

Company number: 1838334

Charity Number: 515571

Castlefield Gallery

Report and financial statements
For the year ended 31 March 2016

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Castlefield Gallery
Report of the Directors
for the year ended 31 March 2016

Company number 1838334

Charity number 515571

**Registered office and
operational address**

2 Hewitt Street, Knott Mill,
Manchester, M15 4GB

Directors Directors, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Marla Cunningham	Chair
Fuk Kwong Lee	Secretary
Kate Jesson	
Ian Rawlinson	
Adrian Slatcher	
Roger Stephenson	
Michael Ariss	
Thom Hetherington	
Elaine Higgins	
Beth Knowles	
Barney Leaf	

Key management personnel	Fuk Kwong Lee	Gallery Director
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Bankers	HSBC 2-4 St Anne's Square Manchester M2 7HD
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Independent Examiner	Jennifer Daniel FCCA DChA Slade & Cooper Limited Greenfish Resource Centre, 46-50 Oldham St, Manchester, M4 1LE
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Castlefield Gallery
Report of the Directors
for the year ended 31 March 2016

The directors present their report and the unaudited financial statements for the year ended 31 March 2016. Included within the directors' report is the directors' report as required by company law.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Objectives and activities

The object of Castlefield Gallery as set out in its Articles of Association is the advancement of education by fostering and promoting for the benefit of the public, the improvement and development of artistic knowledge, taste, understanding and appreciation of the visual arts, and to increase the accessibility to the visual arts, throughout the North West of England.

The directors review the aims, objectives and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work in the reporting period. The directors report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the directors ensure the charity's aims, objectives and activities remained focused on its stated purposes.

In the delivery of all its activities the trustees have had due regards to the Charity Commission's guidance on public benefits. The directors have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the directors consider how planned activities will contribute to the aims and objectives that have been set.

Statement of Intent

Castlefield Gallery (CG) is an artist-focused organisation that has the mission of developing contemporary visual art and artists in the North West. Based in city centre Manchester, it works with emerging and mid-career artists living in the region and the UK on public and free to access exhibitions and events, and delivers professional development activities for artists to support their future potential for artistic public benefit.

In all of its public facing programmes it engages audiences with new developments in contemporary art by presenting high quality work, informative text and supportive reading/viewing material, and artist's talks and open discussions at its central Manchester venue. It also provides artist development facilities and occasional public facing exhibitions and events at its off-site New Art Spaces premises. Its CG Associates scheme is intended as an accessible membership for emerging artists and independent curators and writers to gain developmental benefits from CG and each other.

CG's 10 year business strategy (2011-20) and 3 year business plan has as its:

Vision: Castlefield Gallery leads the NW as a region that champions talent within a national context.

Mission: To nurture talent, explore cultural trends and deepen audience's relationship to contemporary art.

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Values:

- Transforming through Excellence.
- Empowering through creativity.
- Generating Wealth for the Public Good.
- Being Accountable.

Business Plan Aims

Castlefield Gallery has four over-arching aims for the 2015-18 Business Plan, which are:

1. To commission and exhibit excellent and risk taking art
2. To deepen audiences' relationship to contemporary art
3. To develop and retain NW talent
4. To grow organisational resilience

Policies and Planning

CG's business plan outlines Castlefield Gallery's aims and objectives and programme for the period 2015-18. The business plan is aligned to CG'S vision and mission, and embeds the organisational values. It is designed to be a 'live' working document that will be amended and updated to remain responsive to new knowledge or the changing environment.

This business plan forms part of a broader 10 year business strategy which describes how CG will become sustainable over the longer term, clarifies our U.S.P. (competitive advantage) within the regional and national market and specifies our new business model, outlining how we will enhance performance, manage resources and generate income from a range of sources to become a more resilient organisation. The business plan sits alongside a suite of documents that collectively underpin our business, including the budget, fund raising strategy, partnership strategy and people development plan. CG also has policies on employment, data protection, health & safety, equality, child & vulnerable adults' protection and environmental issues.

CG's exhibition programme is well known and respected nationally by curators and artists. This standing has enabled the gallery to showcase internationally significant artists and invite leading critical thinkers to explore poignant cultural themes – often before the flagship U.K. galleries. Particularly over the last decade exhibitions have embodied the 'agency' of contemporary visual arts, for example showing work which is edgy, as yet unclassifiable and outside of the mainstream or, that challenges the social or political conditions that diminish our society... this high level of inquiry stems from the organisation's approach to real collaboration with artists and strong exhibition partnerships. Since August 2012, CG has piloted and evolved its main curated programme as four strands of contemporary art enquiry, as part of its Arts Council England (ACE) and Manchester City Council (MCC) funded Talent Development and Inter-Generation Programmes. These strands, often produced in collaboration with emerging curators and partners, with associated events such as artist's and curator's talks, and performances, are:

- **ReView** – a project by mid-career or established artists at a significant point in their career, making work that challenges contemporary art practices and inspires emerging generations of practitioners and audiences.
- **Art & Society** – co-curated with an artist or non-curator that explores socially engaged practices and the role of art and artist within society.

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- **Head to Head** – Making new connections with two or more artists and creating inter-generational dialogue by exploring the relationship between practices of emerging artist(s) and more established artist(s) .
- **Self-Made** - expanding the gallery's definition of contemporary art (and 'outsider art') to encompass and explore notions of 'nascent practices', integrating it as a valid 'art' form into the wider dialogue around visual culture.

A programme of Launch Pad projects sit in between curated exhibitions. Launch Pads are short exhibitions/performances/events providing artists and curators with the opportunity to use the gallery as a test bed for the production, display and consumption of contemporary art. Launch Pads feature emerging talent selected from CG Associate members' submissions (two or three times a year), and for the past two years, CG has had annual Launch Pads with the Manchester School of Art, selected by CG's director and the Head of Manchester School of Art.

In 2015-16, CG further developed its core offer of new contemporary art, made assessable and free to the public, by successfully gaining revenue funding from ACE and MCC for three years, from 2015-18. The CG Associates membership scheme is assessable because of its self-selection criteria of those working in contemporary visual art.

Across all its charitable programmes, CG has spent £191,739 including £148,632 of in-kind resources donated from our partners and sponsors.

Achievements and performance

The organisation fulfilled its aim of education in the subject of contemporary art, by showing emerging and midcareer artists' work and by promoting free and open access for the public. We have also organised art events for the public to participate in, and talks/discussions for further exploration of the issues in contemporary art and the artists' work. Our artists' professional development programme has provided training and advice to emerging artists with the aim of enabling them to produce high quality work and therefore benefiting the public in the future. Most of our activities have been free to access with some masterclasses charging participants an affordable £5. They have been publicised in the widest formats available within our resources, so that we can reach as many people as possible. In 2015/16 we mainly used direct mail (i.e. MailChimp), e-newsletters, social media sites (such as FaceBook, Twitter and Flickr), our own website, and media listings - in printed material and online formats. Our press releases have ensured that our exhibitions and events are listed in national and local press and media.

Our Facebook likes have increased from 3,754 to 4,861 (up 29%), with average weekly reach of 2,820 increased to 3,044 (up 7%). Twitter followers also increased from 12,140 to 14,398 (up 19%). Email subscribers (using MailChimp) rose from 2,790 to 3,082 (up 10%).

Our annual website sessions rose from 49,942 to 52,523 (up 5%), from 34,778 to 39,960 users (up 15%). This peaked during our critically acclaimed summer exhibition Real Painting in August with almost double the referrals from sites such as Culturetrip, Creative Tourist, Visit Manchester and Guardian online. To ensure equality of access, our venue has disabled access to all floors and an accessible toilet. Staff and volunteers are briefed to be welcoming and informative to all visitors.

Known visitor figures for Castlefield Gallery were 7,738, which compares well with the last few years. New Art Spaces Federation House attracted 2,000 estimated visitors with

Castlefield Gallery

Report of the Directors

for the year ended 31 March 2016

Manchester Metropolitan University's Unit X which was part of Creative Tourist's Manchester After Hours 2015.

Other off-site public facing exhibits included: The Manchester Contemporary art fair which had an official estimated visitor number of 4,000; and our public realm commission by developers Allied London with artist Liz West whose Through No.3 sculpture in Spinningfields from November 2015 to March 2016 was estimated to have been seen by 5,000 people; and Manchot's Twelve+ posters are estimated to have 2,500 viewers in 15 regular outdoor poster sites.

Our total actual and estimated audiences were 20,338 which is a substantial increase from 2014/15's 12,630. Over 35% were in the public realm, and another 30% in non-gallery settings, which expands our audience reach and the types of people who visits contemporary art galleries.

Online, we have added six new talks to Soundcloud but no new videos onto ArtPlayer. Artplayer's figures are estimated at 10,000 (similar to last year) because unfortunately we had last taken 'viewed figures' on 31 November, before they migrated to YouTube in March. Soundcloud listens increased from 147 last year to 532.

In summary our 2015/16 public facing artistic programme was:

Curated Exhibitions

Real Painting
ReView strand

Artists Jo McGonigal and Deb Covell co-curates an exhibition about the language of painting, includes Simon Callery, Adriano Costa, Deb Covell, Angela de la Cruz, Lydia Gifford, David Goerk, Alexis Harding, Jo McGonigal, DJ Simpson and Finbar Ward. With a contextual essay and talk by writer and academic Craig Staff.
Coincides with Manchester International Festival 2015.

*Melanie Manchot -
Twelve*
Art & Society strand

Collaborative touring exhibition with Towner, Peckham Space and Spacex. Working with Mark Prest (Portraits of Recovery) and Mark Segal (ex-Artsway). Work co-produced with recovering addicts.

A bespoke local commission employed emerging artist Rachel Cheung as Manchot's assistant, working with people in recovery from The Priory Hospital. Four posters were produced and displayed at street poster-sites across Manchester.

*B/Q: Roland Barthes
and Magnus Quaife*
Head to Head strand

CG also hosted an in-conversation with Manchot and academic Amanda Ravetz, the Twelve book launch and a symposium exploring the relationship between art, addiction and recovery.

Magnus Quaife explores the theories and drawings of the late influential writer, theorist and critic Roland Barthes.

Essay by independent curator Ellen Mara De Wachter, and an in-conversation with Quaife and De Wachter.

Inside Out
Self Made strand

Artist, former art therapist and expert in Outsider Art David Maclagan co-curates, exploring this problematic term. The exhibition purposely promotes so called outsider and insider artists in an attempt to further the debate. Includes Darren Brian Adcock, Nick Blinko, Peter Darach, Andrea Joyce Heimer, Carlo Keshishian, Joel Lorand, David Maclagan, Richard Nie, Mehrdad Rashidi, Mit

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Senoj, Marlene Steyn and Jenna Kayleigh Wilkinson.

Contextual essay by Maclagan, and an in-conversation with Bryony Bond,
Creative Director at The Tetley and Maclagan.

**Launch Pad
projects**

- | | |
|--|---|
| Launch Pad: Darren Nixon | A solo experimental exhibition of new developments in Nixon's paintings. Selected through open submission from CGA members by CG's Programme Manager and artist Lubaina Himid. |
| Launch Pad: It was Dark and Stormy Night | A group project initiated by six artists based across the UK, France and The Netherlands - Graeme Durant, Jemma Egan, Florent Dubois, Lindsey Mendick, Suzanne Posthumus, and Josh Whitaker.

Selected through open submission from CGA members by CG's Programme Manager and artist Jo McGonigal. |
| Launch Pad: Dancehall 11 | An expanded 'publication', shaped by collaboration and an interest in the exploration of sound across different disciplines, such as live music, sound installation, performance, and critical writing; published since 2010 by Psykick DANCEHALL (Hannah Ellul and Ben Knight). <i>Dancehall 11 includes Hello Art Magazine with Louise Hobson, Amelia Bywater & Rebecca Wilcox, Giuseppe Mistretta, Katherine MacBride, and Tom White.</i>

Selected through open submission from CGA members by CG's Programme Manager and Eleanor Clayton, curator at The Hepworth Wakefield. |
| Launch Pad: Manchester School of Art, Graduates 2015 | New work by Nina Bristow, Tom Lambe and Aimee Walker , three graduates from the Manchester School of Art, class of 2015.

Co-selected by CG's Director Kwong Lee and Manchester School of Art, Head of Art and Associate Dean Penny Macbeth. |

CG Associates (CGA) scheme was launched in December 2012, and has grown to 168 members by 31 March 2016. Most members are artists, with one writer/curator. Many artists are also active in initiating and curating artist-led projects. Members participate in monthly events which are a mix of knowledge sharing, peer critique, skills training and organised visits to arts organisations in the region and beyond. This year CGA continued mini-residency exchanges with artist groups from Birmingham and Sheffield. One CGA member was selected for Film Open, a national touring showreel of new artist's videoworks selected by Steven Cairns, ICA Associate Curator of Artists' Film and Moving Image. At CG, there were three CGA Launch Pads this year, selected from open applications from CGAs by our Programme Manager alongside a guest selector from another art organisation/institution who generously donated their time. In addition, a fourth Launch Pad with selected 2015 Manchester School of Art graduates was presented in February. Many of the CGAs also took the opportunity to use our New Art Spaces (NAS) offer.

Strategically NAS supports the existing studio spaces infrastructure by creating time-limited project spaces, allowing artists to experiment and test more ambitious work whether they have a more permanent workspace elsewhere or not. Across sites in Manchester, Leigh and Salford, NAS supported over 1,500 artists and students, 22 artist groups, 6 artist development agencies or curatorial projects, attracting over 2,000

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for the year ended 31 March 2016

visitors. As CG was able to negotiate 'pepper corn' rents with landlords, often with charity space brokers Hammond & Associates, it was able to pass on these savings to their users, thereby enhancing their resources for production and promotion.

In this financial year our NAS offer has been reduced considerably due to the loss of the unique NAS Federation House which was handed back in May, but not before we hosted around 1,000 Manchester School of Art students in their Unit X project, and numerous artist and curator led exhibitions. In August 2015, CG gained NAS Chorlton which was developed to support around 20 artists at any given time. Significantly NAS Chorlton provided a shared studio space for learning disabled and non-learning disabled artists from February to September 2016, in a partnership led by Venture Arts who specialises in developing learning disabled artists.

CG added public realm production and curation to its work with a commission from developers Allied London. CG created a shortlist of Greater Manchester artists from which Liz West was selected to make an interactive walk-through sculpture that was enjoyed by the public in Spinningfields from November 2015 to March 2016. This was West's first public realm commission which had led to other work for the artist.

CG continued with research and strategic work that adds value to the visual art ecosystem. Notably these were:

- CG's Director co-chairing Contemporary Visual Arts Manchester (CVAM) with University of Salford's Art Curator Lindsay Taylor. CVAM, working in partnership with the other two visual art networks in the North West, Visual Arts In Liverpool and North by North West, gained Grants for the Arts funding for three strands of work - talent development, critical writing and young people as creatives. This project, called Art: Audience Development, Discourse & Skills, was a two-year project that was completed by March 2016, with three public exhibitions hosted at The Grundy in Blackpool, The Atkinson in Southport and Bury Art Museum, a pilot mentoring chain of artists and arts professionals, a young people's programme and a programme of critical writing and publishing. The collated writings was published as the On Being Curious book by The Double Negative, and subsequently launched at CG in April 2016.
- the continuing Industry based PhD with Manchester School of Art, researching 'deferred impact' of artist development using Castlefield Gallery as a case study, to be completed in March 2017.
- CG was a partner venue for an Arts & Humanities Research Council funded project led by MMU's Dr Beccy Kennedy. 'Called Culture, Capital & Communication: Visualising Chinese Borders in the 21st Century', CG hosted a research lab in May, and participated in labs at Manchester's Centre for Chinese Contemporary Art, at Hong Kong Polytechnic University and at National Cheng Kung University, Taiwan.
- Now in its the second year, CG was a partner in Salford Scholarships, an initiative to support selected graduates from University of Salford's School of Arts & Media.
- CG participated in a-n The Artists Information Company's Paying Artists Campaign working group.
- CG was a consultant on the first Chamber Art Prize, organised by the Greater Manchester Chamber of Commerce.

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for the year ended 31 March 2016

Financial review

This financial year achieved higher public grants, due to a cross-over of the drawing down of new Arts Council England's NPO grant with historical Grants for the Arts funding, and the doubling of Manchester City Council's cultural partnership grant to £10,000. Coupled with the halving of corporate donations received, CG's public funding percentage has increased to 55% as compared to 33% last year. Earned income increased from 21% to 24% of overall gross income, which was a 6% increase from 2014/15. Donated services increased from £41,775 to £148,632 of which 89% is attributable to landlords' donation of pepper-corn rent premises for our New Art Spaces programme.

2015/16 cash income: 21% in donations, 55% in public grants, 24% in earned income.

The organisation gained a total of £202,041 cash in incoming resources (compared to £190,662 in 2014/15), which included £70,000 revenue and £23,335 project grants from Arts Council England; £10,000 from Manchester City Council's Cultural Partnership funds; £9,121 restricted funds passed on from Greater Manchester Arts Centre Ltd for Contemporary Visual Art Manchester (CG acting as treasurer); £41,717 donations; £38,835 in consultancy work; £8,431 in membership fees; and £602 in other earned income.

At 31 March 2016, CG carries forward £50,233 unrestricted funds, £8,562 restricted current assets and £362,382 in restricted fixed assets (premises). The unrestricted reserves are the second highest for at least 10 years, beaten only by 2012/13 when we started gaining corporate donations and held a successful fundraising auction. This sufficiently met our reserves target of £24,034 which is a contingency budget to ensure the organisation can fulfil its obligations in case of unforeseen circumstances leading to its closure.

At the time of writing this report (December 2016), the finances are healthy and the trustees have full confidence in the future of the organisation.

Reserves policy

The Reserves Policy of retaining a minimum of 2 months liquid funds of operating costs which for 2015/16 was £24,034. This figure is based on the organisation's financial commitments, namely staff notices, redundancies, overheads and committed contract costs should the organisation faces a crisis where it needs to close.

During 2016/17 the organisation will rethink its reserves policy to not only be an emergency contingency fund, but also build in targets for gaining reserves to mitigate against fluctuations in public and private income for future years.

Plans for the future

CG's plans for the next two years are to continue delivering curated exhibitions of high quality and relevance, for the benefit of the general public and artists, and to maintain work to encourage and develop artists both within and outside of the contemporary art sector. These initiatives includes CG's New Art Spaces and CG Associates initiatives, as well as advocacy and strategic partnership work with other arts organisations, universities and individuals who share similar or compatible aims. CG's plans are laid out in more details in its business strategy and plans for this period.

Structure, governance and management

The organisation is a charitable company limited by guarantee (England and Wales) and is also a registered charity. The company was first incorporated on 3rd August 1984. It registered as a charity on 26th September 1984. The company was established under a

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Report of the Directors
for the year ended 31 March 2016

memorandum of association which established the objects and powers of the charitable company and is governed under its articles of association, the most recent of which was approved by the Board at an Extraordinary Meeting on 1st March 2011.

Directors and trustees

The organisation is governed by a Board of directors who are also its trustees.

The directors who served during the year are listed on page one of the annual report. The directors are appointed by members in general meetings. The Board may appoint directors to fill casual vacancies, but those only hold office until the next Annual General Meeting.

The Board Directors meet at least 4 times a year to review strategy, policy, operational plans, budget and finance control, and risk management.

Trustee selection methods

The board aims to have members that cover a diverse range of skills, experience and knowledge in order to effectively govern the non-profit company and charity. It reviews its skills-pool at Board meetings and when gaps are identified, Board Directors recruit potential new members by one of two approaches, a) by unsolicited applications, and b) by Board Directors suggesting potential candidates. Agreed candidates are invited to meet with existing directors, then to a Board meeting as observers, so that they can meet and discuss their potential role with the current members. If agreed by the current members (in the absence of the candidate) and the candidate, they are invited to join the Board and are subsequently co-opted at the next Board meeting. In accordance with our Articles, co-opted Board directors retire at the AGM and are eligible for re-election at that meeting. According to clause 24 of CG's Articles, a third or the number nearest to one third of the Board of Directors shall retire at each AGM, with those being eligible being able to stand again.

Company status

Members of the charity guarantee to contribute an amount not exceeding £10 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2016 was 10 (2015:10). The directors are members of the charity but this entitles them only to voting rights. The directors have no beneficial interest in the charity.

All directors give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 9 to the accounts.

The gallery holds a 150 year lease with Crosby Homes (Northwest) Limited from 1st January 2000. The gallery is based at 2 Hewitt Street, Manchester M15 4GB, which is also the registered address of the organisation.

Related parties and relationships with other organisations

The charity is a cultural partner of Manchester City Council and a National Portfolio Organisation of Arts Council England, both with which it delivers part of their strategic cultural aims.

It has strategic partnerships in place with Manchester School of Art and the University of Salford to deliver career development activities for student and graduates, and research outputs with PhD students and academics.

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It has project partnerships with Brewery Arts Centre, Kendal, Venture Arts and Creative Industries Trafford to deliver artist development projects.

Remuneration policy for key management personnel

Castlefield Gallery aims to raise the level of its staff remuneration to a level in line with the sector, considering its scale and reach of its activities.

Risk management

The Board is responsible for managing the risks of the organisation. Risks are reviewed at general meetings, with processes put in place to mitigate identified risks. The controls that the Board uses are:

- Formal agendas at each general meetings and Annual General Meeting.
- Comprehensive strategic planning, budgeting and management accounting
- Established organisational structure and lines of reporting
- Clear authorisation and approval systems

Funds held as custodian trustee on behalf of others

During this financial year, Castlefield Gallery began to operate as treasurer to Contemporary Visual Art Manchester (CVAM), a network of visual arts organisations and individuals in Greater Manchester that is affiliated with the national Contemporary Visual Art Network (CVAN). CVAM and CVAN are not charities, but operate as non-profit networks with the mission 'to strengthen and develop the contemporary visual arts sector in England through collegiate working defined locally and nationally, using the network as a platform to do so.' At year end, CG holds £6,121 on behalf of CVAM. These funds are accounted for as a separate 'class' in Quickbooks and are designated as a restricted fund.

Castlefield Gallery
Report of the Directors
for the year ended 31 March 2016

Statement of responsibilities of the directors

The directors (who are also directors of Castlefield Gallery for the purposes of company law) are responsible for preparing the directors' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The directors are responsible for keeping proper accounting records that 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. 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report has been prepared in accordance with the provisions applicable to companies subject to the small companies' regime of the Companies Act 2006.

The directors' annual report has been approved by the director on 20.12.2016 and signed on their behalf by


Maria Cunningham

Chair

Independent examiner's report
to the members of
Castlefield Gallery

I report on the accounts of the company for the year ended 31st March 2016 which are set out on pages 13 to 25.

Respective responsibilities of trustees and examiner

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of the Association of Chartered Certified Accountants.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In the course of my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that in any material respect the requirements:
- to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - to prepare accounts which accord with the accounting records; comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities
- have not been met; or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Jennifer Daniel FCCA
Slade & Cooper Ltd.
Chartered Certified Accountants
Green Fish Resource Centre
46-50 Oldham Street
Manchester
M4 1LE

21/12/2016

Castlefield Gallery
Statement of Financial Activities
(including Income and Expenditure account)
for the year ended 31 March 2016

	Note	Unrestricted funds £	Restricted funds £	Total funds 2016 £	Total funds 2015 £
Income from:					
Donations and legacies	2	190,349	-	190,349	128,663
Charitable activities:	3	150,601	9,121	159,722	89,575
Other trading activities	4	602	-	602	14,199
Total income		341,552	9,121	350,673	232,437
Expenditure on:					
Charitable activities:	5	315,693	20,698	336,391	266,491
Total expenditure		315,693	20,698	336,391	266,491
Net movement in funds for the year	7	25,859	(11,577)	14,282	(34,054)
Reconciliation of funds					
Total funds brought forward		24,578	382,521	407,099	441,153
Total funds carried forward		50,437	370,944	421,381	407,099

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

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Balance sheet as at 31 March 2016

	Note	2016	2015
		£	£
Fixed assets			
Tangible assets	10	363,268	381,847
Investments	11	37	37
Total fixed assets		363,305	381,884
Current assets			
Debtors	12	24,904	37,969
Cash at bank and in hand		44,024	3,215
Total current assets		68,928	41,184
Liabilities			
Creditors: amounts falling due in less than one year	13	(10,852)	(15,969)
Net current assets		58,076	25,215
Total assets less current liabilities		421,381	407,099
Net assets		421,381	407,099
The funds of the charity:			
Restricted income funds	14	364,823	382,521
Unrestricted income funds	15	56,558	24,578
Total charity funds		421,381	407,099

For the year in question, the company was entitled to exemption from an audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476,
The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts
These accounts are prepared in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The notes on pages 16 to 25 form part of these accounts.

Approved by the trustees on 20/12/2016 and signed on their behalf by:


Marla Cunningham

Castlefield Gallery
Statement of Cash Flows
for the year ending 31 March 2016

	Note	2016 £	2015 £
Cash provided by/(used in) operating activities	17	40,809	(1,253)
Increase/(decrease) in cash and cash equivalents in the year		40,809	(1,253)
Cash and cash equivalents at the beginning of the year		3,215	4,468
Cash and cash equivalents at the end of the year		44,024	3,215

Castlefield Gallery

Notes to the accounts for the year ended 31 March 2016

1 Accounting policies

The principal accounting policies adopted, judgments and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Castlefield Gallery meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required. No such restatement was required.

b Preparation of the accounts on a going concern basis

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next reporting period.

c Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of a provision of a specified service is deferred until the criteria for income recognition are met.

Castlefield Gallery

Notes to the accounts for the year ended 31 March 2016 (continued)

d Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised; refer to the trustees' annual report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

e Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

f Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of charity.

Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose.

Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

g Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Castlefield Gallery

Notes to the accounts for the year ended 31 March 2016 (continued)

h Tangible fixed assets

Individual fixed assets costing £1000 or more are capitalised at cost and are depreciated over their estimated useful economic lives on a straight line basis as follows:

Asset Category	Annual rate
Leasehold building	2%
Leasehold improvements	4%
Computer equipment	20%

i Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

j Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

k 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 the 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.

l Pensions

Employees of the charity are entitled to join a defined contribution 'money purchase' scheme. The charity's contribution is restricted to the contributions disclosed in note 8. There were no outstanding contributions at the year end.

Castlefield Gallery

Notes to the accounts for the year ended 31 March 2016 (continued)

2 Legal status of the charity

The charity is a company limited by guarantee registered in England and Wales and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The registered office address is disclosed on page 1.

Income from donations and legacies

	Unrestricted £	Restricted £	Total 2016 £	Total 2015 £
Donations	41,717	-	41,717	86,888
Donated services	148,632	-	148,632	41,775
Total	190,349	-	190,349	128,663
<i>Total by fund 31 March 2015</i>	<i>128,663</i>	<i>-</i>	<i>128,663</i>	

3 Income from charitable activities

	Unrestricted £	Restricted £	Total 2016 £	Total 2015 £
Arts Council England NW	23,335	-	23,335	44,165
Greater Manchester Arts Centre Ltd	-	9,121	9,121	
Arts Council of England	70,000	-	70,000	14,198
Manchester City Council	10,000	-	10,000	5,334
Consultancy	38,835	-	38,835	18,699
Membership	8,431	-	8,431	7,163
Miscellaneous	-	-	-	16
Subtotal	150,601	9,121	159,722	89,575
Total	150,601	9,121	159,722	89,575
<i>Total by fund 31 March 2015</i>	<i>63,697</i>	<i>-</i>	<i>63,697</i>	

Castlefield Gallery

Notes to the accounts for the year ended 31 March 2016 (continued)

4 Income from other trading activities

	2016 £	2015 £
Art and book sales	142	5,696
Rents	460	8,503
	<hr/>	<hr/>
	602	14,199
	<hr/>	<hr/>

All income from other trading activities is unrestricted.

5 Analysis of expenditure on charitable activities

	Total 2016 £	Total 2015 £
Staff costs	77,074	69,142
Premises costs	29,678	10,680
Administrative costs	17,671	13,560
Project costs	191,739	153,030
Depreciation	18,579	18,579
Governance costs (see note 6)	1,650	1,500
	<hr/>	<hr/>
	336,391	266,491
	<hr/>	<hr/>
	2016 £	2015 £
Restricted expenditure	20,698	17,698
Unrestricted expenditure	315,693	248,793
	<hr/>	<hr/>
	336,391	266,491
	<hr/>	<hr/>

6 Analysis of governance costs

	2016 £	2015 £
Accountancy and independent examination	1,650	1,500
	<hr/>	<hr/>
	1,650	1,500
	<hr/>	<hr/>

Castlefield Gallery

Notes to the accounts for the year ended 31 March 2016 (continued)

7 Net income/(expenditure) for the year

This is stated after charging/(crediting):	2016 £	2015 £
Depreciation	18,579	18,579
Independent examiner's remuneration -		
Independent examination	400	150
Accountancy	1,250	1,350
Payroll	612	612
	<hr/>	<hr/>

8 Staff costs

Staff costs during the year were as follows:

	2016 £	2015 £
Wages and salaries	74,852	67,428
Social security costs	2,119	1,714
Pension costs	103	-
	<hr/>	<hr/>
	77,074	69,142
	<hr/>	<hr/>
Allocated as follows:		
Charitable activities	77,074	69,142
	<hr/>	<hr/>
	77,074	69,142
	<hr/>	<hr/>

No employees has employee benefits in excess of £60,000 (2015: Nil).

The average number of staff employed during the period was 6 (2015: 6).

The average full time equivalent number of staff employed during the period was 3.8(2015: 3.9).

9 Trustee remuneration and expenses, and related party transactions

Neither the management committee nor any persons connected with them received any remuneration or reimbursed expenses during the year (2015: Nil).

No members of the management committee received travel and subsistence expenses during the year (2015: Nil).

No trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity, including guarantees, during the year (2015: nil).

Castlefield Gallery

Notes to the accounts for the year ended 31 March 2016 (continued)

10 Fixed assets: tangible assets

Cost	Leasehold building £	Leasehold improvements £	Equipment £	Total £
At 1 April 2015	319,579	282,625	40,198	642,402
At 31 March 2016	319,579	282,625	40,198	642,402
Depreciation				
At 1 April 2015	87,091	135,032	38,432	260,555
Charge for the year	6,392	11,305	882	18,579
At 31 March 2016	93,483	146,337	39,314	279,134
Net book value				
At 31 March 2016	226,096	136,288	884	363,268
At 31 March 2015	232,488	147,593	1,766	381,847

Castlefield Gallery

Notes to the accounts for the year ended 31 March 2016 (continued)

11 Investments

	2016 £	2015 £
Market value at the start of the year	37	37
	<hr/>	<hr/>
Market value at the end of the year	37	37
	<hr/>	<hr/>
Investments at fair value comprised:		
Unlisted shares	37	37
	<hr/>	<hr/>
	37	37
	<hr/>	<hr/>

Investments are all carried at fair value and are all traded in quoted public markets.

12 Debtors

	2016 £	2015 £
Trade debtors	923	11,954
Grants receivable	20,000	25,188
Prepayments	3,865	827
Tax & NI	116	-
	<hr/>	<hr/>
	24,904	37,969
	<hr/>	<hr/>

13 Creditors: amounts falling due within one year

	2016 £	2015 £
Accruals	10,388	13,926
VAT	464	2,043
	<hr/>	<hr/>
	10,852	15,969
	<hr/>	<hr/>

Castlefield Gallery

Notes to the accounts for the year ended 31 March 2016 (continued)

14 Analysis of movements in restricted funds

	Balance at 1 April 2015 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2016 £
Gallery premises	380,080	-	(17,698)	-	362,382
CAM Project	2,441	-	-	-	2,441
Greater Manchester Arts Centre Ltd	-	9,121	(3,000)	-	6,121
Total	382,521	-	(17,698)	-	364,823

Name of **Description, nature and purposes of the fund**

Gallery premises - The balance of grants from the Arts Council of England, used to purchase and fit out new premises for Castlefield Gallery. Depreciation on the fixed assets will be charged against the fund in future years.

CAM Project - For artist - led activities by the consortium Contemporary Arts Manchester.

15 Analysis of movement in unrestricted funds

	Balance at 1 April 2015 £	Income £	Expenditure £	Transfers £	As at 31 March 2016 £
General fund	24,578	366,149	(334,169)	-	56,558
	24,578	366,149	(334,169)	-	56,558

Name of **Description, nature and purposes of the fund**

General fund - The free reserves after allowing for all designated funds

Castlefield Gallery

Notes to the accounts for the year ended 31 March 2016 (continued)

16 Analysis of net assets between funds

	General fund £	Designated funds £	Restricted funds £	Total £
Tangible fixed assets	884	-	362,384	363,268
Net current assets/(liabilities)	55,637	-	2,439	58,076
Fixed asset investments	37	-	-	37
	<hr/>	<hr/>	<hr/>	<hr/>
Total	56,558	-	364,823	421,381
	<hr/>	<hr/>	<hr/>	<hr/>

17 Reconciliation of net movement in funds to net cash flow from operating activities

	2016 £	2015 £
Net income/(expenditure) for the year	14,282	(34,054)
Adjustments for:		
Depreciation charge	18,579	18,579
Decrease/(increase) in debtors	13,065	58,625
Increase/(decrease) in creditors	(5,117)	(44,403)
	<hr/>	<hr/>
Net cash provided by/(used in) operating activities	40,809	(1,253)
	<hr/>	<hr/>