

HARDING HOUSE GALLERY LIMITED

ANNUAL REPORT

2001

Company Registration Number 2917506



**Sheffield Community Enterprise Development Unit
131 Upperthorpe Road
Upperthorpe
Sheffield
S6 3AB**

**Tel: 0114 2015260
Fax: 0114 201 5261
e mail: business@scedu.org.uk**

Harding House Gallery Limited
Annual Report
2001

Contents

Officers and Professional Advisers	Page 2.
Directors' Report	Page 3.
Review of the Year	Page 4.
Accountants' Report	Page 9.
Profit & Loss Account	Page 10.
Balance Sheet	Page 11.
Notes to the Financial Statements	Page 14.

Officers and Professional Advisers

The Board of Directors

J McCaughern
(Resigned 9 February 2001)
H Neale
I Rylatt
A Povey
C Pendlebury
(Resigned 1 May 2001)
D Leeke
(Resigned 30 June 2000)

Company Secretary

C Pendlebury

Registered Office

Old Police House
Darlton Road
Dunham on Trent
Newark
NG22 0UH

Accountants

Sheffield Community Enterprise
Development Unit
131 Upperthorpe Road
Upperthorpe
Sheffield
S6 3EB

Bankers

NatWest Bank Plc
Smiths Bank Branch
225 High Street
Lincoln
LN2 1AZ

Directors' Report

The directors have pleasure in presenting their report and the unaudited financial statements of the company for the year ended 28 February 2001.

Principal Activities

The principal activity of the company during the year was the leasing and management of Harding House Gallery, Lincoln on the behalf of the members of the company.

Directors

The directors who served the company during the year were as follows:

J McCaughern
(Resigned 9 February 2001)
H Neale
I Rylatt
A Povey
C Pendlebury
(Resigned 1 May 2001)
D Leeke
(Resigned 30 June 2000)

Small Company Provisions

This Report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Signed on behalf of the directors



H Neale
Director
27 September 2001

Registered Office
Old Police House
Darlton Road
Dunham on Trent
Newark
NG22 0UH

Review of the Year

What the Gallery is for?

Harding House Gallery is a guarantee limited company, which is run as a cooperative by its members.

The Gallery's main aims are to:

- Supply high quality hand crafted art and craft; and
- Offer a commodity to the public that involves the Gallery's members and makers, the community and national makers and artists.

It is therefore essential that the Gallery continues to offer a broad spectrum of exhibitions in its calendar to suit and develop this audience.

Overview of the Year

The two main challenges facing the Gallery during the year were the needs to renew its membership and to develop new administrative systems in order to offer a comprehensive service to members and exhibitors alike.

Membership - the year saw some changes of members within Harding House Gallery Ltd. At the end of March 2000 Jill Honey and Polly Warren left to pursue other commitments; Jill had been a member since 1995 and Polly since 1994. Polly had been our Company Secretary from 1994 until 1998 and had devoted much time to the job.

Both Jill and Polly remained as Sale or Return artists within the gallery.

At the end of January 2001 Meg Kyte also left us to devote all her time to running her own business. Meg had developed the new signs and logos for the Gallery and had also helped with our **Exhibitions Programme**.

New members joining us this year were Gail Belinda Lee, who is a textile artist and Dawn Hoyer, a multi-media artist.

We have recognised for some time the need to renew our membership and, during the year, we advertised in the **Artists' Newsletter** and **Crafts Magazine** asking for new Sale or Return work and also for artists who might be interested in becoming members.

Harding House Gallery Limited Annual Report 2001

The Sale or Return response was good and the Gallery increased its range and diversity of crafts but the recruitment drive for new members proved more difficult.

We looked very carefully at encouraging artists to join us as associate, rather than full, members and we have now decided that we will offer a reduction in commission to exhibitors in exchange for days worked in the gallery in the hope that we can, over time, encourage these artists to join us as full members.

Sales - during the last quarter of 2000 in particular these were very slow, possibly due to the bad weather, the petrol crisis and various rail problems. January sales were not good and again this could be attributable to the fact that icy weather deters people from walking up Steep Hill in Lincoln to visit us.

Feedback from our customers has suggested that it was also probably not a good idea to close the Gallery for two days a week in January, despite the need to regroup and concentrate on Artwork after the Christmas Market.

On a more upbeat note, the Gallery obtained a Consumer Credit Licence and successfully applied to join the **Acquire** scheme run by East Midlands Arts.

As a result, Individual sales in excess of £110 can now be offered with pre-arranged finance over an agreed period. The signage in the Gallery was improved as a consequence of this and artists now have a short statement next to their work.

Despite this, the Acquire scheme so far remains unused by customers. More consideration will be given to the reasons for this and action taken to promote it.

Administration – we have known for some time that our accounting and stock control systems need to be updated and integrated.

These problems were a major worry during the year and, as a result, we decided to terminate our association with Streets & Co (Accountants) and seek professional help in identifying and meeting our needs.

The Co-operative looked seriously at the difficulties that had been identified and took steps to re-structure and move forward. Business Link offered advice about identification and control of stock and the CDA's advice was sought on this and other related matters.

Forward-Trends

Harding House Gallery intends to continue with the new stock control and tracking systems that are being implemented.

New systems of dealing with Sale or Return artists will ensure that the Gallery is in control of the entire system and that Sale or Return artists have an easy to use, but defined, administrative system to follow.

New paperwork for our Sale or Return correspondence is in place and two members are now dedicated to running this side of the business. This complete overhaul of the system will be refined as necessary but, so far, it has meant that we now have over 40 Sale or Return artists who display their work with us.

With the help of East Midlands Arts we will apply for funding for **Business Development**; a new computer system for the Gallery, relevant software and a website development are all envisaged.

However, a database for stock control, which is linked to the till, is the most pressing need. We are currently working on this and training will be undertaken by members to make sure that the system is fully understood.

A new lighting system for the downstairs area is also a priority and this will be purchased when funds allow.

Overall - the gallery and its members hope that the administrative improvements which are already in place and the more business-like approach which is intended will pay dividends in terms of new membership and increased activity.

Exhibitions 2000

At the heart of our work is our annual programme of **Exhibitions**. We would very much like this to move to a themed or policy-based approach so that, over the next few years, it is able to contribute fully to the development of our artform in and around Lincoln.

Themes and Developments

Overall we had a relatively successful year, however sales of new art did not live up to expectations and we were especially disappointed that the **Open Studios** booking over 2 months produced no sales.

Harding House Gallery Limited Annual Report 2001

The petrol crisis, rail delays and bad weather coincided specifically with this show and no doubt contributed to its problems.

Nevertheless, visitor numbers were pleasing throughout the year and we delivered a diverse and comprehensive calendar of shows.

As well as contributing to Open Studios for the first time, a major theme involved looking at **Work With Children**.

Usually the Gallery remains empty and no exhibitions are booked until the middle of March. However, in 2000, we approached local primary schools to see if there was any interest in putting on a **Children's Painting and Drawing Exhibition**.

Nine schools submitted work for exhibition. It was a well-received and greatly appreciated exhibition. The children's work, from ages 5 to 11, was stunning, colourful, well executed and proved the point that children love to paint and draw.

The exhibition ran from 5 February to 11 March. It had many visitors and received the most favourable comments in our visitors' book.

From 22 July to 5 August we invited **Lucy Jackson**, who runs children's art classes in the West End of Lincoln, to use the Gallery for workshops and a children's exhibition.

This was one of our most successful fortnights and also one of the busiest. We organized 5 workshops of 2 hours each, for up to 12 children, working with clay, textiles and jewellery and making glass paintings and collage work.

Lucy will return to us in November 2001 for another children's art workshop. We at the Gallery firmly believe that there is a market for children's art so, with this in mind, workshop will include a selling exhibition.

Highlights of the Year

Our first highlight was **Ollerton 2000** - from 18 March we hosted this exhibition which was derived from an artist in residence project for the community of Ollerton and Boughton. The main exhibits were a woven tapestry 6' by 4', a community quilt 5' by 5' and the renovated Ollerton and Boughton Colliery Banner.

De Montfort University - From 1 to 15 April space was offered to two 3rd year fine art students from De Montfort University.

Our relationship with the School of Art and Design at the University has proved successful and will be encouraged and pursued as much as possible. Both of

Harding House Gallery Limited Annual Report 2001

the students sold work and the project was seen as part of their learning experience for future solo exhibitions.

This good relationship allowed the Gallery to stage the University's **Contemporary Decorative Craft Degree Final Show**, which ran from 24 May to 12 June. This was a very popular event and was well supported both financially and in terms of the number of visitors.

Alison Read – is one of our best-selling artists and she took the Gallery from 17 April to 2 May to exhibit her popular and amusing animal prints and cards.

Another of our prolific sale or return artists, **Sheila Parkinson**, an artist from Sleaford who specializes in local landscapes, exhibited her paintings from 6 May to 20 May.

Rosemary Montford's inspiration was a stay in Italy that resulted in a wonderful collection of paintings, prints and ceramics. Both Rosemary and the degree students held very successful opening evenings and many of the students' sales were made at the opening.

Paul Barrett, furniture maker, exhibited his fine work with us from 1 to 15 July. Visitors appreciate furniture, but sales rarely follow. However, it is hoped that Paul will benefit in the future from commissions arising as a result of his exhibited work.

12pm - prints are always popular and, between 12 August and 2 September, we saw the return of 12pm, a group of printers, working in linocuts, woodcuts, lithographs and etchings.

All That Glitters was our Christmas exhibition this year and was as successful as our previous Christmas shows. Our members and exhibitors made many sales in the run up to the holiday period.

As usual our members produced distinctively different work for this special display.

The Christmas show demanded a lot of hard work for us, especially over the traditional Christmas Market period, so it was a welcome relief to all of us at the Gallery when it was over and we were able to regroup and return to our artwork during January and February.

Accountants' Report

The Accountants present their report to the directors on the unaudited financial statements of Harding House Gallery Limited.

The financial statements for the year ended 28 February 2001 are set out on pages 10 to 14.

You are responsible for their preparation and you consider that the company is exempt from an audit.

In accordance with your instructions (and in order to assist you to fulfil your statutory responsibilities) we have prepared these unaudited financial statements from the accounting records and information and explanations supplied to us.

We have not carried out an audit.



Sheffield Community Enterprise Development Unit
131 Upperthorpe Road
Upperthorpe
Sheffield
S2 3EB

27 September 2001

Profit and Loss Account
For the Year to 28 February 2001

	Note	2001 £	2000 £
Turnover		17 061	16 709
Administrative Expenses		(16 622)	(17 108)
Operating Profit/(Loss)		439	(399)
Revenue Reserves at 1 March 2000		159	558
Revenue Reserves at 28 February 2001		598	159

The notes on pages 13 and 14 form part of these Financial Statements.

Harding House Gallery Limited
Annual Report
2001

Balance Sheet
At 28 February 2001

	Note	2001	2000
		£	£
Fixed Assets			
Tangible assets		1 406	2 110
Current Assets			
Debtors	918	1 315	
Cash at bank and in Hand	5 165	6 836	
	6 083	8 151	
Creditors: Amounts falling Due within one year	(6 891)	(10 102)	
Net Current Liabilities		(808)	(1 951)
Total Assets Less Current Liabilities		598	159
Reserves			
Profit and Loss Account		598	159

The notes on pages 13 and 14 form part of these Financial Statements.

Balance Sheet
At 28 February 2001
(Continued)

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the accounts for the year by virtue of section 249A (1) and that no member or members have requested an audit pursuant to section 249 B(2) of the Act.

The directors acknowledge their responsibilities for:

1. Ensuring that the company keeps proper accounting records which comply with section 221 of the Act; and
2. Preparing accounts that give a true and fair view of the state of the company's affairs as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities.

These financial statements were approved by the directors on 27 September 2001 and are signed on its behalf by:

H Neale
Director
27 September 2001



The notes on pages 13 and 14 form part of these Financial Statements.

**Notes to the Financial Statements
For the Year to 28 February 2001**

1. Accounting Policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities.

Turnover

The turnover shown in the Profit and Loss Account represents amounts invoiced during the year.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures and Fittings - 25%

2. Operating Profit/(Loss)

The Operating Profit/(Loss) is stated after charging:

Depreciation £ 704 (2000: £ 703)

3. Tangible Fixed Assets

	Fixtures & Fittings £
Cost	
At 1 March 2000 and 28 February 2001	3 737
Depreciation	
At 1 March 2000	1 627
Charge for the year	704

Notes to the Financial Statements
For the Year to 28 February 2001
(Continued)

Tangible Fixed Assets
(Continued)

Depreciation

At 31 March 2001	2 331
------------------	-------

Net Book Value

At 28 February 2001	1 406
---------------------	-------

At 29 February 2000	2 110
---------------------	-------

4. Debtors

Trade Debtors	£ 918 (2000: £ 1 315)
---------------	-----------------------

5. Creditors: Amounts falling due within one year

	2001 £	2000 £
Trade Creditors	-	7 544
Other Creditors	5 128	1 558
Accruals and Deferred Income	1 763	1 000

6. Related Party Transactions

No transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8.

7. Company Limited by Guarantee

The liability of members (and any ex-member who has resigned in the last 12 months) is limited to £ 1.