

Charity Registration No. 1073956

Company Registration No. 3659361 (England and Wales)

**LIVERPOOL BIENNIAL OF CONTEMPORARY ART LIMITED**  
**TRUSTEES' REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED 31 MARCH 2006**



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# LIVERPOOL BIENNIAL OF CONTEMPORARY ART LIMITED

## LEGAL AND ADMINISTRATIVE INFORMATION

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**Trustees**

B Biggs  
W Brown CBE  
B Bytheway  
F McEntegart  
D McGonagle  
J Warnock  
A Jones  
A Sunderland  
J Wentworth  
R Goddard

**Secretary**

L Biggs

**Charity number**

1073956

**Company number**

3659361

**Principal address**

PO Box 1200  
The Tea Factory  
82 Wood Street  
Liverpool  
L69 1XB

**Registered office**

PO Box 1200  
The Tea Factory  
82 Wood Street  
Liverpool  
L69 1XB

**Auditors**

Macfarlane + Co.  
Cunard Building  
Water Street  
Liverpool  
L3 1DS

**Bankers**

Barclays Bank plc  
Lord Street  
Southport

**Solicitors**

JST Mackintosh  
Colonial Chambers  
Temple Street  
Liverpool  
L2 5RH

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# LIVERPOOL BIENNIAL OF CONTEMPORARY ART LIMITED

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# **LIVERPOOL BIENNIAL OF CONTEMPORARY ART LIMITED**

## **TRUSTEES' REPORT**

**FOR THE YEAR ENDED 31 MARCH 2006**

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The trustees present their report and accounts for the year ended 31 March 2006.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the company's governing document, the Companies Act 1985 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005.

### **Structure, governance and management**

The company was incorporated under the Companies Act 1985 on October 1998 and was registered as a charity on 15 February 1999. The charity is governed by its Memorandum and Articles of Association.

The trustees, who are also the directors for the purpose of company law, who served during the year were:

E Berg (Resigned 7 March 2006)

B Biggs

W Brown CBE

B Bytheway

F McEntegart

D McGonagle

J Warnock

A Jones

A Sunderland

J Wentworth

J Kelly (Resigned 20 September 2005)

R Goddard

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

Under the provisions of the Memorandum and Articles of Association the trustees have the authority to appoint new trustees from time to time, as opportunities arise. The minimum number of trustees permitted by the Articles is three but shall not be subject to any maximum unless otherwise determined by ordinary resolution.

The trustees meet tri-monthly, and they have delegated the day to day operations of the charity to the senior management team, under the leadership of the Chief Executive, Lewis Biggs.

The major risks to which the charity is exposed, as discussed by the trustees, have been reviewed, and systems have been established to mitigate those risks.

### **Objectives and activities**

The principal activity of the company is to provide, maintain, improve and advance education by cultivating and improving public taste in the visual arts.

A full review of activities is included in the Chief Executive's Report on pages 16 - 28.

### **Achievements and performance**

#### **Financial review**

Total income for the year was £718,713 (2005; £2,831,957). Expenditure for the year was £611,910 (2005; £1,717,195) resulting in a net income for the year of £106,803 (2005; £1,114,762). As a result, funds held at the year end totalled £166,080 (2005; £59,277).

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# LIVERPOOL BIENNIAL OF CONTEMPORARY ART LIMITED

## TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2006

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The trustees are now working towards establishing reserves for the future with the aim being to build free reserves to a level that can cover 4 months running costs.

### **Asset cover for funds**

Note 12 sets out an analysis of the assets attributable to the various funds. These assets are sufficient to meet the charity's obligations on an ongoing basis.

### **Disclosure of information to auditors**

Each of the directors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

### **Auditors**

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Macfarlane + Co. be reappointed as auditors of the company will be put to the Annual General Meeting.

On behalf of the board of trustees



**D McGonagle**

Trustee

Dated: 19 September 2006

# **LIVERPOOL BIENNIAL OF CONTEMPORARY ART LIMITED**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

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The trustees are responsible for preparing the accounts in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of its incoming resources and application of resources, including its net income and expenditure for the year.

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and which enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# **LIVERPOOL BIENNIAL OF CONTEMPORARY ART LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF LIVERPOOL BIENNIAL OF CONTEMPORARY ART LIMITED**

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We have audited the accounts of Liverpool Biennial of Contemporary Art Limited for the year ended 31 March 2006 set out on pages 6 to 15. These accounts have been prepared under the historical cost convention and the accounting policies set out on page 8.

This report is made solely to the charity's trustees, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of trustees and auditors**

As described on page 3, the trustees, who are also the directors of Liverpool Biennial of Contemporary Art Limited for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Trustees' Report is consistent with the accounts, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the company is not disclosed.

We read other information contained in the Trustees' Report, and consider whether it is consistent with the audited accounts. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the accounts. Our responsibilities do not extend to any other information.

#### **Basis of opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

# **LIVERPOOL BIENNIAL OF CONTEMPORARY ART LIMITED**

## **INDEPENDENT AUDITORS' REPORT (CONTINUED)**

### **TO THE MEMBERS OF LIVERPOOL BIENNIAL OF CONTEMPORARY ART LIMITED**

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#### **Opinion**

In our opinion:

- the accounts give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the state of the company's affairs as at 31 March 2006 and of its incoming resources and application of resources in the year then ended;
- the accounts have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Trustees' Report is consistent with the accounts.

#### **Macfarlane + Co.**

Chartered Accountants

Registered Auditor

Cunard Building

Water Street

Liverpool

L3 1DS

Dated: 19 September 2006



# LIVERPOOL BIENNIAL OF CONTEMPORARY ART LIMITED

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2006

	Notes	Unrestricted funds £	Restricted funds £	Total 2006 £	Total 2005 £
<b><u>Incoming resources from generated funds</u></b>					
Donations and legacies	2	572,994	64,379	637,373	2,720,849
Investment income	3	3,812	-	3,812	2,624
		576,806	64,379	641,185	2,723,473
Other incoming resources	4	77,528	-	77,528	108,484
<b>Total incoming resources</b>		<b>654,334</b>	<b>64,379</b>	<b>718,713</b>	<b>2,831,957</b>
<b><u>Resources expended</u></b>					
<b>Charitable activities</b>					
Activities in furtherance of the charity's objects	5	501,286	64,379	565,665	1,670,425
Governance costs		46,245	-	46,245	46,770
<b>Total resources expended</b>		<b>547,531</b>	<b>64,379</b>	<b>611,910</b>	<b>1,717,195</b>
<b>Net income for the year/ Net movement in funds</b>		<b>106,803</b>	<b>-</b>	<b>106,803</b>	<b>1,114,762</b>
Fund balances at 1 April 2005		59,277	-	59,277	(1,055,485)
<b>Fund balances at 31 March 2006</b>		<b>166,080</b>	<b>-</b>	<b>166,080</b>	<b>59,277</b>

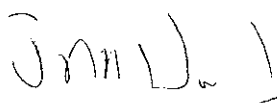
The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 1985.

# LIVERPOOL BIENNIAL OF CONTEMPORARY ART LIMITED

## BALANCE SHEET AS AT 31 MARCH 2006

	Notes	2006 £	£	2005 £	£
<b>Fixed assets</b>					
Tangible assets	9		6,338		7,422
<b>Current assets</b>					
Debtors	10	130,366		87,194	
Cash at bank and in hand		647,389		14,546	
		<u>777,755</u>		<u>101,740</u>	
<b>Creditors: amounts falling due within one year</b>	11	<u>(618,013)</u>		<u>(49,885)</u>	
<b>Net current assets</b>			<u>159,742</u>		<u>51,855</u>
<b>Total assets less current liabilities</b>			<u>166,080</u>		<u>59,277</u>
<b>Income funds</b>					
Unrestricted funds			<u>166,080</u>		<u>59,277</u>
			<u>166,080</u>		<u>59,277</u>

The accounts were approved by the Board on 19 September 2006



J Warnock  
Trustee

# **LIVERPOOL BIENNIAL OF CONTEMPORARY ART LIMITED**

## **NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2006**

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### **1 Accounting policies**

#### **1.1 Basis of preparation**

The accounts have been prepared under the historical cost convention.

The accounts have been prepared in accordance with applicable accounting standards, the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005 and the Companies Act 1985.

#### **1.2 Incoming resources**

Grants received towards running costs and capital expenditure are included in the financial statements when receivable.

Interest is accounted for when received.

Other income is accounted for on an accruals basis, so far as it is prudent to do so.

#### **1.3 Resources expended**

Expenditure incurred in relation to the charity's biannual art exhibition is allocated to 'Charitable activities' while costs relating to the governance of the charity are allocated to 'Governance costs'.

#### **1.4 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Computer Equipment	33% straight line
Office Equipment	100% straight line

#### **1.5 Pensions**

The pension costs charged in the accounts represent the contributions payable by the charity during the year in accordance with SSAP 24.

#### **1.6 Foreign currency translation**

Transactions denominated in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. All differences are included in resources expended.

#### **1.7 Irrecoverable VAT**

Irrecoverable VAT is charged to the income and expenditure account as incurred, being allocated to the expenses account to which it relates.

#### **1.8 Liabilities**

All liabilities are recognised in full as soon as the charity is aware of them.

# LIVERPOOL BIENNIAL OF CONTEMPORARY ART LIMITED

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2006

### 1 Accounting Policies

(continued)

#### 1.9 Funds

Unrestricted funds relate to income received or generated for the objects of the charity without further specified purpose. Income and expenditure is allocated to the general fund in accordance with the policies set out above. Unexpended funds are carried forward to future periods.

Restricted funds relate to all income received where the donor has specified its use. Related expenditure is also allocated to restricted funds.

### 2 Donations and legacies

	Unrestricted funds £	Restricted funds £	Total 2006 £	Total 2005 £
<b>Donations and gifts</b>				
'A' Foundation	-	-	-	1,100,000
Yoko Ono	-	-	-	3,500
In kind donations	-	-	-	19,532
Other donations	130	-	130	-
<b>Foreign grants received</b>	-	5,950	5,950	36,483
<b>Public Sector grants received</b>				
Arts Council England	376,664	7,636	384,300	278,834
Liverpool City Council	200,000	1,000	201,000	200,000
NWDA	-	16,464	16,464	700,000
Liverpool Culture Company	-	32,250	32,250	4,000
ERDF	-	-	-	130,000
HI8US	-	-	-	12,000
Visiting Arts	-	-	-	10,000
Community Foundation Merseyside	-	-	-	5,000
Creative Partnerships	-	-	-	3,000
<b>Other grants</b>				
Paul Hamlyn	-	653	653	-
Elanor Rathbone	-	426	426	-
Planning for Art In The Public Realm	1,200	-	1,200	-
Manifesta	(13,000)	-	(13,000)	-
ACE Internship grant	8,000	-	8,000	12,500
'A' Foundation	-	-	-	100,000
The Foyle Foundation	-	-	-	50,000
Henry Moore Foundation	-	-	-	30,000
Others	-	-	-	26,000
	<b>572,994</b>	<b>64,379</b>	<b>637,373</b>	<b>2,720,849</b>

• **LIVERPOOL BIENNIAL OF CONTEMPORARY ART LIMITED**

**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2006**

**3 Investment income**

	2006 £	2005 £
Interest receivable	<u>3,812</u>	<u>2,624</u>

**4 Other incoming resources**

	2006 £	2005 £
Corporate sponsorship	10,000	16,000
Partner recoveries and fees charged	67,147	79,825
Catalogue sales	301	8,427
Miscellaneous income	80	4,232
	<u>77,528</u>	<u>108,484</u>

# LIVERPOOL BIENNIAL OF CONTEMPORARY ART LIMITED

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2006

### 5 Total resources expended

	Staff costs £	Depreciation £	Other costs £	Total 2006 £	Total 2005 £
<b>Charitable activities</b>					
Activities undertaken directly	258,065	5,492	232,720	496,277	1,609,080
Support costs	69,388	-	-	69,388	61,345
<b>Governance costs</b>	36,389	-	9,856	46,245	46,770
	<u>363,842</u>	<u>5,492</u>	<u>242,576</u>	<u>611,910</u>	<u>1,717,195</u>

	2006 £	2005 £
<b>Charitable activities</b>		
Salaries and wages	254,753	216,478
Pension costs	3,312	3,184
Artists' fees	61,894	706,732
International exhibition costs	18,956	52,609
Mainfesta	148	30,106
Project costs	1,744	16,732
Marketing	29,341	359,892
Education costs	19,847	100,691
Entertainment	4,234	4,807
Travel and accommodation	21,110	13,735
Volunteer costs	40	24,960
Training	5,883	2,054
Telephone	5,883	5,453
Printing, postage and stationery	9,146	11,086
Computer costs	8,738	6,588
Subscriptions	1,373	887
Repairs and renewals	1,588	12,849
Insurance	4,681	3,445
Rent and rates	23,966	23,563
Legal and professional	3,634	4,997
Sundry expenses	6,514	4,772
Donations	3,000	-
Depreciation	5,492	3,460
	<u>496,277</u>	<u>1,609,080</u>

# LIVERPOOL BIENNIAL OF CONTEMPORARY ART LIMITED

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2006

### 5 Total resources expended

(continued)

<u>Governance costs</u>	£	£
Salaries and wages	33,077	31,802
Pension costs	3,312	3,184
Legal and professional costs	5,000	5,615
Bank interest and charges	890	3,266
Auditors' remuneration - audit work	2,186	2,268
Auditors' remuneration - non-audit work	1,780	635
	<u>46,245</u>	<u>46,770</u>

Governance costs include payments to the auditors of £2,186 (2005- £2,268) for audit fees and £1,780 (2005- £635) for other services.

### 6 Support costs

	2006 £	2005 £
Staff costs	69,388	61,345
	<u>69,388</u>	<u>61,345</u>

### 7 Trustees

None of the trustees (or any persons connected with them) received any remuneration or reimbursed expenses during the year.

• **LIVERPOOL BIENNIAL OF CONTEMPORARY ART LIMITED**

**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2006**

**8 Employees**

**Number of employees**

The average monthly number of employees during the year was:

	<b>2006</b>	<b>2005</b>
	<b>Number</b>	<b>Number</b>
Activities in furtherance of the charity's objects	<b>8</b>	<b>4</b>
Managing and administering the charity	<b>3</b>	<b>4</b>
	<b>11</b>	<b>8</b>

**Employment costs**

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>357,218</b>	<b>309,624</b>
Other pension costs	<b>6,624</b>	<b>6,369</b>
	<b>363,842</b>	<b>315,993</b>

The number of employees whose annual emoluments were £60,000 or more were:

	<b>2006</b>	<b>2005</b>
	<b>Number</b>	<b>Number</b>
Managing and administering the charity	<b>1</b>	<b>1</b>



# LIVERPOOL BIENNIAL OF CONTEMPORARY ART LIMITED

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2006

### 9 Tangible fixed assets

	Computer Equipment £	Office Equipment £	Total £
<b>Cost</b>			
At 1 April 2005	20,262	549	20,811
Additions	3,491	918	4,409
Disposals	(4,906)	-	(4,906)
<b>At 31 March 2006</b>	<b>18,847</b>	<b>1,467</b>	<b>20,314</b>
<b>Depreciation</b>			
At 1 April 2005	12,841	549	13,390
On disposals	(4,906)	-	(4,906)
Charge for the year	4,574	918	5,492
<b>At 31 March 2006</b>	<b>12,509</b>	<b>1,467</b>	<b>13,976</b>
<b>Net book value</b>			
<b>At 31 March 2006</b>	<b>6,338</b>	<b>-</b>	<b>6,338</b>
At 31 March 2005	7,422	-	7,422

10 Debtors	2006 £	2005 £
Other debtors	113,588	78,129
Prepayments and accrued income	16,778	9,065
	<b>130,366</b>	<b>87,194</b>

11 Creditors: amounts falling due within one year	2006 £	2005 £
Bank overdrafts	16,274	6,958
Trade creditors	25,395	17,213
Taxes and social security costs	1,821	-
Other creditors	551,946	-
Accruals	22,577	25,714
	<b>618,013</b>	<b>49,885</b>

# LIVERPOOL BIENNIAL OF CONTEMPORARY ART LIMITED

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2006

### 12 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 March 2006 are represented by:			
Tangible fixed assets	6,338	-	6,338
Current assets	225,809	551,946	777,755
Creditors: amounts falling due within one year	(66,067)	(551,946)	(618,013)
	<u>166,080</u>	<u>-</u>	<u>166,080</u>

### 13 Related parties

Bryan Biggs, a director of the company, is also a director of Bluecoat Art Centre who supplied goods/services to the company during the year totalling £5,400 (2005 - £5,670). The total balance outstanding at the year end was nil (2005 - nil).

Eddie Berg, formerly a director of the company, is also a director of FACT who supplied goods/services to the company during the year totalling £3,000 (2005 - £14,374). The total balance outstanding at the year end was nil (2005 - nil).