

CANDID ARTS TRUST CONSOLIDATED ACCOUNTS

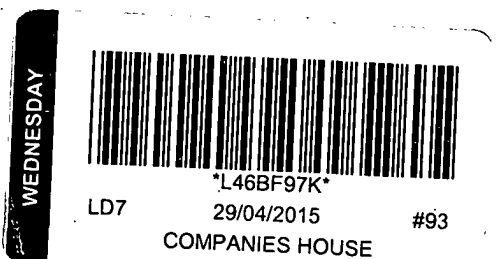
(A company limited by guarantee and not having a share capital)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST JULY 2014

Company No: 3019628

Registered Charity No: 1051672



CANDID ARTS TRUST

REPORT OF THE TRUSTEES

The Trustees and Directors of the charitable company present their report together with the financial statements of the charity for the year ended 31st July 2014. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles, applicable law and the current requirements of the Statement of Recommended Practice 2005: Accounting and Reporting by Charities.

The charity (number 1051672) is a company limited by guarantee (number 3019628) and has no share capital. The liability of each member in the event of a winding up is limited to £1.

Trustees and Directors Anthony Farquhar-Smith
 Christopher Bromall Fletcher
 Dr Roger Proctor

Secretary Duncan Barlow

Registered Office 8/9 Well Court
 London, EC4M 9DN

Auditors Knox Cropper
 Chartered Accountants
 8/9 Well Court
 London EC4M 9DN

Bankers The Co-operative Bank Plc,
 P.O. Box 101,
 1 Balloon Street,
 Manchester M60 4EP

GOVERNANCE AND MANAGEMENT

Anthony Farquhar-Smith – appointed as trustee on 8th February 1995
 Tony is a director of animation films and commercials.

Christopher Bromhall Fletcher – appointed as trustee on 1st July 2004
 Chris is an executive producer and distributor of factual television and film.

Dr Roger Proctor – appointed as trustee on 1st May 2008
 Roger is a doctor of oceanography and has lectured around the world on climate change and alternative Energy.

Monthly progress meetings are held with between the management and a Director and Trustees meetings are held a minimum of 3 times a year.

CANDID ARTS TRUST

REPORT OF THE TRUSTEES

OBJECTIVES

The objectives of the Charity as set out in the Memorandum and Articles of Association are the advancement of the Arts and Arts Education; we aim to achieve this by the following:

1. To establish a national centre for Promotion of Arts Graduates.
2. To continue providing educational facilities for the community, the public and corporate sectors in the value of the arts.
3. To continue supporting artists and artistic production.
4. To continue promoting and marketing the arts and individual artists to a local, regional, national and worldwide audience
5. To promote a public service that is accessible to all members of the community
6. To sustain Candid's financial independence.

Special Projects are funded by specific appeals and fundraising

ACTIVITIES AND DEVELOPMENTS DURING THE YEAR

Candid Arts Trust has continued to successfully promote the arts and arts education from its arts centre in Islington London.

As in previous years special emphasis was placed on newly graduated art and design students and the galleries hosted several degree shows from colleges around the country.

Throughout the year exhibitions were organised to showcase graduate and local talent from the whole spectrum of visual arts and design.

This years Islington Contemporary Art and Design fair that took place in October was amalgamated into two weeks instead of four with week one being the art week and week two the design week. This format was proved to be workable although accommodating less exhibitors.

The Angel Christmas Fair proved to be as popular as ever providing a valuable opportunity for artists and designers particularly from the local community to promote and sell their work.

The trading company CATCO showed stable trading throughout the year and additional catering facilities were introduced into the courtyard to make the most of the summer months.

Candid's educational programme of drawing and painting classes has continued throughout the year although undoubtedly popular the numbers were slightly down on previous years.

The studios continue to be fully occupied and in great demand with an ever longer waiting list.

We wish to express our appreciation to our small team, the contribution of our trustees, especially our valuable volunteers without whom our work would not be possible.

REVIEW OF THE FINANCIAL STATEMENTS

Candid Arts Trust continues to successfully promote the arts and arts education from its arts centres in Islington London, letting out studios and hosting exhibitions, alongside running the café. In the current year the deficit has decreased from £11,606 in 2012/13 to £4,529 in 2013/14. The reserves now stand at a negative £2,877, of which £3,124 is restricted.

CANDID ARTS TRUST

REPORT OF THE TRUSTEES

RESERVES POLICY

The trustees have reviewed its reserve policy in line with the Charities Commission Guidelines, the outcome being to continue to seek to achieve reserves equivalent to 5% of income. In the short term our reserves will be used to strengthen our position whilst sustaining our growth. Establishment and maintenance of prudent reserves and investment policies will enable the charity to expand and move forward confidently.

RISK MANAGEMENT

The trustees review risk on an ongoing basis and have taken action to mitigate risks.

PUBLIC BENEFIT STATEMENT

The Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the Charity Commission's guidance on public benefit 'Charities and Public Benefit'.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the annual report and the financial statement in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice. Company Law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the net income or expenditure of the charity for the year. In preparing these financial statements the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting standards 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 company will continue in business.

The Trustees are responsible for maintaining adequate accounting records, which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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 Trustees, who are directors for the purpose of company law and trustees for the purpose of charity law, who served during the year and up to the date of this report are set out on page 1.

In accordance with company law, as the company's directors, we certify that:

- so far as we are aware, there is no relevant audit information of which the charitable company's auditors are unaware; and
- as directors of the company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

The report of the directors has been prepared in accordance with the special provisions relating to companies subject to the special provisions relating to the small companies regime within Part 15 of the Companies Act 2006.

This report was approved by the Trustees on 28.4.15 and signed on their behalf by:


A.C. FARQUHAR-SMITH (Trustee)

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
CANDID ARTS TRUST

We have audited the financial statements of Candid Arts Trust for the year ended 31st July 2014 which comprise the Consolidated Statement of Financial Activities, the Consolidated Income and Expenditure Account, the Consolidated 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 solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken, so that we might state to the company's members those matters we are required to state to them in an auditor's 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 company and the company's members as a body, for our audit work, for this report or for the opinion 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 charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed auditor under the Companies Act 2006 and the Charities Act 2011 and report in accordance with the 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). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately 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 Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's and group's affairs as at 31st July 2014 and of the group's 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 applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Opinion on other matter 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 Act 2011 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept 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.
- 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' Annual Report.

Kevin Lally

Kevin Lally
 (Senior Statutory Auditor)
 For and on behalf of
 Knox Cropper
 Chartered Accountants
Registered Auditors

8/9 Well Court
 London, EC4M 9DN

28th April 2015

CANDID ARTS TRUST**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES****(INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)****FOR THE YEAR ENDED 31ST JULY 2014**

	Notes	Unrestricted Funds £	Restricted Funds £	2014 £	2013 £
INCOMING RESOURCES					
Activities for Generating Funds					
Cafeteria and other Trading Income		253,921	-	253,921	259,184
Investment Income					
Interest		3	7	10	14
Incoming Resources from Charitable Activities					
Studio and Gallery hire and exhibitions	2	233,939	-	233,939	241,962
Other Income		-	-	-	-
Total Incoming Resources		487,863	7	487,870	501,160
RESOURCES EXPENDED					
Cost of Generating Funds					
Trading: Cost of goods sold and other costs		199,207	-	199,207	208,092
Other	3	8,038	-	8,038	13,471
Charitable Activities					
Studio and Gallery hire and exhibitions	4	275,464	-	275,464	283,197
Governance	6	9,690	-	9,690	8,006
Total Resources Expended		492,399	-	492,399	512,766
Income/(Expenditure) for the year		(4,536)	7	(4,529)	(11,606)
Balances b/f 1.8.2013		(1,465)	3,117	1,652	13,258
Balances c/f 31.7.2014		£(6,001)	£3,124	£(2,877)	£1,652

The Charity has no recognised gains or losses other than those included in the consolidated statement of Financial Activities above and, therefore, no separate statement of Total Recognised Gains and Losses has been prepared.

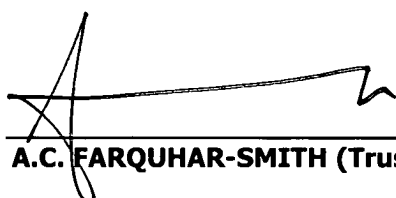
None of the Charity's activities were acquired or discontinued during the above the financial years.

CANDID ARTS TRUST**CONSOLIDATED BALANCE SHEET AS AT****31ST JULY 2014**

	Notes	2014		2013	
		Group £	Parent £	Group £	Parent £
FIXED ASSETS					
Tangible Assets	8	2,675	548	4,410	776
Investment in subsidiary undertaking	9	-	10	-	10
		<u>2,675</u>	<u>558</u>	<u>4,410</u>	<u>786</u>
CURRENT ASSETS					
Debtors	10	7,994	7,684	14,928	14,120
Cash at bank and in hand	11	<u>12,718</u>	<u>9,743</u>	<u>3,984</u>	<u>1,920</u>
		20,712	17,427	18,912	16,040
Creditors : Amounts falling due within one year	12	<u>(26,264)</u>	<u>(13,427)</u>	<u>(21,670)</u>	<u>(14,022)</u>
NET CURRENT ASSETS		<u>(5,552)</u>	<u>4,000</u>	<u>(2,758)</u>	<u>2,018</u>
NET ASSETS		<u>£(2,877)</u>	<u>£4,558</u>	<u>£1,652</u>	<u>£2,804</u>
FUNDS					
Restricted	16	3,124	3,124	3,117	3,117
Unrestricted	17	<u>(6,001)</u>	<u>1,434</u>	<u>(1,465)</u>	<u>(313)</u>
		<u>£(2,877)</u>	<u>£4,558</u>	<u>£1,652</u>	<u>£2,804</u>

The financial statements have been prepared in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small charitable companies and with the Financial reporting Standard for Smaller Entities (effective April 2008).

These financial statements were approved by the trustees on 28.4/15 and signed on its behalf by


A.C. FARQUHAR-SMITH (Trustee)

Charity Number: 3019628

Company Number: 1051672

CANDID ARTS TRUST**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31ST JULY 2014****1. ACCOUNTING POLICIES****(a) Basis of Accounting**

The financial statements have been prepared under the historical cost convention, and in accordance with the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005, applicable accounting standards and the Companies Act 2006. They have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective 2008).

Group Accounts

The financial statements consolidate the results of the charity and its wholly owned subsidiary Candid Arts Trading Company Limited on a line by line basis.

(b) Depreciation of Tangible Fixed Assets

Provision is made for depreciation on tangible fixed assets, at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life.

Computers, Fixtures and Fittings	-	20% straight line per annum
Works of Art and Studio Assets	-	10% straight line per annum
Development Costs	-	20% straight line per annum

(c) Funds

Unrestricted funds are those funds which can be used at the Trustees' discretion.

Restricted funds comprise funds received for specific programmes and activities, as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

(d) Expenditure

Charitable expenditure, fundraising and publicity and governance costs comprise direct expenditure attributable to the charitable objective or activity. Where costs cannot be attributed, they have been apportioned to charitable objectives or activities according to the time or resources spent on each.

(e) Income

Income is credited to the accounts in the year in which it is receivable, grossed up for tax recoverable where appropriate.

(f) Value Added Tax

The charitable company is not registered for VAT purposes. All costs are accounted inclusive of VAT.

(g) Cashflow Statement

The Company has not prepared a cashflow statement for the year as required by the Financial Reporting Standard No. 1 because the Charity has relied on the exemption available for small undertakings.

2. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted	Restricted	2014	2013
	£	£	£	£
Studio Rental	144,679	-	144,679	143,922
Gallery Hire	2,626	-	2,626	-
Exhibitions and Classes	86,634	-	86,634	98,040
	<u>£233,939</u>	<u>£-</u>	<u>£233,939</u>	<u>£241,962</u>

CANDID ARTS TRUST**NOTES TO THE FINANCIAL STATEMENTS (Continued)****FOR THE YEAR ENDED 31ST JULY 2014****3. COSTS OF GENERATING FUNDS**

	2014	2013
	£	£
Promotional Costs	4,265	9,310
Support Costs	3,773	4,161
	<u>£8,038</u>	<u>£13,471</u>

4. CHARITABLE ACTIVITIES
Studio and Gallery Hire and Exhibitions

	Direct Costs	Support Costs	2014	2013
	£	£	£	£
Projects	16,128	7,547	23,675	23,443
Exhibitions and Classes	103,794	24,906	128,700	136,082
On Facilities Provided	87,617	35,472	123,089	123,672
	<u>£207,539</u>	<u>£67,925</u>	<u>£275,464</u>	<u>£283,197</u>

5. SUPPORT COSTS

	Total	Total
	2014	2013
	£	£
Staff Costs	67,750	71,365
Office Costs	4,918	7,179
Other	2,804	4,682
	<u>£75,472</u>	<u>£83,226</u>

6. GOVERNANCE COSTS

	Total	Total
	2014	2013
	£	£
Audit Fee	5,917	3,845
Support Costs	3,773	4,161
	<u>£9,690</u>	<u>£8,006</u>

CANDID ARTS TRUST**NOTES TO THE FINANCIAL STATEMENTS (Continued)****FOR THE YEAR ENDED 31ST JULY 2014****7. STAFF COSTS**

	2014	2013
	£	£
Gross Salaries	136,144	138,681
Social Security Costs	8,174	8,917
	<u>£144,318</u>	<u>£147,598</u>

The average number of full time equivalent employees during the year was 6.

No employee earned £60,000 pa or more.

8. FIXED ASSETS

	Film Equipment	Works of Art & Studio Assets	Computers Fixtures & Fittings	Develop- ment Costs	Total
	£	£	£	£	£
Cost					
At 1 st August 2013	4,674	8,780	50,160	18,570	82,184
Additions	-	-	95	-	95
At 31 st July 2014	<u>4,674</u>	<u>8,780</u>	<u>50,255</u>	<u>18,570</u>	<u>82,279</u>
Depreciation:					
At 1 st August 2013	4,674	8,780	45,750	18,570	77,774
Provided during the year	-	-	1,830	-	1,830
At 31 st July 2014	<u>4,674</u>	<u>8,780</u>	<u>47,580</u>	<u>18,570</u>	<u>79,604</u>
Net Book Value at 31st July 2014	<u>-</u>	<u>-</u>	<u>2,675</u>	<u>-</u>	<u>2,675</u>
Net Book Value at 31st July 2013	<u>£-</u>	<u>£-</u>	<u>£4,410</u>	<u>£-</u>	<u>£4,410</u>

9. INVESTMENT IN SUBSIDIARY UNDERTAKING PARENT COMPANY

	2014	2013
At Cost:		
100% Ord. Share Capital of Candid Arts Trading Company Limited	10	10

The turnover of Candid Arts Trading Company Limited was £253,921 (2013: £259,184) and the (loss) for the year was £(6,283) (2013: £(3,505)). The net liabilities at 31 July 2014 amounted to £(7,435) (2013: £(1,142)).

10. DEBTORS

	2014 Group	2014 Parent	2013 Group	2013 Parent
	£	£	£	£
Other Debtors and Prepayments	<u>7,994</u>	<u>7,684</u>	<u>14,928</u>	<u>14,120</u>
	<u>£7,994</u>	<u>£7,684</u>	<u>£14,928</u>	<u>£14,120</u>

CANDID ARTS TRUST**NOTES TO THE FINANCIAL STATEMENTS (Continued)****FOR THE YEAR ENDED 31ST JULY 2014****11. CASH AT BANK AND IN HAND**

	2014 Group £	2014 Parent £	2013 Group £	2013 Parent £
Bank Balances	12,718	9,743	3,984	1,920
	<u>£12,718</u>	<u>£9,743</u>	<u>£3,984</u>	<u>£1,920</u>

12. CREDITORS: Amounts falling due within one year

	2014 Group £	2014 Parent £	2013 Group £	2013 Parent £
Amount due to subsidiary company	-	1,509	-	2,608
Accruals and Other Creditors	26,264	11,918	21,670	11,414
	<u>£26,264</u>	<u>£13,427</u>	<u>21,670</u>	<u>14,022</u>

13. TRUSTEES' REMUNERATION AND EXPENSES

No remuneration, directly or indirectly, out of the funds of the Charity was paid or payable for the year to any Trustee or to any person or persons known to be connected with any of them other than that disclosed in note 15.

14. TAXATION

Candid Arts Trust is a registered charity and is potentially exempt from taxation in respect of income and capital gains received within the categories covered by Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes.

15. RELATED PARTY TRANSACTIONS

The Trust occupies a building which is leased from Candid Ltd. Candid Ltd is a separate commercial company whose principal shareholder, Duncan Barlow, is also chief executive of the Trust. Rent paid to Candid Ltd for the year amounted to £134,400 (2013: £126,000). In turn £61,000 (2013: £54,000) was recharged to the subsidiary company Candid Arts Trading Company limited. During the year Candid Ltd rebated £10,000 to Candid Arts Trading Company Limited.

16. RESTRICTED FUNDS

	Balance b/f £	Interest £	Income £	Staff Costs £	Other Costs £	Balance c/f £
Golders Green Project	1,662	7	-	-	-	1,669
Film Equipment	1,455	-	-	-	-	1,455
	<u>£3,117</u>	<u>£7</u>	<u>£-</u>	<u>£-</u>	<u>£-</u>	<u>£3,124</u>

CANDID ARTS TRUST**NOTES TO THE FINANCIAL STATEMENTS (Continued)****FOR THE YEAR ENDED 31ST JULY 2014****17. UNRESTRICTED FUNDS**

	2014	2014	2013	2013
	Group	Parent	Group	Parent
	£	£	£	£
General Reserve	1,434	1,434	(313)	(313)
Non-charitable funds held in subsidiary	(7,435)	-	(1,152)	-
	<u>£(6,001)</u>	<u>£1,434</u>	<u>(1,465)</u>	<u>(313)</u>

18. ALLOCATION OF NET ASSETS FOR THE GROUP

The net assets are held for the various funds as follows: -

	Fixed Assets	Investments	Current Assets	Current Liabilities	Total
	£	£	£	£	£
Restricted Funds	-	-	3,124	-	3,124
Unrestricted Funds	<u>2,675</u>	<u>-</u>	<u>17,588</u>	<u>(26,264)</u>	<u>(6,001)</u>
	<u>£2,675</u>	<u>£-</u>	<u>£20,712</u>	<u>£(26,264)</u>	<u>£(2,877)</u>

19. COMPANY LIMITED BY GUARANTEE

The Candid Arts Trust is a company limited by guarantee and has no share capital. Every member is liable to contribute a sum of £1 in the event of it being wound up.

20. GOING CONCERN

The trustees have reviewed the financial position of the Trust, and in particular the level of reserves, and on the basis of current projections, they are satisfied that the Charitable Trust remains a going concern for the foreseeable future.