacity to deliver the longer term ambition to invest in capital development, and to improve artistic policy quality and reach :-

- to provide opportunities, facilities, resources, services for artists working within the medium of print, **to develop Talent**
- to produce high quality new commissions in print, **quality Artistic Production**
- to promote printmaking through education, catering for all levels of ability, **Education**
- to develop audiences for contemporary printmaking more widely, to support wider community engagement, **Access and Participation**
- to increase International working and visibility, **International Development**
- to integrate **Equalities** planning into the development, delivery and monitoring of all programmes of work
- to develop our business productivity and market in order to offer better public value, to develop artist career opportunities, building resilience in the sector, to be a major contributor to the **Cultural Economy** of Scotland.

Directors' report *(continued)*

Objects of the charity and principal activities *(continued)*

Services on offer include a well-equipped printmaking facility and highly specialised staff who support all kinds of practical participatory printmaking by professional and semi-professional artists, hobbyists, education groups and community groups. The staff team of master printmakers support leading artists to create world class contemporary art prints, they deliver an extensive accessible education programme accommodating people at entry level through to highly specialised abilities and offer on-going informal support to members in the day to day use of the facilities.

A year round exhibitions programme is delivered in our exemplar gallery space attracting both visitors to the city and residents. Touring exhibitions of Edinburgh Printmakers published prints and members work are promoted to national and international arts organisations, commercial and public sector venues. The ground floor is focused on the retail of prints offering an outlet for hundreds of different styles of print by artist members, showcasing artist member's work and Edinburgh Printmakers recent publications. Print sales from the gallery are made up of artist member's prints and prints published by Edinburgh Printmakers both kinds of work generate valuable income for the organisation and a share of the sale of artists' consigned prints goes back to the artist.

In the gallery and studio, artist led events like talks and demonstrations as well as events that support continued development in artistic practice, education courses and community outreach activities are delivered throughout the year promoting understanding of printmaking processes, sharing the enjoyment of participation in this accessible and diverse form of visual communication and providing the conditions for printmaking to be visible within the context of contemporary art practice nationally and internationally.

Edinburgh Printmakers continues to maintain an archive of national significance that consists of 1 or 2 copies of every published work produced at Edinburgh Printmakers since 1970.

The charity is supported by Creative Scotland and the City of Edinburgh Council.

Achievements and performance

In terms of on-going sustainability Edinburgh Printmakers was successful at attracting two years of Foundation Funding from Creative Scotland at a standstill level covering 2012-13 and 2013-14. In addition Edinburgh Printmakers was awarded significant project funding for partnership projects: a significant programme of work off-site in 2012 in the Scottish Borders at Traquair House and an ambitious international artist residency programme for 2013-14 in partnership with 4 other Scottish Print Studios.

Edinburgh Printmakers made a successful bid to Creative Scotland's large scale capital winning a provisional award of £1,732,075 pending a completed stage 2 programme of work. CEO and Board worked on strengthening the board for capital development work, stakeholder communications, business plan and feasibility testing of multiple capital development site options.

This year our most successful exhibitions in terms of visitor figures and press visibility were curated group exhibitions with a rigorous and engaging/topical theme that included the work of renowned international artists. These exhibitions had innovative and appealing curated events programmes and took place over the Summer and early Autumn months. *Cheer Up!* was programmed during July and August and therefore benefitted from the exponential increase in visitors to Edinburgh attending the various festivals.

Those exhibitions with more limited appeal were those that had little or no curatorial input or theme and where EP had no control over the selection and quality of the work, either because it was part of an exchange agreement or because it was curated externally. The least popular exhibition this year included international artists generally unknown to our audiences. These exhibitions took place in the Winter and early Spring months.

Our graduate commission exhibition *New Print Generation* was not as successful as we hoped in terms of quality. This was due to the under developed and unfocussed practice of some of the artist graduate participants.

For the first time this year our members open submission exhibition was one of our least attended exhibitions and attracted below average sales for the time of year. This exhibition is usually well attended with high sales via the Xmas market. In an attempt to increase the quality of our programming we changed the Winter exhibition slot from a

general open submission model to an open submission curated thematic exhibition. In the first 2 years this new approach attracted more visitors and press coverage and maintained the high sales expected at this time of year. However this year saw a marked decline in all three areas. On reflection this could be because the theme was unpopular or that the Xmas market was adversely affected by the current economic climate.

We continued to increase the number of events programmed in the last 12 months, curating and programming 40 eclectic in-house events including preview events, talks, lectures, workshops, readings, screenings, demonstrations, children's art workshops, storytelling art workshops, auctions, bug lunches, multiples markets, open days, critique events and more... A new niche marketing strategy has enabled us to increase audience participation in these events raising the profile of the organization and increasing visibility. Lectures and children's events have been very popular and the feedback has been that audiences want more of these style events.

Disappointingly, visitor figures for the gallery dropped by 12% from 10,102 to 8,888 due to a drop in visitors to certain exhibitions, that proved to be less popular. With the exclusion of the Festival exhibition which did reach the target, all of the other exhibitions failed to reach a target audience of 1400 visitors and 4 of the years exhibitions out of 6 were below a desirable performance level in terms of visitor figures.

The introduction of audience events and a wider range of activities helped these figures as events have been well attended universally. This further reinforces that general, informal, visits were drastically down. An artistic review to assess programming decisions has been undertaken and a number of recommendations presented to the programming group.

Income from sales of prints and lower cost artworks and shop stock fell 13% in this financial period against the previous years performance, a drop in sales income of £9,784. This disappointing outcome occurred even though the volume of sales was 25% higher, illustrating a customer trend of buyers choosing to purchase lower unit cost artworks. Compounding the issue of a reduced average price point, the wider economic conditions are impacting previous target markets such as the Edinburgh Financial Services and we are experiencing poor demand at auctions, traditionally quite lucrative avenues for realizing value of older stock. The spring auction held at Edinburgh Printmakers was the exception raising £5,758. In other areas, touring exhibition hire fees failed to meet target despite increased investment in promotion. The service is also showing decreased demand where the target market, local authority public services such as libraries, schools and municipal galleries, have pressure on budgets and reduced scope.

We launched a new e-commerce web site in June 2012 but sales income has been under-whelming to the end of the financial year under review. New visitors to the site continue to fuel an overall steady growth in monthly visitors to the EP website last qtr avg 8000 per month and social media marketing such as Facebook attracting significant numbers of over 900 per month, this success due to well maintained content has yet to be fully converted into e-commerce success, to increase gallery visitors generally or to make a significant difference to general sales however, despite this, the quality of this improved communication tool and the longer term benefits it will have in maintaining audiences and attracting new customers is hard to dispute. Continued investment in Marketing expenditure gave positive outcomes in terms of increased visibility in the paper press and online media, increased customer contact and higher levels of engagement with online information. Although not yielding the increased visitors or sales we had hoped for, Edinburgh Printmakers profile was very high at key times during the year in association with 3 high quality exhibition programmes, Cheer Up, Again A Time Machine and Reflective Histories at Traquair.

In the studio full membership rose to 201 members, who undertook 4471 sessions in the studio, there was a drop in capacity usage in screenprinting and etching which were both operating at near or exceeding capacity levels and needed to be reduced and there was a rise in capacity usage in relief and lithography where there is more capacity for usage to grow.

A relatively small number of 7 new print edition commissions were produced to form part of the main exhibitions programme, as significant resources were put into the production of 7 new print editions and 7 site specific commissions produced for a partnership off-site project at Traquair House, Innerleithen in the Scottish Borders. The Traquair exhibition which took place throughout the summer months from July to September attracted 11,600 visitors, 257 attendances at events and 159 young people took part in a school visit and artist talk and workshop.

Also in the studio 58 advertised education courses were delivered to 276 people, 6 additional customized courses were delivered alongside 4 bespoke learning experiences for a more diverse participant and 57 people opted for private 1:1 studio training up from 35 in the previous year.

Edinburgh Printmakers studio staff delivered 12 contract print editions for external clients, somewhat less than the 23 of the previous year again reflecting the difficult market conditions now baring down on all aspects of income generating activities, resulting in income of £15,400 compared to £18K in 2011-12.

Whilst steps were taken to address an expected shortfall from gallery activity through key investments in marketing capacity and reach in both promotional and sales development terms, attendance at art fairs and investment in audience development through the events programme, unfortunately these initiatives were not enough to exceed or achieve budgeted income for gallery activity sales resulting in a deficit in income of £31,564 for the year. This was substantially more than the anticipated budget deficit of £15,256. In addition, slightly higher administration costs arose in connection with the capital development project. The impact of these has been to reduce the unrestricted general reserves balance at the end of the year, which has dropped £38,933 from £73,148 to £34,215.

Financial review

The results for the year are set out on page 13. The principal source of funds raised continues to come from Creative Scotland for the delivery of an annual public service contract agreed on a 3 yearly cycle, with the Creative Scotland revenue grant providing core funding of £160,000 and a grant from the City of Edinburgh Council of £11,546. The balance of income £303,267 is self-generated through strategic mission driven charitable activities. Payroll costs accounted for £212,733 increased from £194,993 in 2011-12, 44% of total expenditure, 5% less than the previous years 49% of outgoing resources. The remainder of costs comprise overheads such as premises and office costs, marketing, insurance, irrecoverable VAT and depreciation, and miscellaneous support costs aligned to activity delivery across the company.

Plans for future periods

Edinburgh Printmakers strategic priorities for the forthcoming year reflect an organisation striving to perform in all aspects of artistic programming whilst maintaining increased investment in marketing communications and staff capacity to increase sales income to subsidise it.

Strategically the year ahead will involve substantial senior officer time dedicated to furthering the large scale capital development ambitions of the company. Substantial Board and CEO time will be extended on capital programme research and development, fundraising, feasibility testing, new business stream planning and stakeholder communications.

Our plans include the following priorities:

- Continued capital development efforts to secure support and significant investment to develop the studio and gallery as a national centre of excellence for printmaking: ensuring a sustainable business that is fit for purpose emerges, one that meets the aspirations of service users, key investors and potential new users.
- Undertake development appraisal, design scheme development, new business feasibility study, business plan review, activities programme review as part of Heritage Lottery bid for redevelopment of NBRC building in Fountainbridge.
- Deliver funded partnership projects that increase demand for publishing services, increase visibility and invest in curatorial excellence.
- Develop interim sustainable development strategy, attract funding to support organisation through change. Initiate fundraising campaign for capital development, develop more pro-active approach to attracting core service sponsorship.
- Sales Strategy – expanding product range in shop and reviewing shop display layout, continued off-site sales promotions, investment in web site SEO and commercialisation design amendments, select more lower cost prints to take to art fairs.

- Research market demand for new types of studio courses aimed at target audience groups, maintain existing levels of provision to existing audience target group, throughout the year; target public funds to increase restricted project income for education outreach and interpretation developing closer links with the local community; attract investment to deliver Diversities targets through subsidised activities programme, develop a dedicated audience development internship.
- Develop contract print promotional material to target European commercial gallerists with Scottish artist links.
- To continue to create partnerships to market published print editions alongside attendance at international art fairs; To research a strategy for the expansion of sales outlets, developing partnerships with key arts organisations and exploring commercial sector opportunities; develop Touring Exhibitions partners.
- Develop a well promoted, high quality exhibitions and events programme in reconfigured gallery spaces; maintain increased resource investment to ensure consistent high quality of artistic programme; develop alternative funding streams for programme through funding and sponsorship.
- Undertake artistic review, prepare recommendations to the Board for continued quality development in programming.
- Professional and organisational development through apprenticeship, mentoring, and training.
- Continued investment in digital development project.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005) and in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities.

Approved by the Board on 10 September 2013 and signed on its behalf by:



Alastair Snow
Chairman



HENDERSON LOGGIE

Chartered Accountants

34 Melville Street
Edinburgh
EH3 7HA
United Kingdom

Independent Auditor's Report to the Trustees and Members of Edinburgh Printmakers Limited

We have audited the financial statements of Edinburgh Printmakers for the year ended 31 March 2013 which comprise the Statement of Financial Activities, the Balance Sheet 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 exclusively to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charity's trustees, as a body in accordance with Section 44(1)(c) of the Charities and Trustees Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the company's members and the charity's trustees 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 charity's members as a body and its trustees 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 statement of trustees' responsibilities, the trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that the financial statements give a true and fair view.

We have been appointed auditors under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report to you in accordance with those Acts.

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). These Standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors in the circumstances set out in note 20 of the financial statements.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequate disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we need all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Independent Auditor's Report to the Trustees and Members of Edinburgh Printmakers Limited (continued)

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2013 and of its 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; and
- have been prepared in accordance with the Companies Act 2006; the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

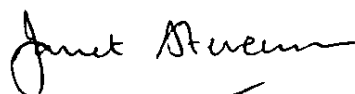
Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- the charitable company has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Report.



Janet Stevenson (Senior Statutory Auditor)

*for and on behalf of Henderson Loggie Statutory Auditors
(Eligible to act as an auditor in terms of section 1212 of the Companies Act 2006)*

34 Melville Street
Edinburgh
EH3 7HA

10 September 2013

Statement of financial activities
(including income and expenditure account)
for the year ended 31 March 2013

	<i>Note</i>	Unrestricted Funds 2013 £	Designated Funds 2013 £	Restricted Funds 2013 £	Total Funds 2013 £	Total Funds 2012 £
Incoming resources						
Incoming resources from generated funds						
Voluntary income	2	171,880	-	2,701	174,581	178,859
Funds raised by the Board		-	-	5,758	5,758	476
Incoming resources from charitable activities	3	178,199	-	116,275	294,474	210,169
Total incoming resources		350,079	-	124,734	474,813	389,504
Resources expended						
Costs of generating funds raised by the Board		1,218	-	-	1,218	6
Charitable activities	5	371,893	-	91,173	463,066	388,694
Governance costs	6	14,363	-	-	14,363	9,237
Total resources expended		387,474	-	91,173	478,647	397,937
Net incoming/(outgoing) resources before transfers		(37,395)	-	33,561	(3,834)	(8,433)
Transfers between funds		(1,538)	-	1,538	-	-
Net movement in funds	4	(38,933)	-	35,099	(3,834)	(8,433)
Funds brought forward		73,148	50,000	12,133	135,281	143,714
Funds carried forward	11	34,215	50,000	47,232	131,447	135,281

The statement of financial activities includes all gains and losses in the year. All incoming resources and resources expended derive from continuing operations.

Balance sheet
at 31 March 2013

	<i>Note</i>	2013 £	2013 £	2012 £	2012 £
Tangible fixed assets	8		54,929		69,344
Current assets					
Stocks		44,716		44,052	
Debtors	9	34,969		23,206	
Bank and cash		49,844		45,061	
		<u>129,529</u>		<u>112,319</u>	
Creditors: amounts falling due within one year	10	<u>(53,011)</u>		<u>(46,382)</u>	
Net current assets			76,518		65,937
Net assets			<u>131,447</u>		<u>135,281</u>
Funds					
Restricted	11		47,232		12,133
Unrestricted					
General Funds	11		34,215		73,148
Designated Funds	11		50,000		50,000
			<u>131,447</u>		<u>135,281</u>

The directors are satisfied that the company is entitled to exemption under section 477 of the Companies Act 2006 and that no members have formally requested an audit in accordance with the provisions in section 476 of the Act.

The directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with section 386 of the Companies Act 2006; and
- preparing accounts which give a true and fair view of the state of affairs of the company at the end of the financial year and of its surplus or deficit for the financial year in accordance with the requirements of section 396 of the Companies Act 2006, and which otherwise comply with the requirements of this Act relating to accounts, so far as is applicable to the company.

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

Approved by the Board of Directors on 10 September 2013 and signed on its behalf by:

Alastair Snow

Alastair Snow
Chairman

Notes

1. Accounting policies

(a) *Basis of preparation*

The accounts have been prepared under the historical cost accounting rules and in accordance with applicable accounting standards, the Statement of Recommended Practice – "Accounting and Reporting by Charities" (SORP 2005 as amended) issued in March 2005 and comply with the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006.

The accounts have been prepared on the going concern basis which assumes the company will continue in operational existence for the foreseeable future. The company's ability to continue in operational existence depends on continuing and sufficient funding support.

Core funding has been secured from Creative Scotland and from City of Edinburgh Council and from other bodies and the directors believe that there is sufficient funding in place to cover operational costs for the next 12 months.

(b) *Incoming resources*

All incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Voluntary income is received by way of grants and donations and is included in full in the Statement of Financial Activities when receivable.
- Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant. Where grants are related to performance and specific deliverables, these are accounted for as the charity earns the right to consideration by its performance.
- Donated services and facilities are included at the value to the charity where this can be quantified.
- Investment income is included when receivable.

(c) *Resources expended*

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered.

- Costs of generating funds are those incurred in relation to funds raised by the Board.
- Governance costs comprise those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.
- All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly. Salary costs are allocated on the basis of time spent.

Notes (continued)

1. Accounting policies (continued)

(d) Fixed assets

There is no de-minimus level for capitalisation. Assets which are considered to have a re-sale value were the charity to cease are capitalised at cost in the accounts. Depreciation is provided on tangible fixed assets, at rates calculated to write off the cost less estimated residual value of each asset evenly over its expected useful life. The archive held by the company, having been created at no cost is carried at £Nil net book value and is not depreciated. Depreciation on other assets is as follows:

Tenant's improvements - over the term of the lease
Equipment and fittings - 4 to 10 years

(e) Stock

Stocks comprise prints, frames, and various other art materials and are valued at the lower of cost and net realisable value.

(f) Gift vouchers

Gift vouchers are provided for when purchased and credited to the Statement of Financial Activities upon the earlier of either the voucher being redeemed or five years after the date of issue.

(g) Rentals

Rentals paid under operating leases are charged to the Statement of Financial Activities as they are incurred.

(h) Fund accounting

Unrestricted funds are available for use at the discretion of the Board in furtherance of the general objectives of the charity.

Designated funds are unrestricted funds which have been earmarked by the Board for particular purposes.

Restricted funds are subject to restrictions on their expenditure imposed by the donor or grant provider.

2. Incoming resources from generated funds

	Unrestricted	Restricted	Total	Total
	2013	2013	2013	2012
	£	£	£	£
<i>Voluntary income</i>				
The City of Edinburgh Council – Core funding	11,546	-	11,546	11,546
Creative Scotland – Core funding	160,000	-	160,000	160,000
B. Sleight – Iceland	-	-	-	1,197
Skills Development	-	2,701	2,701	2,052
Donations	334	-	334	580
Sasa Kawa – Paul Furneaux	-	-	-	3,484
	<u>171,880</u>	<u>2,701</u>	<u>174,581</u>	<u>178,859</u>

Notes (continued)

3. Incoming resources from charitable activities

	Unrestricted	Restricted	Total	Total
	2013	2013	2013	2012
	£	£	£	£
Service and session fees	109,174	-	109,174	112,319
Recharged materials	22,713	-	22,713	23,566
Sale of prints and frames and shop sales	66,060	-	66,060	75,844
Payments to artists and artists' representatives	(26,303)	-	(26,303)	(30,469)
Other income	6,555	-	6,555	28,682
SENASA income	-	-	-	227
New Work – Writing on Your Wall	-	16,000	16,000	-
Traquair	-	51,000	51,000	-
Traquair earned income	-	8,750	8,750	-
Ambition	-	30,525	30,525	-
Scottish Print Network	-	10,000	10,000	-
	<u>178,199</u>	<u>116,275</u>	<u>294,474</u>	<u>210,169</u>

Payments to artists and artists' representatives are the share of income from sales due to artists for prints sold by the company on their behalf.

4. Net movement in funds

	2013	2012
	£	£
<i>This is stated after charging:</i>		
Depreciation	18,719	20,304
Operating lease – Property rental	9,204	9,200
Auditors' remuneration	4,000	-
Independent examiner's fees	-	2,000
	<u></u>	<u></u>

5. Resources expended

	Studio	Gallery	Education	Development	Total	Total
	2013	2013	2013	2013	2013	2012
	£	£	£	£	£	£
Costs directly allocated to charitable activities						
Staff costs	56,781	22,600	17,104	-	96,485	98,472
Direct costs	29,554	44,463	4,000	-	78,017	65,899
	<u>86,335</u>	<u>67,063</u>	<u>21,104</u>	<u>-</u>	<u>174,502</u>	<u>164,371</u>
Support costs	18,494	21,929	-	248,141	288,564	224,323
	<u>104,829</u>	<u>88,992</u>	<u>21,104</u>	<u>248,141</u>	<u>463,066</u>	<u>388,694</u>

Staffing costs are allocated on the basis of time spent on activities. All other overhead costs are allocated on the basis of floor area used by activity and costs incurred by activity.

Notes (continued)

5. Resources expended (continued)

	2013	2012
	£	£
<i>Support costs comprise the following:</i>		
Staff costs, recruitment and training fees	113,416	101,952
Premises costs	22,676	23,047
Office costs	19,431	18,199
Marketing and advertising	15,543	23,112
Subscriptions and memberships	1,811	769
Depreciation	18,719	20,305
Travel, subsistence and hospitality	8,190	3,644
Professional fees	9,339	4,134
Miscellaneous expenses	77,362	25,816
Bank interest and charges	2,077	1,818
Bad debts written off	-	1,527
	<u>288,564</u>	<u>224,323</u>

6. Governance costs

	2013	2012
	£	£
Staff costs	10,363	7,377
Auditors' remuneration	4,000	-
Independent examiner's fees	-	2,000
	<u>14,363</u>	<u>9,377</u>

7. Staff costs

	2013	2012
	£	£
Wages and salaries	196,749	180,516
Social security costs	15,984	14,477
	<u>212,733</u>	<u>194,993</u>

No director received remuneration or reimbursement of expenses in the year.

No employee received emoluments of more than £60,000 in either the current or prior year.

The average monthly number of employees during the year was 11 (2012: 12).

	2013	2012
Studio	5	5
Gallery	2	2
Administration	4	5
	<u>11</u>	<u>12</u>

Notes *(continued)*

8. Tangible fixed assets

	Tenants' improvements £	Equipment and fittings £	Total £
<i>Cost</i>			
At 1 April 2012	18,566	166,897	185,463
Additions	-	4,304	4,304
Disposals	-	(18,278)	(18,278)
At 31 March 2013	18,566	152,923	171,489
<i>Aggregate depreciation</i>			
At 1 April 2012	14,964	101,155	116,119
Charge for year	473	18,246	18,719
Disposals	-	(18,278)	(18,278)
At 31 March 2013	15,437	101,123	116,560
<i>Net book value</i>			
At 31 March 2013	3,129	51,800	54,929
At 31 March 2012	3,602	65,742	69,344

Included within Equipment and Fittings are assets with a net book value of £45,357 (2012: £59,910) which were purchased with a grant which requires that in the event of the company ceasing, the assets are given to a similar charity.

9. Debtors

	2013 £	2012 £
Trade debtors	19,778	6,746
Other debtors and prepayments	14,964	12,684
VAT recoverable	227	3,776
	34,969	23,206

10. Creditors: Amounts falling due within one year

	2013 £	2012 £
Trade creditors	28,273	25,231
Tax and social security costs	4,459	3,803
Accruals	13,859	12,327
Other creditors	6,420	5,021
	53,011	46,382

Notes (continued)

11. Funds

	At 31 March 2012 £	Income £	Expenditure £	Transfers £	At 31 March 2013 £
Restricted Funds:					
New Work – Writing on Your Wall	(15,379)	16,000	(330)	699	990
Ambition	(3,117)	30,525	(10,781)	1,690	18,317
Traquair Project	(1,558)	59,750	(52,677)	-	5,515
Capital Equipment Grant	32,187	-	(5,522)	(1,719)	24,946
Scottish Print Network	-	10,000	(10,235)	235	-
Skills Development	-	2,701	(3,334)	633	-
Capital Development	-	5,758	(8,294)	-	(2,536)
Total restricted funds	12,133	124,734	(91,173)	1,538	47,232
Designated/Unrestricted Funds:					
Operational Expenditure Reserve	50,000	-	-	-	50,000
General Reserve	73,148	350,079	(387,474)	(1,538)	34,215
Total funds	135,281	474,813	(478,647)	-	131,447

New Work – Writing on Your Wall – Creative Scotland provided a grant towards quality production of prints.

Ambition – is a Digital Development Project funded by Creative Scotland.

Skills Development Scotland – to further the training of staff.

Bronwen Sleight – Iceland, Grundtvig awarded a grant in a visit and exchange program under life long learning programme.

Traquair Joint Project – Creative Scotland have funded a 2 year project working with Traquair House and leading Scottish artists to produce high quality, site specific new works that relate to the historic, heritage contexts of personal, local, national and international significance presented in Traquair House and Gardens.

Capital Equipment Grant is a grant towards the cost of purchasing printmaking equipment.

Scottish Print Network – Creative Scotland have funded a collaboration of the 5 Print Studios in Scotland to work with leading Scottish artists and artists from the Commonwealth. End of Stage 1 report has been completed and signed off. Our contract with Creative Scotland has now ended and the project has been passed over to DCA Print Studio.

Capital Development – Creative Scotland have funded a large capital investment programme to deliver a world class Centre for Contemporary Art in Print for the development of artistic programmes of work locally, nationally and internationally.

The General Reserve represents the Unrestricted Funds of the charity which are available for use at the discretion of the Board in furtherance of the general objectives of the charity.

Notes *(continued)*

12. Analysis of net assets between funds

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds £
Tangible fixed assets	9,572	-	45,357	54,929
Net current assets	24,643	50,000	1,875	76,518
	<u>34,215</u>	<u>50,000</u>	<u>47,232</u>	<u>131,447</u>

13. Operating lease commitments

The charity's commitments under operating leases for the next year are for leases expiring:

	2013 £	2012 £
In less than one year	<u>9,204</u>	<u>9,200</u>

14. Related party transactions

Lesley Logue and David Faithful, directors, were paid fees of £2,784 and £3,270 respectively in the year in relation to talks & materials provided. No amounts were due at the year end.

Delta Video, a company in which Sarah Price the CEO's partner has an interest, provided in the year video services totalling £2,718 (2012:£5,973). No amounts were due at the year end.

Consignment sales

During the year, works of art consigned to the company to sell on behalf of directors are noted below. All consignment sales are made on an arms-length basis.

Share of consignment sales due to the directors by the company:

	2013 £	2012 £
Gordon Boyd	-	88
Jessica Crisp	567	-
Anne Forte	317	89
David Faithfull	411	214
Kittie Jones	490	-
Kelly Stewart	<u>1,052</u>	<u>1,632</u>

Amounts outstanding in relation to consignment sales due to the directors at the year end:

	£	£
David Faithfull	6	3
Anne Forte	265	-
Kelly Stewart	70	-
Jessica Crisp	88	-
Kittie Jones	<u>430</u>	<u>-</u>