

**Edinburgh Printmakers Limited**  
(Company Limited by Guarantee)

**Report and accounts**  
**Company number SC044723**  
**Scottish Charity number SC009015**  
**31 March 2014**

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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 2014.

### 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)  Jessica Crisp (resigned 2 May 2014) David Faithfull Andrea Geile Robert Jack Kittie Jones James Nelmes Kelly Stewart (resigned 5 November 2013)
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)*

#### ***Alan Davie – Patron of Edinburgh Printmakers***

Alan Davie, artist, was born on 28 September 1920 and died on 5 April 2014. In a recent obituary by Michael McNay, he was remembered as a painter, poet, jazz musician and jewellery designer. He was also an artist-printmaker and worked in St Ives and contributed to the search for the meeting point between 'abstract values' and 'a post-war, post Holocaust world' (Chris Stephens). His support of the charity will be missed.

#### ***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.

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 £20,523 although £25,000 has been transferred to a Designated Reserve for Operational Expenditure Reserve. The principal cause of the deficit in Unrestricted Reserves is an increase in staffing. The Board have reacted to this by reviewing staffing.

#### ***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 2013-14 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 2013-14 aimed to bring about modest growth and development in a market challenged by recession, to develop the company's 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**

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

Visitor figures for the gallery rose by 13% from 8,888 to 10,029 with some exhibitions proving to be extremely popular and receiving new levels of critical acclaim and press coverage, notably, the Edinburgh International Art Festival exhibition commissioned by Rachel Maclean- I Heart Scotland.

A retrospective exhibition in memory of John Bellany with whom Edinburgh Printmakers had worked for several decades was very popular. The written image showed an ambitious slant to the programming, produced in collaboration with Edinburgh Poetry Library to team up poets with printmakers to work collaboratively. International links were strengthened in showcasing works selected from the International Print Centre of New York.

In addition 2 exhibitions promoted prominent emerging talent with solo exhibitions from Marilene Oliver and Bronwen Sleigh.

An increase in focus on gallery events to support exhibitions added further to the quality and diversity of our programming with 11 gallery talks and lectures. An additional programme of events included the Open day, Doors Open day, children's workshops, multiples markets and print auctions.

Disappointingly, print sales over this period were low, falling well below targets. Despite having appointed a new sales and retail officer, who explored a range of new exhibiting and selling opportunities, sales did not rise to the extent that was anticipated.

Attendance at the Edinburgh Art Fair, Festival Craft Fair and the Affordable Art Fair raised some income but did not generate a significant profit once overheads were realised. Despite disappointing profits, the benefit of these activities did result in additional exhibiting and sales opportunities for artist members and raised visibility of the organisation.

## **Directors' report** *(continued)*

### **Achievements and performance** *(continued)*

In the studio, membership levels rose to an all-time high of members, rising to 231 paying memberships. Session usage at 3902 sessions was constant throughout all areas with an overall drop in frequency of 569 sessions from the previous year's figures which were recognised to be well above capacity and comfort level for studio users. This year's figures showed a slight drop in session usage in screenprinting and etching with Lithography and relief printing exceeding capacity targets.

We realised an ambitious programme of print projects with our new print publishing programme, working with 14 artists on new print edition commissions this year to form part of the main exhibitions programme. This resulted in 34 print editions. Amongst those projects included 3 international artist residencies from The Scottish Print Network project "Below Another Sky" which leads to exhibition outcomes in the following year.

Contract printing showed a marked decline during this year with very few private galleries commissioning print editions. This reflected the economic climate of the gallery market affecting longstanding print partner's confidence in their ability to commission new works. Discussions of prospective projects towards the end of this period showed a positive upturn for the next period.

Demand for courses proves to be constant and during the period 63 advertised education courses were delivered to 413 people. Capacity to programme additional courses within our current space proves to be a challenge. 7 additional customised courses were also run to meet the needs of specific diverse groups, many being run on Mondays when the studio is closed. An increase in course participants and professional artists travelling from England and Europe shows an increasing awareness of our standing in providing quality printmaking instruction. 59 people opted for 1-1 training. Effective marketing via social media and our website reaching a wider spread geographical audience and linking with those with niche interests in printmaking specialisms that we offer.

#### *Future regular funding*

Edinburgh Printmakers was successful in attracting 3 year regular funding status from Creative Scotland for the three year period from 2015-2018.

#### *Future Developments*

Edinburgh Printmakers Capital development received major recognition with the award of a Heritage Lottery Enterprise Fund round 1 pass for an award of close to £5 million for the redevelopment of Castle Mills, Edinburgh. The site is the former HQ of the North British Rubber Company in Fountainbridge, a 2000m<sup>2</sup> 'at risk' building of significant industrial heritage value. Funding is secure to take us to RIBA Stage D, which we expect to be completed by October 2015. The organisation anticipates being in occupation of the building by 2018.

CEO and Board worked further on strengthening the board for capital development work, stakeholder communications, business plan and feasibility testing of multiple capital development site options.

### **Financial review**

The results for the year are set out on page 9. 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 £201,918 is self-generated through charitable activities. There as 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.



## **Directors' report** *(continued)*

### **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.

### **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 17 November 2014 and signed on its behalf by:



**Alastair Snow**  
Chairman



# HENDERSON LOGGIE

Chartered Accountants  
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 2014 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 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 2014 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).

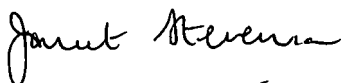
### **Opinion on other matters prescribed by the Companies Act 2006**

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.



**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

17 November 2014

**Statement of financial activities**  
**(including income and expenditure account)**  
*for the year ended 31 March 2014*

	<i>Note</i>	<b>Unrestricted Funds 2014 £</b>	<b>Designated Funds 2014 £</b>	<b>Restricted Funds 2014 £</b>	<b>Total Funds 2014 £</b>	<b>Total Funds 2013 £</b>
<b>Incoming resources</b>						
Incoming resources from generated funds						
Voluntary income	2	171,805	-	23,377	195,182	174,581
Funds raised by the Board		1,703	-	-	1,703	5,758
Incoming resources from charitable activities	3	170,629	-	5,950	176,579	294,474
<b>Total incoming resources</b>		<b>344,137</b>	<b>-</b>	<b>29,327</b>	<b>373,464</b>	<b>474,813</b>
<b>Resources expended</b>						
Costs of generating funds raised by the Board		-	-	-	-	1,218
Charitable activities	5	385,227	-	47,100	432,327	463,066
Governance costs	6	12,100	-	-	12,100	14,363
<b>Total resources expended</b>		<b>397,327</b>	<b>-</b>	<b>47,100</b>	<b>444,427</b>	<b>478,647</b>
<b>Net incoming/(outgoing) resources before transfers</b>		<b>(53,190)</b>	<b>-</b>	<b>(17,773)</b>	<b>(70,963)</b>	<b>(3,834)</b>
Transfers between funds		24,256	(25,000)	744	-	-
<b>Net movement in funds</b>	4	<b>(28,934)</b>	<b>(25,000)</b>	<b>(17,029)</b>	<b>(70,963)</b>	<b>(3,834)</b>
Funds brought forward		34,215	50,000	47,232	131,447	135,281
<b>Funds carried forward</b>	11	<b>5,281</b>	<b>25,000</b>	<b>30,203</b>	<b>60,484</b>	<b>131,447</b>

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 2014*

	<i>Note</i>	<b>2014</b> £	<b>2014</b> £	2013 £	2013 £
<b>Tangible fixed assets</b>	8		<b>42,301</b>		54,929
<b>Current assets</b>					
Stocks		<b>43,595</b>		44,716	
Debtors	9	<b>11,779</b>		34,969	
Bank and cash		<b>10,812</b>		49,844	
		<hr/>		<hr/>	
		<b>66,186</b>		129,529	
<b>Creditors:</b> amounts falling due within one year	10	<b>(48,003)</b>		(53,011)	
		<hr/>		<hr/>	
<b>Net current assets</b>			<b>18,183</b>		76,518
			<hr/>		<hr/>
<b>Net assets</b>			<b>60,484</b>		131,447
			<hr/>		<hr/>
<b>Funds</b>					
Restricted	11		<b>30,203</b>		47,232
Unrestricted					
General Funds	11		<b>5,281</b>		34,215
Designated Funds	11		<b>25,000</b>		50,000
			<hr/>		<hr/>
			<b>60,484</b>		131,447
			<hr/>		<hr/>

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 17 November 2014 and signed on its behalf by:



**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 and the directors were pleased to receive confirmation of a three year funding award from Creative Scotland for 2015/16 onwards.

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
	2014	2014	2014	2013
	£	£	£	£
<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
Skills Development Scotland	-	500	500	2,701
Donations	259	-	259	334
Capital Development Project::				
Architectural Heritage Fund	-	2,950	2,950	-
Heritage Lottery Fund	-	9,600	9,600	-
The Craignish Trust	-	2,120	2,120	-
Creative Scotland	-	2,207	2,207	-
Digital Apprentice – Creative Scotland	-	6,000	6,000	-
	<hr/>	<hr/>	<hr/>	<hr/>
	171,805	23,377	195,182	174,581
	<hr/>	<hr/>	<hr/>	<hr/>

**Notes (continued)**

**3. Incoming resources from charitable activities**

	Unrestricted	Restricted	Total	Total
	2014	2014	2014	2013
	£	£	£	£
Service and session fees	93,521	-	93,521	109,174
Recharged materials	26,878	-	26,878	22,713
Sale of prints and frames and shop sales	66,797	-	66,797	66,060
Payments to artists and artists' representatives	(22,794)	-	(22,794)	(26,303)
Other income	6,227	-	6,227	6,555
New Work – Writing on Your Wall	-	-	-	16,000
Traquair	-	-	-	51,000
Traquair earned income	-	-	-	8,750
Ambition	-	-	-	30,525
Scottish Print Network	-	950	950	10,000
Parley	-	5,000	5,000	-
	<u>170,629</u>	<u>5,950</u>	<u>176,579</u>	<u>294,474</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**

	2014	2013
	£	£
<i>This is stated after charging:</i>		
Depreciation	15,910	18,719
Operating lease – Property rental	9,204	9,204
Auditors' remuneration	4,000	4,000

**5. Resources expended**

	Studio	Gallery	Education	Development	Total	Total
	2014	2014	2014	2014	2014	2013
	£	£	£	£	£	£
Costs directly allocated to charitable activities						
Staff costs	53,660	43,222	18,592	-	115,474	96,485
Direct costs	32,491	36,024	6,529	-	75,044	78,017
	<u>86,151</u>	<u>79,246</u>	<u>25,121</u>	<u>-</u>	<u>190,518</u>	<u>174,502</u>
Support costs	8,252	14,010	15	219,532	241,809	288,564
	<u>94,403</u>	<u>93,256</u>	<u>25,136</u>	<u>219,532</u>	<u>432,327</u>	<u>463,066</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)*

	2014 £	2013 £
<i>Support costs comprise the following:</i>		
Staff costs, recruitment and training fees	115,038	113,416
Premises costs	24,824	22,676
Office costs	21,322	19,431
Marketing and advertising	19,971	15,543
Subscriptions and memberships	1,595	1,811
Depreciation	15,910	18,719
Travel, subsistence and hospitality	6,884	8,190
Professional fees	11,128	9,339
Miscellaneous expenses	23,247	77,362
Bank interest and charges	1,890	2,077
	<hr/>	<hr/>
	241,809	288,564
	<hr/>	<hr/>

**6. Governance costs**

	2014 £	2013 £
Staff costs	8,100	10,363
Auditors' remuneration	4,000	4,000
	<hr/>	<hr/>
	12,100	14,363
	<hr/>	<hr/>

**7. Staff costs**

	2014 £	2013 £
Wages and salaries	213,714	196,749
Social security costs	16,800	15,984
	<hr/>	<hr/>
	230,514	212,733
	<hr/>	<hr/>

No directors received remuneration in the year. One director received reimbursement of expenses of £60.

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 12 (2013: 11).

	2014	2013
Studio	4	5
Gallery	4	2
Administration	4	4
	<hr/>	<hr/>
	12	11
	<hr/>	<hr/>

**Notes** (continued)

**8. Tangible fixed assets**

	<b>Tenants' improvements</b>	<b>Equipment and fittings</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<i>Cost</i>			
At 1 April 2013	18,566	152,923	171,489
Additions	-	3,282	3,282
	<hr/>	<hr/>	<hr/>
At 31 March 2014	18,566	156,205	174,771
	<hr/>	<hr/>	<hr/>
<i>Aggregate depreciation</i>			
At 1 April 2013	15,437	101,123	116,560
Charge for year	434	15,476	15,910
	<hr/>	<hr/>	<hr/>
At 31 March 2014	15,871	116,599	132,470
	<hr/>	<hr/>	<hr/>
<i>Net book value</i>			
At 31 March 2014	<b>2,695</b>	<b>39,606</b>	<b>42,301</b>
	<hr/>	<hr/>	<hr/>
At 31 March 2013	3,129	51,800	54,929
	<hr/>	<hr/>	<hr/>

Included within Equipment and Fittings are assets with a net book value of £32,543 (2013: £45,357) 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**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Trade debtors	5,899	19,778
Other debtors and prepayments	5,254	14,964
VAT recoverable	626	227
	<hr/>	<hr/>
	<b>11,779</b>	<b>34,969</b>
	<hr/>	<hr/>

**10. Creditors: Amounts falling due within one year**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Trade creditors	25,127	28,273
Tax and social security costs	4,075	4,459
Accruals	12,394	13,859
Other creditors	6,407	6,420
	<hr/>	<hr/>
	<b>48,003</b>	<b>53,011</b>
	<hr/>	<hr/>

## Notes (continued)

### 11. Funds

	At 31 March 2013 £	Income £	Expenditure £	Transfers £	At 31 March 2014 £
<b><i>Restricted Funds:</i></b>					
Digital apprentice	-	6,000	(5,307)	-	693
Parley	-	5,000	(5,351)	351	-
New Work – Writing on Your Wall	990	-	(303)	-	687
Ambition	18,317	-	(8,860)	-	9,457
Traquair Project	5,515	-	-	-	5,515
Capital Equipment Grant	24,946	-	(4,123)	-	20,823
Scottish Print Network	-	950	(1,139)	-	(189)
Skills Development Scotland	-	500	(893)	393	-
Capital Development	(2,536)	16,877	(20,614)	-	(6,273)
Access to Work	-	-	(510)	-	(510)
<b>Total restricted funds</b>	<b>47,232</b>	<b>29,327</b>	<b>(47,100)</b>	<b>744</b>	<b>30,203</b>
<b><i>Designated/Unrestricted Funds:</i></b>					
Operational Expenditure Reserve	50,000	-	-	(25,000)	25,000
General Reserve	34,215	344,137	(397,327)	24,256	5,281
<b>Total funds</b>	<b>131,447</b>	<b>373,464</b>	<b>(444,427)</b>	<b>-</b>	<b>60,484</b>

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

Parley – funding received towards a symposium to be held in conjunction with the exhibition of Calm Colvin's Work.

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.

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.

Skills Development Scotland – to further the training of staff.

Capital Development –funding received towards 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.

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

Notes *(continued)*

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.

**12. Analysis of net assets between funds**

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds £
Tangible fixed assets	9,758	-	32,543	42,301
Net current assets	(4,477)	25,000	(2,340)	18,183
	<u>5,281</u>	<u>25,000</u>	<u>30,203</u>	<u>60,484</u>

**13. Operating lease commitments**

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

	2014 £	2013 £
In less than one year	<u>9,204</u>	<u>9,204</u>

**14. Related party transactions**

Lesley Logue, a director, was paid fees of £500 in the year in relation to services 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 £12,052 (2013: £2,718). £2,880 was due to Delta Video 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:

	2014 £	2013 £
Jessica Crisp	328	567
Anne Forte	-	317
David Faithfull	499	411
Kittie Jones	266	490
Kelly Stewart	<u>1,159</u>	<u>1,052</u>

**Notes** *(continued)*

**14. Related party transactions** *(continued)*

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

	£	£
David Faithfull	-	6
Anne Forte	-	265
Kelly Stewart	5	70
Jessica Crisp	-	88
Kittie Jones	29	430
	<u>      </u>	<u>      </u>

**15. Ultimate controlling party**

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