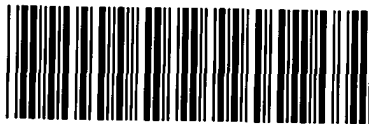


Edinburgh Printmakers Limited
(Company Limited by Guarantee)

Report and accounts
Company number SC044723
Scottish Charity number SC009015
31 March 2016

TUESDAY



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COMPANIES HOUSE

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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 2016.

Reference and Administrative Information

Charity name	Edinburgh Printmakers
Scottish Charity number	SC009015
Company number	SC044723
Registered office	23 Union Street Edinburgh EH1 3LR
Directors	Alastair Snow (Chair) Lesley Logue (Vice Chair) Marlene Wood (Treasurer) David Faithfull Andrea Geile Robert Jack Kittie Jones Laura Gressani Ryan McMullan James Nelmes
Chief executive	Sarah Price
Auditors	Henderson Loggie 34 Melville Street Edinburgh EH3 7HA

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, appointment and role and responsibilities 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, delivering a world class cultural programme by ensuring the Board is made up of appropriately skilled and experienced individuals to deliver the Business Plan.

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 responsibilities Board operations and effectiveness are monitored externally through a number of mechanisms including 'observers' from the City of Edinburgh Council and Creative Scotland attending board meetings, external audit of accounts, OSCR and Companies House annual returns. Edinburgh Printmakers plans to introduce 'peer to peer' board self-review and performance questionnaires as part of an annual performance appraisal process.

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 company performance and reports on this and forthcoming targets to members at the 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 monitor and offer advice in respect of operational planning, implementation, evaluation and review in key areas of Artistic Programming, Studio and Education Services, Organisational Development, Financial Management, HR Review, Sales and Marketing and Capital development. Each working group is attended by staff responsible for strategy development and implementation.

Directors' report

Structure, governance and management *(continued)*

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.

Risk management

Edinburgh Printmakers has identified organisational risks which are assessed, reviewed, managed, monitored and communicated by the Chief Executive Officer (CEO) to the 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 monitored to an operational level.

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, cashflow management of capital programme, 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 and 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. This is currently being reviewed by the Capital Development Working Group (CDWG) with the objective of securing the long term occupation of a building fit for purpose within the means of the organisation. The capital project is developing the feasibility of moving to Castle Mill Works in Fountainbridge and has received significant support from Creative Scotland, Heritage Lottery Fund and the Scottish Government working in partnership with City of Edinburgh Council. This project has reached Technical Design RIBA stage E and is managed by an independent project manager with oversight by the CDWG comprising board members with property and legal experience.

To comply with Health and Safety and Employment Law legislation, the Board ensures adequate support and training is in place for staff to whom they delegate responsibility. HR Support Services are provided throughout the year by Magenta HR.

System for review of risk

EP Risk Register, maintained and reviewed by CEO and reported to Board quarterly for monitoring.

Capital Risk Register, maintained and reviewed by Project Manager Martin Sinclair and reported to Capital Development Working Group Monthly.

Directors' report

Structure, governance and management *(continued)*

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 excluding the capital project 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 £31,123 although in addition £25,000 has been transferred to a Designated Reserve for Operational Expenditure Reserve. This year has seen an increase in the unrestricted reserves fund by £14,012 in accordance with reserves policy.

Organisational structure

Edinburgh Printmakers has a Board, which comprises the directors and is attended by the chief executive and Senior Staff, which meets quarterly and is responsible for monitoring and review of services against business plan and the strategic direction of the organisation for optimum performance against Mission and Objectives. Board members take part in a number of working groups where they monitor and review development plans presented and developed by staff. The CEO, Studio Director and Programme Director are responsible for the implementation of all plans, managing a small team of fifteen additional staff, an average of six interns and ensuring the on-going training and development of staff and maintenance of best practice in all areas of operation.

Management

Responsibility for day to day management of Edinburgh Printmakers is delegated by the Board to the chief executive, Sarah Price. It is the responsibility of the CEO to manage all resources to best meet the company's Business Plan. Whilst operational duties and procedures are delegated to staff, the Board is responsible for authorising strategic policies and business objectives and agreeing the budget to realise targets. The CEO and staff have practical powers to develop strategies and corresponding work plans, manage budgets and day to day operations, but all matters of principle, strategic objectives and financial planning are referred to regular meetings of the Board. The Board meet 4 times per year on a quarterly basis.

A Finance Working Group involving the CEO, Finance Co-ordinator, the Chair and Treasurer 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 Capital Development Working Group involving the CEO, Chair, and Board Directors with development experience meet to monitor the on-going capital development programme, business planning, facilities and resources planning including, resource investment and service development planning. In 2015-16 the main role of this group was to focus on the furtherance of capital development plans, fundraising, design development, cashflow and budget management, stakeholder communications, legal negotiations and project management. The Capital Development Working Group meet on a monthly basis.

The Artistic Policy Working Group involving the CEO, Artistic Programme Director, Studio Director and three Board Directors work on the development of the artistic policy and monitor implementation of the exhibition programme. The main purpose of the group is to ensure EP achieves artistic quality in the commissioning of new artwork and production of new exhibitions. Reflecting the organisational strategy to produce and promote excellence in contemporary fine art printmaking.

Directors' report

Structure, governance and management *(continued)*

Pay of Key Management

Edinburgh Printmakers staff remuneration levels are set according to key banded pay scale tables that were approved by the Board after being benchmarked against National arts organisation comparators, Further Education institutions and local authority cultural services pay bands when set up in 2007. Since then the scales have been extended in line with annual Business plan policy, which has sustained a 2% inflation year on year since 2008. The pay scales are banded in the following categories: General, Technical, Teaching, Management and CEO. All staff commence employment at a level that is comparative at the time to similar positions outside the organisation and in view of skills and experience evidenced. This process is overseen by a Senior Manager or CEO, or in the case of Senior Staff was overseen by the Board. Annually, all staff undertake a performance appraisal, line managers then undertake a remuneration recommendation assessment using fixed criteria that is the same for all staff, if a staff member scores a sufficient score they are proposed for scale enhancement. Periodically posts remuneration levels are benchmarked against external comparators to ensure salary levels are comparative to other arts organisations and reports made to CEO/Chair of Board. All recommendations for scale enhancements are reviewed by the CEO and assessed in terms of business strategy, benefit to the business and budget priorities. The process is exactly the same for CEO only the assessor/appraiser is the Board Chair. The final annual salary recommendations are presented to the Board Chair and Vice Chair and Treasurer for approval in consideration of resource allocation against business objectives and budget. The key management personnel are CEO, Studio Director and Artistic Programme Director, for whom annual gross salaries is £93,448. Key management staff have been in post between 10 and 24 years. The business plan aims to stabilise salaries at 44-46% of annual income which is modest overall compared to similar organisations which benchmarking shows operate at 37-54% range.

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 by delivering a world class cultural programme through our gallery and studio. As contemporary art producers, curators, exhibitors; educators in printmaking and contemporary art practice we are a key agent in the cultural life of Edinburgh and Scotland.

The plan for 2015-16 aimed to continue to deliver our core charitable services to the highest possible standard concentrating on quality rather than quantity of outputs and financial stability rather than growth, to enable capacity to continue to deliver the longer term capital development ambition, focusing on capital resource rather than revenue resource.

The Business Plan Aims for 2015-16

- To provide opportunities, facilities resources, expertise, services for artists working within the medium of print, to develop Artistic Production and capacity to work professionally.
- To produce high quality new contemporary art commissions, delivering excellence in Artistic Production in relation to printmaking in a contemporary art context.
- To promote access and excellence in printmaking through education, catering for all levels of ability, through formal and informal, structured and non-structured learning. Accessible Education.
- To produce exhibitions that develop audiences for contemporary printmaking more widely, to support wider community engagement in the artistic programme by developing community and organisational partnerships, outreaching to engage people with protected characteristics is a core strand of Edinburgh Printmakers' programme. Access, Learning and Participation.

Directors' report

Objects of the charity and principal activities (continued)

- As curators and producers operating in a field of international contemporary art practice to develop international working partnerships with focus on cross sector working with international cultural and humanitarian agencies to promote programme of relevant cultural discourse that engages and challenges local and national perspectives on international contexts. International Development.
- To integrate Equalities and Diversities planning into the governance, strategic planning, capital development and operationally in the development, delivery and monitoring of all programmes of work.
- To develop Edinburgh Printmakers' trading activities and to invest in development of new income streams in order to build resilience and offer better public value with re-investment in subsidised access to services, community engagement and learning and targeted printmaking education, to develop artist career opportunities, building resilience in the sector, to be a major contributor to the cultural economy of Scotland.
- To integrate Environmental Sustainability across the organisations operational activities and embed ambition for future reduction in environmental impacts into capital and business plans.
- To invest in large scale capital development programme to deliver a world class centre of excellence for printmaking and creative industries that will facilitate inter-disciplinary creative collaborations, present international artwork programmes, engage with local contexts, build area cultural infrastructure and production resources, impact area regeneration, investing in 'sense of place' through site specific commissioning. Place-making.

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 and develop an archive of national significance that consists of one or two copies of every published work produced at Edinburgh Printmakers since 1970.

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

Directors' report

Achievements and performance

The Board is pleased to report on another successful year's artistic activity.

Exhibitions

An exciting and original exhibition programme of innovative contemporary printmaking with leading national and international artists was shown at Union St accompanied by a wide range of related events and lectures. The ambitious programme of off-site installations which utilises the facades of Edinburgh Printmakers intended new building at Castle Mill Works, Fountainbridge was continued.

Temporary Artworks Programme at Castle Mill Works featured an external installation by Canadian Derek Besant about the collective narrative buried in the psyche of the individuals who live and work in Fountainbridge, which was held during the Edinburgh Art Festival.

On site Exhibitions at Union Street during this period featured 7 exhibitions with 33 artists:

In April 'Dark Matters' exhibition was presented, a partnership project with the UK Astronomy Technology Centre – featuring David Faithful, Alastair Clark, Mike Inglis and astronomers Dr Hermine Schnetler, Dr Eckhard Sutorius, and space engineer Martin Black, a unique research partnerships with academic fine art researchers working with astronomy, space engineering, and scientific researchers.

In June 'Epigenetic Landscapes' a short pop up exhibition by artist Paul Harrison, experimental work exploring academic research partnerships.

In June/July 'Black Indian Squad' exhibition by Faisal Abdu'Allah an International artist working with themes of race, violence, sexual orientation and faith, meeting our objectives to explore Diversity and work with artists of International calibre.

In August 'In Other Words' exhibition by International artist Derek Michael Besant from Canada, explored our means of perception and the scientific resolution that the eye is a faulty mechanism, the project involved local data gathering and presentation of revealed narrative with a site specificity.

In September and October 'Abstracting from Architecture' exhibition curated by Scottish based artist Bronwen Sleight comprised print work by George Charman, Andrew Mackenzie, Carla Scott Fullerton, Bronwen Sleight.

In November and December 'Indelible Traces' exhibition featured Edinburgh Printmakers Artists collaborating with RCAHMS. The Exhibition explored the visual history and heritage of Fountainbridge and Castle Mill Works. Neil Johnstone, Lindy Furby, Paul Webster Thompson, Shelagh Atkinson, Lynda Wilson, Peter Standen, Robert Powell, Paul Charlton, Alison Blamire, Zuzanna Dominiak, Christine Sloman, Rona MacLean, Eiko Yamashita, Irena Narbutt, John Heywood, Colin Munro, Miriam Vickers, Nicola Weir, Anne Forte and Morwenna Kearsley, Aileen Grant, Gavin Johnston.

In January through to March 'Rhythm in Research' exhibition by Rachel Duckhouse a Glasgow based artist presented work exploring the complex patterns and systems in nature, human behaviour and the built environment, in drawing, printmaking and a range of 3D media.

Directors' report

Achievements and performance (*continued*)

Exhibition visitor figures to Union Street were 9955 visitors, comparative to last 3 years. In addition to this was an increased audience and visibility from the external public art work on the façades of the Castle Mill works building.

Gallery events

In addition to preview events and gallery discussions with exhibiting artists the programme included a Lithography Demonstration by Alastair Clark, and an enlightenment discussion with poet Ken Cockburn, a lecture by Derek Michael Besant, and lecture by Professor Nick Wade, a talk by RCAHMS Neil Gregory, and Christmas Shopping Weekend. 11 exhibition events with 325 people attending, 8 programme related events with 1225 people and 16 other events with over 3200 visitors.

Sales

A new member of staff took over the role of Print Sales Co-ordinator in the first quarter of the year and sales performance improved through sales promotion events and nurturing new corporate clients.

Total sales including print and shop for the year was £69,795 compared to £62,133 in the previous year.

Membership and Studio Use

The print studio was busy during the year with 4000 members' sessions. Increased visiting artists and lithography saw an increase in session use. The studio staff team grew with additional studio support for members and print projects coming from 2 new part time Studio Technicians.

Contract printing and Print projects

EP Editions produced print projects with 11 Artists: Faisal Abdu Allah, Derek Besant, George Charman, Carla Scott Fullerton, Norman MacBeath, George Charman, Kate Downie, Kelly Stewart, Donovan and Siegel and Robert Powell.

Contract print projects were mainly commissioned by individual artists including Angie Lewin and Peter Goodfellow along with an edition by Ann Oram for Art in Healthcare and a project for Edinburgh University.

Courses

Our scheduled course programme outscaled the previous year with 60 scheduled advertised courses being run with 405 participants. In addition, 8 customised courses were run to meet the specific needs of those individual groups.

Regular funding

During this year Edinburgh Printmakers was supported by year 1 of a 3-year regular funding award from Creative Scotland which is in place for the three-year period from 2015-2018 and an annual agreement for funds from the City of Edinburgh Council.

Future Developments

Edinburgh Printmakers is redeveloping the historic North British Rubber Company HQ building 'Castle Mill Works' in Fountainbridge. This £11m project will provide a 21st century arts centre and creative industries hub with unique facilities and opportunities for today's creative community. At its heart, the new centre will house a superior printmaking studio with facilities for artists and the public alike to enjoy the art of printmaking. From Dundee Street the view of the new large gallery space will draw in audiences to experience a programme of exhibitions by leading local, national and international artists. The project will move from Stage D to Stage E and F Technical Design to the award of contract to the main contractor in 2016-2017 ready to commence the construction phase in April 2017. The EP staff team will continue to work on closing the fundraising gap by implementing a fundraising strategy, further develop collaborative working across future partner organisations and develop organisational transition plans, including an organisational structure review.

Directors' report

Achievements and performance *(continued)*

Edinburgh Printmakers gratefully acknowledges support from the Heritage Lottery Fund, Creative Scotland, the Architectural Heritage Fund, Historic Scotland, Garfield Weston and many other trusts and foundations alongside valuable individual and corporate donations, Castle Mill Works will be restored and re-defined as the creative heart of Edinburgh's Fountainbridge Community.

Due to capacity demands of the capital programme Edinburgh Printmakers has scaled back activities for 2016 to 2017. There will be 4 exhibitions at the Union St gallery, with the following aims: to publish new art work, to support grass roots local artists, to work with a leading artist International artist and academic research artist and to develop a body of artwork/exhibition from collaborative partnership, engaging social issues.

Our events programme will promote 4 preview events, 6 artist talks and 16 other related events; a Members Development Event , a Studio Demonstration, a Visually Impaired Experimental Art Workshops Exhibitions Tour & Workshop, a Spin Scotland Tour, an accessible Studio Workshop linked to programme, a Heritage Tour, a Professional Development Event for Members, a EAF Art Late Tours, a Ready-mades Workshop, a Donovan & Siegal programme linked Community Group Exhibition , a Thematic Studio Workshop, our annual Doors Open Day , a Lecture with focus on Printmaking, the Big Draw printmaking event and programme visual artist Film Screenings. Within the planning context staff will be working on Artistic Strategy and International Strategy Review.

In our studio we aim to continue to provide high quality, low cost printmaking facilities for artists, with staff expertise on hand and a structured training programme. The education programme will be offered as open to all via a variety of training delivered as courses, 1-1 training, inductions, and masterclasses or tailored sessions. The primary targets for the year being; 3500 4hr printmaking sessions, 230 fully paid artist member annual users and 140 associate 6-month artist user memberships, 65 education courses per year and 440 participants and the production of 25 published editions of new work in print.

The Edinburgh Printmakers staff will be working on the development and implementation of an EDI Strategy and the CEO will lead a Staff Handbook Review working alongside HR consultants Magenta HR.

Financial review

The results for the year are set out on page 12. 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 unrestricted income £174,663 is self-generated through charitable activities. There was an increase in staffing costs to facilitate sales revenue generation, which was disappointing, arising from customers being hesitant to invest in quality art. Other costs have been carefully controlled and managed during the year.

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 delivering a major step change programme involving a significant capital development.

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

The Budget plan for the year is to tightly control costs, cut back on activities in gallery programme, delay introduction of EDI budget, cut back in salaries for editions and subsidised activities for communities, retain small investment in sales development, increase spend on Admin capacity, increase spend on salaries to bring all above real living wage and promote where necessary, all staff minimum 2%increase, increased HR support, make IT and process improvements - new project management software, procurement system, HR system and cloud file storage system.

Directors' report

Trustees' Responsibilities Statement

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees prepare the financial statements in accordance with United Kingdom Generally Accepted Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year.

In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to assume that the company will continue.

The trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). 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.

Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website.

Approval of the Trustees' Annual Report

At the time of approving this report, the Trustees are aware of no relevant audit information of which the charity's auditors are unaware and have taken all steps that they ought to have taken as a member of the board in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

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 7 November 2016 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 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Generally Accepted Accounting Practice.

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.

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 read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2016 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 and take advantage of the small companies exemption from the requirement to prepare a strategic report.



James Davidson (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)

7 November 2016

Statement of financial activities
(including income and expenditure account)
for the year ended 31 March 2016

	Note	Unrestricted Funds 2016 £	Restricted Funds 2016 £	Total Funds 2016 £	Total Funds 2015 £
Income from:					
Donations and legacies	2	175,399	379,618	555,017	559,944
Charitable activities	3	170,810	19,527	190,337	197,150
Total income		346,209	399,145	745,354	757,094
Expenditure on:					
Raising funds		-	59,562	59,562	22,347
Charitable activities	5	340,496	381,877	722,373	663,082
Total expenditure		340,496	441,439	781,935	685,429
Net (expenditure)/income before transfers		5,713	(42,294)	(36,581)	71,665
Transfers		8,299	(8,299)	-	-
Net movement in funds		14,012	(50,593)	(36,581)	71,665
Funds brought forward	4	64,461	67,688	132,149	60,484
Funds carried forward	11	78,473	17,095	95,568	132,149

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 2016

	Note	2016 £	2016 £	2015 £	2015 £
Tangible fixed assets	8		24,409		32,359
Current assets					
Stocks		45,067		46,525	
Debtors	9	109,383		210,851	
Bank and cash		250,061		268,178	
		404,511		525,554	
Creditors: amounts falling due within one year	10	(333,352)		(425,764)	
Net current assets			71,159		99,790
Net assets			95,568		132,149
Funds					
Restricted	11		17,095		67,688
Unrestricted					
General Funds	11		39,461		39,461
Designated Funds - Core	11		25,000		25,000
Designated Funds - Capital	11		14,012		-
			95,568		132,149

These accounts have been prepared in accordance with the special provisions for small companies under the Companies Act 2006.

Approved by the Board of Directors on 7 November 2016 and signed on its behalf by:



Alastair Snow
Chairman

Statement of cash flows
at 31 March 2016

	2016 £	2016 £	2015 £	2015 £
Cash flows from operating activities				
Net income/(expenditure) for the year	(36,581)		71,665	
Interest paid	9,341		5,045	
Depreciation charges	9,121		18,478	
Decrease/(increase) in stock	1,458		(2,930)	
Decrease/(increase) in debtors	101,468		(199,072)	
Increase/(decrease) in creditors	(92,412)		377,761	
Cash (used)/provided in operating activities		(7,605)		270,947
Cash flows from investing activities				
Payments to acquire tangible assets	(1,171)		(8,536)	
Interest paid	(9,341)		(5,045)	
Cash used by investing activities		(10,512)		(13,581)
Increase/(decrease) in cash and cash equivalents in the year		(18,117)		257,366
Cash and cash equivalents at the beginning of the year		268,178		10,812
Cash and cash equivalents at the end of the year		250,061		268,178

Notes

1. Accounting policies

(a) *Basis of preparation*

The financial statements have been prepared under the historical cost convention. The charity is a public benefit entity and a company limited by guarantee, incorporated in Scotland with the registered office as noted on page 1. The financial statements have been prepared in accordance with the Companies Act 2006 and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS102). This is the first year in which the financial statements have been prepared under FRS 102. The adoption of FRS102 has resulted in no changes to the figures.

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.

Capital funding exceeding £9 million has been secured from the Heritage Lottery Fund, Creative Scotland, the Architectural Heritage Fund, Historic Environment Scotland, Garfield Weston, DTA Scotland Ltd and many other trusts and foundations alongside valuable individual and corporate donations. Additional funding is being targeted to build the planned 21st century arts centre at Castle Mill Works.

Funds are secured for planned capital programme work up to procurement of main contractor and conditional to practical completion of works pending attainment of funding shortfall. The funding shortfall for the delivery phase to practical completion at present is £894,000 and the directors are looking at options to fill this gap.

(b) *Income*

All incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income there is probability of receipt 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 there is entitlement, probability of receipt and the amount can be measured reliably. 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.

Notes (continued)

1. Accounting policies (continued)

(c) **Expenditure**

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

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.

(d) **Fixed assets**

There is no de-minimis 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) **Debtors**

Other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid net of any trade discounts due.

(i) **Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in a transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

(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.

Notes (continued)

2. Income from donations

	Unrestricted	Restricted	Total	Total
	2016	2016	2016	2015
	£	£	£	£
<i>Voluntary income</i>				
Core funding – The City of Edinburgh Council	11,546	-	11,546	11,546
Core funding – Creative Scotland	160,000	-	160,000	160,000
Donations	481	-	481	1,238
Capital Development Project::				
Architectural Heritage Fund	-	5,000	5,000	25,000
Heritage Lottery Fund	-	275,976	275,976	205,237
EP Capital Fundraising	-	1,792	1,792	-
Creative Scotland	-	24,289	24,289	73,504
Cultural Economy – Creative Scotland	-	9,000	9,000	81,000
DTA Scotland Limited	-	2,000	2,000	-
HLF Delivery	-	61,561	61,561	-
Funds raised by the board	3,372	-	3,372	2,419
	<u>175,399</u>	<u>397,618</u>	<u>555,017</u>	<u>559,944</u>

In 2015 income from donations was split £175,203 unrestricted and £384,741 restricted

3. Income from charitable activities

	Unrestricted	Restricted	Total	Total
	2016	2016	2016	2015
	£	£	£	£
Service and session fees	96,957	-	96,957	105,289
Recharged materials	24,828	-	24,828	25,782
Sale of prints and frames and shop sales	69,795	-	69,795	62,133
Payments to artists and artists' representatives	(23,329)	-	(23,329)	(22,768)
Other income	2,559	-	2,559	6,984
Access to Work	-	-	-	2,319
Ambition	-	-	-	1,200
Scottish Print Network	-	27	27	5,000
Traquair	-	17,000	17,000	-
Charles Wallace India Trust	-	-	-	3,711
Youth Employment Initiative	-	2,500	2,500	7,500
	<u>170,810</u>	<u>19,527</u>	<u>190,337</u>	<u>197,150</u>

In 2015 income from charitable activities was split £177,420 unrestricted and £19,730 restricted.

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.

Notes (continued)

4. Net movement in funds

	2016 £	2015 £
<i>This is stated after charging:</i>		
Depreciation	9,121	18,478
Operating lease – Property rental	9,204	9,204
Auditors' remuneration	4,245	4,240

5. Expenditure on charitable activities

	Studio 2016 £	Gallery 2016 £	Education 2016 £	Overheads Core business 20K	Capital project 21K	Total 2016 £	Total 2015 £
Costs directly allocated to charitable activities							
Staff costs	51,613	42,849	15,125		27,640	137,234	133,970
Direct costs	31,334	15,473	5,981		12,950	65,755	79,831
	82,947	58,322	21,106		40,594	202,989	213,801
Support costs	8,153	12,247	-	166,549	332,435	519,384	449,281
	91,100	70,569	21,106	166,549	373,029	722,373	663,082

Expenditure on charitable activities is split £340,496 unrestricted (2015: £289,082) and £381,877 restricted (2015: £374,000).

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.

Support costs comprise the following:

	Core Business £	Capital Project £	2016 £	2015 £
Staff costs, recruitment and training fees	94,138	65,539	159,677	127,965
Premises costs	21,159	1,914	23,073	21,131
Office costs	23,952	2,698	26,650	24,187
Marketing and advertising	10,439	15,085	25,524	13,659
Subscriptions and memberships	1,742	-	1,742	1,579
Depreciation	8,111	1,010	9,121	18,479
Travel, subsistence and hospitality	6,551	1,859	8,410	18,061
Professional fees	6,100	223,274	229,374	184,090
Miscellaneous expenses	1,064	12,525	13,589	22,551
Bank interest and charges	810	8,531	9,341	5,045
Governance costs (Note 6)	12,883	-	12,883	12,534
	186,949	332,435	519,384	449,281

Notes (continued)

6. Governance costs	2016	2015
	£	£
Staff costs	8,638	8,294
Auditors' remuneration	4,245	4,240
	12,883	12,534

7. Staff costs	2016	2015
	£	£
Wages and salaries	264,525	234,235
Social security costs	19,296	16,876
	283,821	251,111

No directors received remuneration in the year or reimbursement of expenses in the year other than those disclosed in Note 14.

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 16 (2015: 12).

	2016	2015
Studio	5	4
Gallery	4	4
Administration	5	4
	14	12

Key management of the organisation are considered to be the Chief Executive, the Studio Manager and the Development Manager. Employee benefits received by key management totalled £93,448 (2015: £90,112).

Notes (continued)

8. Tangible fixed assets

	Tenants' improvements £	Equipment and fittings £	Total £
Cost			
At 1 April 2015	18,566	164,741	183,307
Additions	-	1,171	1,171
	<hr/>	<hr/>	<hr/>
At 31 March 2016	18,566	165,912	184,478
	<hr/>	<hr/>	<hr/>
Aggregate depreciation			
At 1 April 2015	16,344	134,604	150,948
Charge for year	474	8,647	9,121
	<hr/>	<hr/>	<hr/>
At 31 March 2016	16,818	143,251	160,069
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 March 2016	1,748	22,661	24,409
	<hr/>	<hr/>	<hr/>
At 31 March 2015	2,222	30,137	32,359
	<hr/>	<hr/>	<hr/>

Included within Equipment and Fittings are assets with a net book value of £16,071 (2015: £22,501) 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

	2016 £	2015 £
Trade debtors	14,273	15,003
Other debtors and prepayments	5,071	4,338
Accrued income	88,560	180,129
VAT recoverable	1,479	11,381
	<hr/>	<hr/>
	109,383	210,851
	<hr/>	<hr/>

10. Creditors: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	47,951	116,976
Tax and social security costs	5,686	5,753
Accruals	17,935	13,613
Deferred income	255,000	180,000
Other creditors	6,780	6,833
Loan	-	102,589
	<hr/>	<hr/>
	333,352	425,764
	<hr/>	<hr/>

Notes (continued)

11. Funds

	At 31 March 2015 £	Income £	Expenditure £	Transfers £	At 31 March 2016 £
Restricted Funds:					
Digital apprentice	693	-	-	-	693
New Work- Writing on your wall	357	-	(330)	-	27
Ambition	1,281	-	(1,232)	-	49
Traquair Project	(15,410)	17,000	300	(1,890)	-
Capital Equipment Grant	16,752	-	(3,707)	-	13,045
Access to work	1,385	-	(361)	-	1,024
Scottish Print Network	(517)	27	291	199	-
Creative Scotland – Capital development	-	24,289	(24,289)	-	-
Architectural Heritage Fund	-	5,000	(5,000)	-	-
Youth Employment Initiative	-	2,500	(2,500)	-	-
Heritage Lottery Fund	37,184	275,976	(305,675)	(6,608)	877
Creative Scotland - Cultural Economy	25,963	9,000	(33,914)	-	1,049
DTA Scotland	-	2,000	(2,000)	-	-
HLF Delivery	-	61,561	(61,580)	-	(19)
Skills Development	-	-	(1,428)	-	(1,428)
EP Capital Fundraising	-	1,792	(14)	-	1,778
Total restricted funds	67,688	399,145	(441,439)	(8,299)	17,095
Designated/Unrestricted Funds:					
Operational Expenditure Reserve	25,000	-	-	-	25,000
Capital Reserve	-	-	-	14,012	14,012
General Reserve	39,461	346,209	(340,496)	(5,713)	39,461
Total funds	132,149	745,354	(781,935)	-	95,568

Digital apprentice - funding received from creative Scotland to employ an apprentice to work on our website, film editing and database.

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

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

Traquair Project – Creative Scotland have funded a 2 year project working with Traquair House and leading Scottish artists to produce a 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. On submission of the final report to Creative Scotland £17,000 will be received which represents the balance of the grant outstanding.

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

Access to work – financial support received from government for equipment and travel costs to assist disabled employees in performing their roles.

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.

Creative Scotland Capital Development Grant – funding received towards the Development Stage of our Capital Project to deliver a world class Centre for Contemporary Art in Print for the development of artistic programme of work locally, nationally and internationally.

Notes (continued)

11. Funds (continued)

Architectural Heritage Fund – grant funding contribution towards the Project Manager and the Design Team in the Development Stage of the Capital Project.

Youth Employment Initiative Programme – Creative Scotland grant of £10,000 towards the salary cost of a Programme Assistant – a new traineeship level position. To assist Edinburgh Printmakers in the planning and delivery of the artistic programme of exhibitions and events.

Heritage Lottery Fund - Grant of £500,000 towards the development stage costs of EP's Capital Project cost and Project Activities costs to deliver a world class Centre for Contemporary Art in Print for the development of artistic programme of work locally, nationally and internationally as well as provide a programme of Heritage Interpretation Activities. This amounted to a grant percentage of 69.83% of the total cost of the project and this is used to calculate the drawdowns.

Creative Scotland Cultural Economy – towards the cost of researching and developing detailed organisational change plans, research and implement new income generation activities, develop skills and capacity within the organisation to undertake major organisational change.

HLF – Grant of £4,494,000 towards the delivery stage costs of EP's Castle Mill Works Project (capital and activities venue). This is to deliver a world class Centre for Contemporary Art in Print for the development of artistic programme of locally, nationally and internationally as well as provide a programme of Heritage Interpretation Activities. This amounted to a grant percentage of 49% of the total costs of the project and this is used to calculate the drawdowns. Skills Development and HLF Delivery although showing a deficit balance will be fully met with funds received in the year 2016-2017.

DTA Scotland Ltd (Community Ownership Support Service) – Grant of £2,000 awarded from the Expert Help Fund to be used for legal fees in relation to reviewing EP application for exemption from State Aid for the transfer of the Castle Mill Works building.

Skills Development Scotland and HLF Delivery – to further the training of staff. Income will be received post year end to clear the deficit on this fund. Although showing a deficit balance will be fully met with funds received in the year 2016-2017.

EP Capital Fundraising - Funds raised through EP Friends Scheme, private donations, major giving and fundraising events that will be used in the Castle Mill Works Capital Project.

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.

Operational Expenditure Reserve – Edinburgh Printmakers aim to hold Funds representing 3 months operational expenses for contingency purposes.

Capital Reserve - to cover any deficit that may occur in the first year of operation in Castle Mill Works.

12. Analysis of net assets between funds

	Unrestricted Funds	Designated Funds	Restricted Funds	Total Funds
	£	£	£	£
Tangible fixed assets	8,338	-	16,071	24,409
Net current assets	31,123	39,012	1,024	71,159
	<u>39,461</u>	<u>39,012</u>	<u>17,095</u>	<u>95,568</u>

Notes (continued)

13. Operating lease commitments

The charity's minimum commitments under operating leases are payable as follows:

	2016	2015
	£	£
Within one year	767	767

14. Related party transactions

Lesley Logue, a director, was paid £nil (2015: £106) during the period in relation to services provided. No balance was outstanding 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:

	2016	2015
	£	£
David Faithfull	1,494	3,102
Kittie Jones	362	712
Ryan McMullan	120	73
Laura Gressani	-	156

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

	2016	2015
	£	£
David Faithfull	94	2,343
Kittie Jones	239	12
Ryan McMullan	120	-

15. Ultimate controlling party

The company is controlled by the Board who are the Trustees.