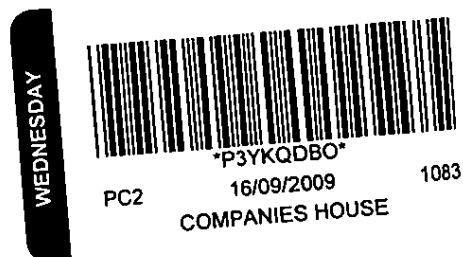


Charity Registration No. 1073956

Company Registration No. 3659361 (England and Wales)

LIVERPOOL BIENNIAL OF CONTEMPORARY ART LIMITED
TRUSTEES' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2009



LIVERPOOL BIENNIAL OF CONTEMPORARY ART LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	P Ridley L Chalmers J Gill A Sunderland S Mackinnon J Wentworth T Wilson R Goddard G Pillay D Ades M Cox
Secretary	L Biggs
Charity number	1073956
Company number	3659361
Principal address	PO Box 1200 55 Jordan Street Liverpool L1 0BW
Registered office	PO Box 1200 55 Jordan Street Liverpool L1 0BW
Auditors	Macfarlane + Co. Cunard Building Water Street Liverpool L3 1DS
Bankers	Barclays Bank plc Lord Street Southport
Solicitors	JST Lawyers Colonial Chambers Temple Street Liverpool L2 5RH

LIVERPOOL BIENNIAL OF CONTEMPORARY ART LIMITED

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Statement of financial activities	6
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LIVERPOOL BIENNIAL OF CONTEMPORARY ART LIMITED

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2009

The trustees present their report and accounts for the year ended 31 March 2009.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity'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, and who served during the year were:

P Ridley

L Chalmers

J Gill

A Sunderland

S Mackinnon

J Wentworth

T Wilson

R Goddard

G Pillay

(Appointed 4 September 2008)

D Ades

(Appointed 4 September 2008)

M Cox

(Appointed 4 September 2008)

D McGonagle

(Resigned 13 March 2009)

B Biggs

(Resigned 4 September 2008)

W Brown CBE

(Resigned 4 September 2008)

J Warnock

(Resigned 4 December 2008)

A Jones

(Resigned 5 August 2009)

F McEntegart

(Resigned 5 June 2008)

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 manage those risks.

Objectives and activities

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

Achievements and performance

A full review of activities is included in the Chief Executive's Report on pages 17 - 32.

LIVERPOOL BIENNIAL OF CONTEMPORARY ART LIMITED

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2009

Financial review

Total income for the year was £3,345,572 (2008; £1,881,880). Expenditure for the year was £3,448,996 (2008; £1,818,487) resulting in net outgoing resources for the year of £103,424 (2008; incoming £63,393). As a result, funds held at the year end totalled £545,138 (2008; £648,562).

The trustees consider that it is appropriate to maintain free reserves at a level that can cover 4 months running costs. That position has now been achieved.

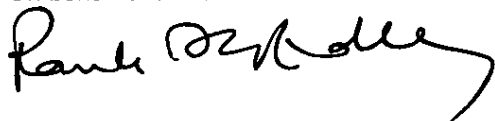
Asset cover for funds

Note 15 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.

On behalf of the board of trustees



P Ridley

Trustee

Dated: 3 September 2009

LIVERPOOL BIENNIAL OF CONTEMPORARY ART LIMITED

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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 charity 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 charity 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 charity 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 charity 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

We have audited the accounts of Liverpool Biennial of Contemporary Art Limited for the year ended 31 March 2009 set out on pages 6 to 16. 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.

In addition we report to you if, in our opinion, 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 charity is not disclosed.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

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 charity'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

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 charity's affairs as at 31 March 2009 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the accounts have been properly prepared in accordance with the Companies Act 1985; and
- the information provided in the Trustees' Report is consistent with the accounts.

Macfarlane + Co.

Macfarlane + Co.
Chartered Accountants
Registered Auditor
Cunard Building
Water Street
Liverpool
L3 1DS

Dated: 3 September 2009

LIVERPOOL BIENNIAL OF CONTEMPORARY ART LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2009

	Notes	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2009 £	Total 2008 £
<u>Incoming resources from generated funds</u>						
Donations and legacies	2	938,615	-	2,347,357	3,285,972	1,704,816
Investment income	3	18,206	-	-	18,206	7,861
		956,821	-	2,347,357	3,304,178	1,712,677
Other incoming resources	4	41,394	-	-	41,394	169,203
Total incoming resources		998,215	-	2,347,357	3,345,572	1,881,880
<u>Resources expended</u>						
Charitable activities						
Unrestricted funds	5	867,678	-	-	867,678	1,042,923
Restricted funds		-	-	2,551,937	2,551,937	745,228
Total charitable expenditure		867,678	-	2,551,937	3,419,615	1,788,151
Governance costs		29,381	-	-	29,381	30,336
Total resources expended		897,059	-	2,551,937	3,448,996	1,818,487
Net income/(expenditure) for the year/ Net movement in funds		101,156	-	(204,580)	(103,424)	63,393
Fund balances at 1 April 2008		89,371	300,000	259,191	648,562	585,169
Fund balances at 31 March 2009		190,527	300,000	54,611	545,138	648,562

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

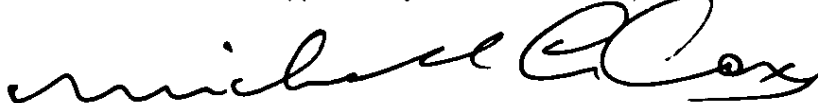
LIVERPOOL BIENNIAL OF CONTEMPORARY ART LIMITED

BALANCE SHEET

AS AT 31 MARCH 2009

	Notes	2009 £	£	2008 £	£
Fixed assets					
Tangible assets	10		18,333		62,769
Current assets					
Debtors	11	553,632		325,054	
Cash at bank and in hand		346,508		670,961	
		<u>900,140</u>		<u>996,015</u>	
Creditors: amounts falling due within one year	12	<u>(373,335)</u>		<u>(410,222)</u>	
Net current assets			<u>526,805</u>		<u>585,793</u>
Total assets less current liabilities			<u><u>545,138</u></u>		<u><u>648,562</u></u>
Income funds					
Restricted funds	13		54,611		259,191
Unrestricted funds:					
Designated funds	14		300,000		300,000
Other charitable funds			<u>190,527</u>		<u>89,371</u>
			<u><u>545,138</u></u>		<u><u>648,562</u></u>

The accounts were approved by the Board on 3 September 2009



M Cox
Trustee

LIVERPOOL BIENNIAL OF CONTEMPORARY ART LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

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 other than freehold land 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:

Leasehold improvements	Over the term of the lease
Computer Equipment	33% straight line
Office Equipment	100% straight line

1.5 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.6 Pensions

The charity operates a defined contributions pension scheme. Contributions are charged in the accounts as they become payable in accordance with the rules of the scheme.

1.7 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.

1.8 Irrecoverable VAT

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

1.9 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 2009

1 Accounting Policies

(continued)

1.10 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.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the accounts.

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 2009 £	Total 2008 £
Donations and gifts	7,743	-	7,743	2,122
Grants receivable for core activities	930,872	2,347,357	3,278,229	1,702,694
	<u>938,615</u>	<u>2,347,357</u>	<u>3,285,972</u>	<u>1,704,816</u>
Grants receivable for core activities				
Unrestricted funds:				
Liverpool City Council			325,032	298,275
Arts Council England			500,000	400,000
Public Art Funding			93,369	-
Corporate Funding			12,471	-
			<u>930,872</u>	<u>698,275</u>
Restricted funds:				
Foreign grants			110,367	-
NWDA/Liverpool Vision			190,040	206,163
Arts Council England			(11,034)	37,850
Liverpool Culture Company			1,050,050	604,906
Henry Moore Foundation			20,000	-
Calouste Gulbenkian Foundation			-	100,000
Granada Foundation			7,500	7,500
Housing Trusts			9,800	9,000
Liverpool Vision			843,837	-
New Heartlands			81,697	39,000
Other grants			45,100	-
			<u>2,347,357</u>	<u>1,004,419</u>

LIVERPOOL BIENNIAL OF CONTEMPORARY ART LIMITED

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2009

3 Investment income

	2009 £	2008 £
Interest receivable	18,206	7,861

4 Other incoming resources

	2009 £	2008 £
Other income	41,394	169,203

5 Total resources expended

	Staff costs £	Depreciation £	Other costs £	Total 2009 £	Total 2008 £
Charitable activities					
<u>Unrestricted funds</u>					
Activities undertaken directly	348,144	5,514	447,438	801,096	942,706
Support costs	66,582	-	-	66,582	100,217
Total	414,726	5,514	447,438	867,678	1,042,923
<u>Restricted funds</u>					
Activities undertaken directly	191,868	41,356	2,318,713	2,551,937	745,228
	606,594	46,870	2,766,151	3,419,615	1,788,151
Governance costs	23,974	-	5,407	29,381	30,336
	630,568	46,870	2,771,558	3,448,996	1,818,487

Governance costs include payments to the auditors of £2,996 (2008- £3,764) for audit fees and £719 (2008- £1,292) for other services.

LIVERPOOL BIENNIAL OF CONTEMPORARY ART LIMITED

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2009

6 Activities undertaken directly

	2009 £	2008 £
Other costs relating to unrestricted funds comprise:		
Rent	69,832	55,347
Artist fees	180,198	270,534
Insurance	16,984	10,856
Repairs and maintenance	10,792	7,034
Printing, postage and stationery	13,034	13,465
Telephone	8,981	9,247
Travelling	20,678	22,750
Legal and professional fees	10,581	9,570
Education costs	-	2,262
Entertainment	15,516	1,826
Training	10,241	4,860
Computer expenditure	8,087	20,457
Project costs	-	2,050
Marketing	75,770	48,169
Sundry expenses	4,025	3,450
Subscriptions	2,719	4,508
Office relocation	-	943
	447,438	487,328

Other costs relating to restricted funds comprise:

Artist fees	1,044,764	492,801
Education costs	149,533	85,334
Marketing	224,832	50,000
International exhibition costs	730,931	-
Development costs	82,894	3,600
Office relocation	-	12,008
Administration and finance	85,759	-
	2,318,713	643,743

7 Support costs

	2009 £	2008 £
Staff costs	66,582	100,217
	66,582	100,217

LIVERPOOL BIENNIAL OF CONTEMPORARY ART LIMITED

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2009

8 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year. Reimbursed travel expenses totalling £695 were paid to the trustees during the year.

9 Employees

Number of employees

The average monthly number of employees during the year was:

	2009 Number	2008 Number
Activities in furtherance of the charity's objects	20	16
Managing and administering the charity	3	3
	<u>23</u>	<u>19</u>

Employment costs

	2009 £	2008 £
Wages and salaries	555,786	507,539
Social security costs	52,441	49,911
Other pension costs	22,341	31,997
	<u>630,568</u>	<u>589,447</u>

There were no employees whose annual emoluments were £60,000 or more.

LIVERPOOL BIENNIAL OF CONTEMPORARY ART LIMITED

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2009

10 Tangible fixed assets

	Leasehold improvements	Computer Equipment	Office Equipment	Total
	£	£	£	£
Cost				
At 1 April 2008	124,067	27,201	20,227	171,495
Additions	-	1,503	931	2,434
At 31 March 2009	124,067	28,704	21,158	173,929
Depreciation				
At 1 April 2008	68,926	19,573	20,227	108,726
Charge for the year	41,356	4,583	931	46,870
At 31 March 2009	110,282	24,156	21,158	155,596
Net book value				
At 31 March 2009	13,785	4,548	-	18,333
At 31 March 2008	55,141	7,628	-	62,769

11 Debtors

	2009 £	2008 £
Other debtors	521,183	302,596
Prepayments and accrued income	32,449	22,458
	553,632	325,054

12 Creditors: amounts falling due within one year

	2009 £	2008 £
Trade creditors	44,262	155,859
Taxes and social security costs	24,573	103,532
Other creditors	110,949	107,038
Accruals	193,551	43,793
	373,335	410,222

LIVERPOOL BIENNIAL OF CONTEMPORARY ART LIMITED

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2009

13 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 April 2008	Movement in funds		Balance at 31 March 2009
		Incoming resources	Resources expended	
	£	£	£	£
Discourse	-	82,894	(82,894)	-
Marketing	-	224,832	(224,832)	-
Learning and inclusion	12,516	137,017	(149,533)	-
Public Art	108,129	1,078,361	(1,131,879)	54,611
International Show	100,000	670,931	(770,931)	-
Payroll	38,546	153,322	(191,868)	-
	<u>259,191</u>	<u>2,347,357</u>	<u>(2,551,937)</u>	<u>54,611</u>

Discourse - Research and Development of 'For the likes of us' Cities on the Edge project.

Marketing - Marketing activity around the Biennial festival.

Learning and inclusion - Work with schools and community groups through various projects including workshop activity and the development of resources.

Public Art - Production and installation of public art commissions including Pavilions, Winter Lights, Visible Virals, the 'Big Thing' and 'Turning the Place Over'.

International Show - Artists fees, travel and production expenses for the International exhibition.

Payroll - Towards the costs of the HMRI public realm project manager post and International exhibition staff.

LIVERPOOL BIENNIAL OF CONTEMPORARY ART LIMITED

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2009

14 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 April 2008	Movement in funds		Balance at 31 March 2009
		Incoming resources	Resources expended	
	£	£	£	£
Baltic Triangle	300,000	-	-	300,000
	<u>300,000</u>	<u>-</u>	<u>-</u>	<u>300,000</u>

Baltic Triangle - To provide a catalyst for growth and culture-led regeneration in the Baltic Triangle through Public Arts, Environmental Improvements and Creative Activity.

15 Analysis of net assets between funds

	Unrestricted funds	Designated funds	Restricted funds	Total
	£	£	£	£
Fund balances at 31 March 2009 are represented by:				
Tangible fixed assets	4,548	-	13,785	18,333
Current assets	559,314	300,000	40,826	900,140
Creditors: amounts falling due within one year	(373,335)	-	-	(373,335)
	<u>190,527</u>	<u>300,000</u>	<u>54,611</u>	<u>545,138</u>

16 Commitments under operating leases

At 31 March 2009 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2009	2008
	£	£
Expiry date:		
Between two and five years	<u>51,207</u>	<u>27,985</u>

LIVERPOOL BIENNIAL OF CONTEMPORARY ART LIMITED

NOTES TO THE ACCOUNTS (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2009**

17 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 £9,494 (2008 - £346). The total balance outstanding at the year end was £6,174 (2008 - nil).

liverpool biennial

engaging art,
people and place

www.biennial.com

LIVERPOOL BIENNIAL ANNUAL REPORT 2008 / 2009

FOREWORD

It is now a year since I became Chair of the Biennial, and how fortunate I was to take over from Declan McGonagle at the start of the 2008 Biennial – opened by the Secretary of State, Andy Burnham, to a record crowd in the fine surroundings of St. George's Hall and with a masterly introduction by Richard Cork. Liverpool's time as European Capital of Culture and the additional funding that many arts organisations in the city received gave a real boost to what was an exceptional programme, with seemingly every nook and cranny of the city, however unlikely, playing host to art. For us it was a great opportunity for collaboration with our colleagues at the Bluecoat, FACT, Tate and Open Eye and the shows in these venues were both different and special. Ai Wei Wei's spider on Exchange Flags was a true hit with visitors, as were our moving trees, *Arbores Laetae*, which still remain to delight inhabitants and visitors alike.

Capital of Culture also gave a boost to our already strong links with the others through the Liverpool Arts and Regeneration Consortium where we work together with seven other key arts organisations, thanks to a grant from the Arts Council. Such support has enabled all of us to benefit from this collaboration, and also to run a Find your Talent pilot for DCMS in the city.

We are particularly grateful to our supporters, in particular the Arts Council of England and Liverpool City Council. Following the city's enhanced funding to us for Capital of Culture year, we are delighted that this year they repeated this funding for 2009. An unusual and very generous commitment to three years' support from the Calouste Gulbenkian Foundation - for the 'Gulbenkian European Commissions' - has been extremely welcome. We have begun to work with the Housing Market Renewal Pathfinder in Liverpool, New Heartlands and with the Registered Social Landlords in the north of the city. Our largest stakeholders continue to be the North West Development Agency and Liverpool Vision. We hope that our programme and its aspirations match theirs too.

I am also grateful to our Board too, many of whom have served for several years. In particular, the Biennial owes a lot to its previous Chair, Declan McGonagle, who left the Board last September, and I would like to thank him for his leadership, as well as Bryan Biggs and James Warnock, both long-serving Board members who left at the same time.

Our new members, Michael Cox from Grant Thornton and Professor Gerald Pillay from Hope University have already made their mark. The Board's support makes being involved in the Biennial a particularly enjoyable experience.

Though the highlight of a biennium for us is always the actual Biennial festival year, the Biennial itself has a huge ongoing programme of events and activities in and around the city all year round, and ambitious plans for more. The Chief Executive's report is a tour d'horizon of two years of hectic activity, which is carried out, as he also notes, by just over 20 permanent staff. It is rare to work with an organisation so very committed to what it does. This report gives me the opportunity on behalf of the Board to thank them: Lewis Biggs, the Chief Executive, for his great cultural leadership and all the senior staff, as well as the rest of the hard-working staff whose commitment to the success of the Biennial is the real reason for its success.

Paula Ridley
Chair, Liverpool Biennial

CHIEF EXECUTIVE'S REPORT 2008 / 2009

Summary

Liverpool Biennial operates as a year-round public art agency, continuing to prove ourselves as 'the UK's Biennial' (international festival of contemporary visual art) as well as the UK's leading art commissioning practice in the context of neighbourhood regeneration. The city's year as European Capital of Culture was a brilliant opportunity for the organisation. We delivered the largest Biennial festival to date, delivered a city-wide programme of public art commissions on behalf of the city, widened our range of partners and participants, and invested in the development and growth of the company.

Some commissions from the previous year remained for the new audiences in the city for the exceptional year of culture: Antony Gormley's *Another Place*, *Turning the Place Over* by Richard Wilson, and Franck Scurti's *Jackpot* along with still earlier contributions to the Winter Lights series of commissions. Towards the end of the financial year, the public art team was working full out on the major commission *Dream* by Jaume Plensa, with St Helen's Council / Channel Four, which was finally launched in May.

On the resources side, the team had to grow to 24 full time posts to deliver all the above, and the cyclical organisational review that began in October 2008 reduced that number through non-renewal of contracts to 21 posts by the end of the period. Partly as a result of our past activity, there is now a pool of experienced freelance project managers available locally on whom we can call as required for specific projects.

A major decision was taken to end the separate status of the Learning and Inclusion team and re-deploy this skills base directly through the teams delivering the organisation's principal activity of commissioning new artworks. We felt our overall 'educational' remit does not justify an 'education' team (Learning and Inclusion) separate from the core (educational) activity. We aim to 'add value' – to work with other organisations as partners to spread good practice in commissioning good art. Our ambition should be that those organisations eventually develop the capacity to commission good new art for themselves without our support (leaving us free to develop

new partners). As a 'partner' organisation without a public building (without doors) we differ from all those organisations whose aim is to bring more members of the public through their doors. Our ability to operate in future (also as a festival organisation) depends on the health of arts and community organisations throughout the city region. Ultimately this means that our staff should not be working with individual members of the public, but only through the commissioning of artworks through other organisations.

In pursuance of good governance, the further development of the Board of Directors under Paula Ridley's Chairmanship remains high on the agenda. Financial management remains demanding, and the appointment of Michael Cox to place his experience alongside that of Roger Goddard has been most welcome. Two Directors with experience in Higher Education were also appointed during the year. Prof. Gerald Pillay is Vice Chancellor of Liverpool Hope University, and Prof. Dawn Ades was until recently Professor of Art History at the University of Essex. They now bring the perspective of the HEIs to the Board, and their experience in international affairs is also highly valued.

The financial outturn for the year was good considering the exceptionally challenging demands of delivering an unprecedented quantity of programme to our usual high standards in a short period with inflexible deadlines. The short term outlook appears containable, but the extremely poor economic macro-environment climate along with the expected lower investment in culture due to the end of Liverpool's year as European Capital of Culture suggest that the medium term will become very challenging.

The strength of Liverpool Biennial's finances has largely rested on our good relations with stakeholders. This is in turn due to the Biennial's reputation for delivering the best art experiences and using these to help stakeholders meet their own agendas. This year we have begun working with new stakeholders – New Heartlands, and RSLs in the north of the city – and our success in delivering to their agendas and expectations will only be apparent in the coming year. The NWDA and Liverpool Vision continue to be our largest stakeholders, with very solid and important support from ACE; Liverpool City Council still contributes a relatively small proportion considering that it is the City that benefits most substantially from the investment made.

The funds raised during the year totalled £3,345,572 and the Company ended the year with a net deficit of £103,424. The overall financial picture for the two-year Biennial cycle 2007/08 – 2008/09 saw funds secured totalling £5,227,452, and a net deficit of £40,031.

Other Key Performance Indicators.

- We completed an organisational review, recruited new staff and lost other staff through non-renewal of contract, so effecting a planned shrinkage of the staff from 24 to 19 as at April 2009 (this still exceeds the staff complement in 2007). All staff were issued with revised and updated contracts.
- 32 new commissions were successfully delivered for the International exhibition MADE UP.
- International peer approbation: "after two days I felt I had seen more art of real quality than I did at last year's Documenta" Richard Dormant, *Daily Telegraph*.
- £26.6m visitor spend generated by 451,000 visitors making 975,000 visits supporting 464 full time equivalent jobs

A. Review of Activities 2008-2009

1.1 Liverpool Biennial 2008 festival: 20 September – 30 November

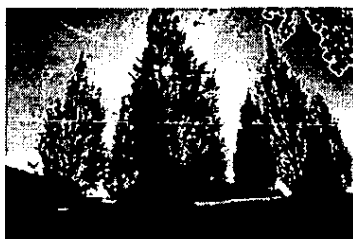
In 2008, the Liverpool Biennial festival was bigger and better than ever, celebrating its tenth anniversary and a decade of the city's development as a visual arts hub for the UK, as well as Liverpool's status as European Capital of Culture.

The festival programme, as in previous years, incorporated the John Moores Contemporary Painting Prize, Bloomberg New Contemporaries and the complementary programmes, which included RIBA's Le Corbusier exhibition amongst others, as well as presenting the Biennial's wider programme of year-round commissions.

1.2 the 2008 *International* Exhibition MADE UP

We commissioned 32 national and international artists for the *International 08*, MADE UP. We also presented existing works by 8 further artists in FACT and Tate.

- **Public Realm** – Richard Woods (UK), Gabriel Lester (Netherlands), Sarah Sze (USA), Manfredi Beninati (Italy), Jesper Just (Denmark), Leandro Erlich (Argentina), Atelier Bow Wow (Japan), Tomas Saraceno (Argentina), Otto Karvonen (Finland), Ai Wei Wei (China), Yayoi Kusama (Japan), Alison Jackson (UK), Yoko Ono (Japan), Annette Messager (France), Diller Scofidio + Renfro (USA).
- **Partner Gallery commissions** – Royal Art Lodge (Canada), Tracey Moffatt (Australia), David Blandy (UK), Khalil Rabah (Palestine), U-Ram Choe (Korea), Ulf Langheinrich (Germany), Rodney Graham (Canada), Teresa Hubbard / Alexander Birchler (Ireland / Switzerland), Guy Ben Ner (Israel), Luisa Lambri (Italy), Adam Cvijanovic (USA), David Altmejd (Canada), Ged Quinn (UK), Adrian Ghenie (Romania), Omer Fast (Israel), Nancy Davenport (Canada),
- Existing works by these and other artists were shown in discrete spaces in FACT, and in the 'Drawing Room' at Tate Liverpool.



We are delighted with the success of the festival. Aiming to reach 500,000 visits, Liverpool Biennial 2008 far exceeded this target, attracting 975,000 visits by 451,000 visitors to the core three strands. This is a 25% increase in the number of visitors to the festival, and an increase of 144% in total visits (independently evidenced by The Mersey Partnership).

Of our visitors, 45% were from Merseyside, while 25% were from outside Northwest England, and 9% were international visitors. This is a significant increase in national and international visitors compared to previous festivals, with the number of international visitors doubling to 40,590, demonstrating the strength of Liverpool Biennial's worldwide appeal, and its growing reputation in the international art world. Liverpool Biennial 2008 delivered a total economic impact of £26.6m, indirectly supporting up to 463 full-time equivalent jobs (STEAM data).

2.1 The 08 programme: Pavilions, Winter Lights, Visible Virals, the 'Big Thing'

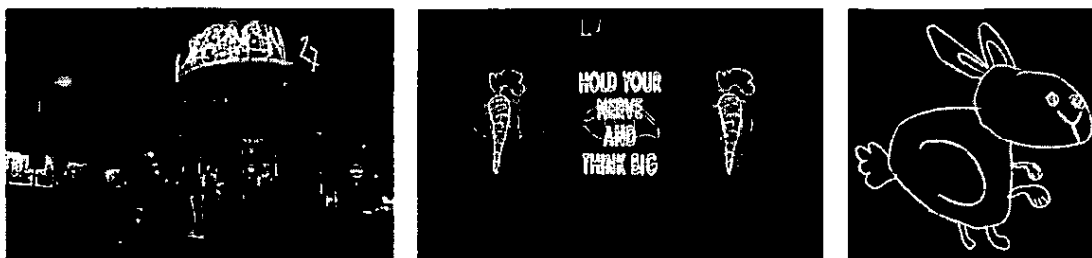
Our Big Table programme, with partners in Garston, Kensington and Kirkdale, exemplifies how we work at the intersection of the local and the international. In spring 2008 the Biennial Big Table realized three 'Pavilions' – large scale projects by top artists intended as a source of inspiration and aspiration for those areas, allowing these organisations to offer destinations for visitors and an exciting new resource for their communities.

- Kensington: *Nexus*. Luis and Juan Pelaez with METAL
- Kirkdale: The Rotunda Folly. GROSS Max with Rotunda Community College
- Garston: *The Artistic Republic of Garston*. Michael Trainor with Garston Cultural Village

Intended as temporary commissions, Rotunda are working to secure their Pavilion long-term due to the positive effect it has had on the area, including reports from the police that nuisance calls from youngsters have dropped by 60% since the launch of the commissions.



At the end of the year Michael Pinsky realised the third in a series of annual Winter Lights for those neighbourhoods. As with all our commissions, engagement was an essential element of the Winter Lights series – which included Ron Haselden's *Animal* (2006), and Franck Scurti's *Liverpool Jackpot* (2007). All three sets of Winter Lights lit up Liverpool neighbourhoods throughout 2008.



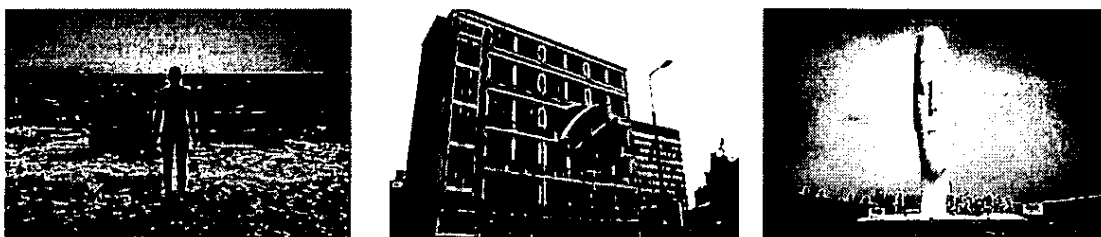
In the summer we began to bring our programme into the city centre, and for the Visible Virals project we commissioned Nils Norman to work with Merseytravel and the City Parks Department to raise awareness of the city's green spaces, while A-APE collective from Stockholm worked with local communities and startling statistics to ornament the city centre. *Visible Virals* engaged hundreds of thousands of people as the project spread across the city during 2008. Designed to have a light touch and to be transient in nature, the artworks infiltrated public spaces and infrastructures in the city, appearing unannounced in surprising locations.



Intended as a companion piece to *Turning the Place Over*, the 'Big Thing' was Ai Weiwei's *Web of Light*, launched within the MADE UP strand of the Biennial festival. This was a highly ambitious, highly successful, and visually stunning commission, which captured the imagination of the media and visitors alike. It was the most frequently visited of all the MADE UP artworks (TMP data – 181,000 visits), and the second most frequently mentioned in the press. In response to its popularity, and at the request of the city and the site owner, the work remained in place until February 09 in order to stay until the close of the 08 celebrations.

3.1 Ongoing Public Art commissions:

Turning the Place Over, Another Place, Dream



In 2007 we completed two fantastically popular projects signalling our ambitions for 2008. We secured Antony Gormley's *Another Place* in its permanent home on Crosby Beach, providing the North West with a powerful icon and we launched Richard Wilson's *Turning the Place Over*, dubbed by Sir Nicholas Serota as "one of the best pieces of public art in Europe". We continue to work with Sefton Council on the development of Another Place Ltd, and continue to manage and maintain *Turning the Place Over* for as long as the site remains operational. We worked on behalf of St Helen's Council on the realisation of *Dream*, Jaume Plensa's commission for Sutton Manor Colliery, part of Channel 4's Big Art Project. The commission has since been launched (May 09) and the TV series screened.

3.2 Art for Places Programme

Paul Kelly was appointed September 2007 as public art officer with New Heartlands (responsible for the direction of Housing Market Renewal Initiatives in the three Boroughs of Wirral, Liverpool and Sefton). The three year post is partly paid for by ACE and is line managed by Laurie Peake. The programme to be delivered by the post is called *Art for Places*, and will result in a commission in South Sefton (2009) Wirral (2010) and North Liverpool (2011).

3.3 Urbanism 09

In October 2008, internal discussions resulted in the decision to spotlight the work of Paul Kelly's post through developing a programme of art in the communities of North Liverpool / South Sefton, involving the Registered Social Landlords / Housing Associations of the area and staging a conference aimed at professional peers and local residents in September 2009.

This first year's programme would act as a pilot (action research) and after evaluation might become the model for further biennial programmes / conferences to be held in the alternate year to the city centre Biennial festival. Called Urbanism to recognise the broad and complex context for art in a community regeneration setting, the programme creates a balancing activity to the city centre festival and international exhibition. Lessons learned in each setting can be applied in the alternate situation, thereby providing the perfect 'intersection of the local and the international' which remains the Biennial's guiding principle.

3.4 Everton Park

Discussions concerning a major project for Everton Park (in collaboration with the Echo and Liverpool City Council) continue, and Hope University has been drawn in to become a major partner. Assuming the success of the pilot Urbanism 09, there is the potential for Everton Park to become the location for Urbanism 2011, with the third Art for Places commission forming the centrepiece of that year's programme.

4.0 International Exchange and Higher Education

4.1 Archive

In 2008 Liverpool Biennial's Archive project was launched – a great achievement that sees the Biennial after 10 years able to show off its unique history. Liverpool Biennial's Archive features all of the artwork and artists featured in the *International* exhibition from the last five festivals, and its online access means that it is accessible to people around the world.

4.2 European Biennial Network

The European Biennial Network is a collaborative structure for the Biennials of Liverpool, Athens, Berlin, Lyon and Istanbul. It aims to promote dialogue, interaction and collaboration between these contemporary art biennials in Europe. It intends to use the knowledge, experience and wealth of information accumulated by organisers of large-scale periodic art events, in order to support the communication and mobility of artists and art professionals. We have been working to map out the unique aspects of each event and extend collaborative possibilities. Liverpool Biennial hosted a meeting of the Network and a public discussion about Biennials during the festival opening weekend.

4.3 For the Likes of Us

For the Likes of Us showcased a collaboration between the Big Table organisations and their counterparts in Naples, Marseilles and Gdansk in association with Liverpool Culture Company's 'Cities on the Edge' programme.

4.4 Martha Rosler's Library

This touring exhibition was hosted in Liverpool by Liverpool Biennial and exhibited at Liverpool John Moores University. The Library has travelled to Frankfurt, Antwerp, Berlin, Paris and Edinburgh, as well as Liverpool. Martha Rosler was an exhibiting artist in the 2006 *International* exhibition.

4.6 MADE UP Weekend

This 'unconference' was a subversive mix of truth seeking amidst make believe with special guests, special events and an extended club-night. This extended the themes of the *International* with an eclectic series of performances, happenings, talks, debates and fun.

5.0 Engagement (Learning and Inclusion):

During the year, we redesigned our activities (see summary) to ensure that our approach to engagement is fully integrated within the commissioning process, supporting the development of sustainable relationships and maximising opportunities for communities to work directly with international artists. Before the L&I team was redeployed, specific projects delivered to meet the needs of local communities and festival visitors included:

5.1 Inter-view - a web based project involving ten community groups who researched the processes behind MADE UP, generated their own critical commentary of the ongoing development of the exhibition, and finally reviewed the show.

5.2 Triangles matched community groups in Liverpool with local artists and either a MADE UP artist or artwork.

5.3 Made Up in Liverpool - a partnership with FACT to commission young people (12 – 19 years) to make films and present them in their own specially created film festival.

5.4 Future, Fiction & Fantasy - Liverpool Biennial's Schools Project involved staff working with MADE UP artists and 18 schools across Merseyside

5.5 RE- TOLD One unexpected outcome of our work was the decision by 30 of the team of volunteers, some of whom also happened to be art students, to mount their own response to MADE UP with RE:TOLD. The exhibition took place in Arena Studios.

5.6 MADE UP Artists' Talks & Conversations enabled visitors to hear from and question eight of the artists at individual events throughout the festival.

5.7 The Visitor Programme included a welcoming Visitor Centre on Lime Street as a starting point for exploration of the festival, and the base for group tours led by curators, artists and critics, as well as diverse cycling and dog-walking tours.

5.6 The first Long Night of the Biennial saw festival venues and the wider city art scene throw open its doors late into the evening, with alternative activity and events taking place across the venues. In one night there were 6,500 visits to venues and events across the city, and reaction was overwhelmingly positive. We hope that this can become an annual event.

6.0 The artistic quality of the work produced:

6.1 Delivery partners:

Exhibition partners felt the curatorial process worked well, with the strong theme key to the selection of artists and the development of their work. The unified theme across the various venues supported the presentation of a single exhibition, but still allowed individual galleries to utilise their own strengths and unique characteristics. The venues were able to establish a closer relationship with the participating artists, allowing for a fruitful experience for both artist and curator. This is something we intend to continue and expand on for future work, while maintaining our commitment to challenging ourselves through the process of delivering the festival. The model of delivery - where rather than appointing external researchers, Host curators recommended artists for inclusion - worked well, and is being built into plans for 2010 which will look to incorporate further directive research.

6.2 Visitors:

Visitor responses to the festival were extremely positive:

- 96% of visitors surveyed agreed that 'Liverpool Biennial is an exciting event for Liverpool'
- 97% agreed that 'Liverpool Biennial is something that people in Liverpool should be proud of'
- 96% agreed that 'Liverpool Biennial will attract people to the city'

Visitor satisfaction with the festival as a whole was extremely high, with value for money, event organisation and staff, overall enjoyment, event quality, suitability of the venues and facilities provided all receiving average rating scores of over 4 out of 5. Visitors gave positive satisfaction scores to every venue within the festival, with Pilkington's warehouse, the location for commissions by Tomas Saraceno, Yayoi Kusama and Leandro Erlich, being the highest rated venue within MADE UP, with an average rating of over 9 out of 10.

6.3 Peer and stakeholder feedback:

Feedback from peers and stakeholders has been overwhelmingly positive:

The Biennial is one of the great jewels in our crown, not only as part of Liverpool Capital of Culture but for cultural tourism in general.
Felicity Goodey, Chair Tourism EnglandsNorthWest.

There was a wealth of excellent work – amusing, disturbing, illuminating, unusual.
Sian Ede, Calouste Gulbenkian Foundation.

What another highlight we have of this year that just gets better and better.
It is about excellent art, bringing the very best internationally.
Rt. Hon. Andy Burnham MP – Secretary of State for Culture, Media and Sport

It has been a long time since I enjoyed so much art all at once
Sean McGlashan, Gallery of Modern Art, Glasgow

6.4 Press and media:

During 2008 we received coverage in over 850 press, media and online articles around the festival and our non-festival public art commissions, including reviews in the Independent, Times, Observer, Telegraph, Guardian and Financial Times, as well as arts press such as Frieze, Art Monthly and Art Forum. The PR value of this coverage is estimated by Durrents to be over £2.2m. Although inevitably not every review was entirely positive, with the most common criticism being the sheer scale and variation of the festival when taking into account all the independent exhibitions, we are very pleased with the quantity of coverage and the overall reaction to the festival.

It's a giddy finale to the city's stint as European Capital of Culture. After two days there I felt I'd seen more work of real quality than I did in the whole of last year's Documenta.
Richard Dormant, The Telegraph

This constantly intriguing and often anarchic festival is now a major fixture on the international cultural calendar
Prime

An exhilarating outpouring of artistic license

Richard Cork, Financial Times

Liverpool's fifth art biennial, which opened last week, in many ways eclipsed both London Fashion Week and the London Design Festival

Wallpaper.com

For Liverpool, this year's European Capital of Culture, the biennial is a crowning cultural moment, one final proof that Liverpool can hold its head high

Michael Glover, The Independent

Liverpool Biennial is for everyone, acting as a magnet for art lovers and professionals worldwide

Time Out

The city is the European Capital of Culture 2008 and their excellent and varied art Biennial shows why

Icon Magazine

7.0 Marketing and Communications

Antony Pickthall, already a colleague through his temporary post at the Bluecoat, joined the staff in the spring of 2008 and led the team through the challenging environment of Liverpool's year as European Capital of Culture.

We have been successful in significantly developing our digital and online presence over the year, and Sean Hawkrigde's post as Digital Content Co-ordinator made our website much more accessible and interactive. We have increased control over the site from the biennial office to make it more readily updatable, and combined with a new presence on external sites such as flickr, YouTube and facebook, our work will reach new audiences around the world and encourage participation.

8.0 Development / Fundraising

Organisationally, we have been successful in developing our capacity to deliver an increased level of year-round activity, proven by the success of the 2008 programme.

In addition to the £1.2m programme managed on behalf of Liverpool Culture Company, we were successful in attracting increased funding for our own core activities, including support towards the festival from Liverpool Culture Company, two-year support from NWDA for the city centre pavilion and the festival commissions, three-year support from the Gulbenkian Foundation for our European commissions, an increase in the amount of international funding attracted, and support from ACE, New Heartlands and the RSLs towards the HMRI post. We were of course particularly pleased with the confidence shown us by ACE in the uplift in revenue funding from 2008, taking this as an endorsement of the quality of our programme, staff and company structure / governance.

Securing corporate sponsorship requires further effort and investment, and we were disappointingly unable to achieve this in a major way for 2008, although there was some very welcome small scale support for the party and in-kind production costs. The sponsorship market remains highly competitive, and we have done a significant amount of work in developing our sponsorship offer and proposal documents. We have also now added a Corporate Sponsorship Assistant to the team, and we hope that this, as well as the experience of 2008, will help us in attracting headline sponsorship in 2010.

8.1 Liverpool International Collecting Circle, a partnership with the Walker Art Gallery seeking to engage current and potential art collectors, developed well over the year and now has 13 active members and has identified Nancy Davenport's Biennial commission as a potential acquisition.

9.0 Partnerships and Leadership

9.1 LARC - Liverpool Arts and Regeneration Consortium

Throughout the year Liverpool Biennial continued to add value to the city's arts infrastructure through collaboration and leadership within strategic partnerships.

LARC played a significant part in shaping the success of the European Year of Culture as a whole, and senior staff played a significant role in this forum. Using funds derived from the Arts Council's 'Thrive not Survive' national organisational development initiative (agreed June 2007) its activities include organisational and audience development (city centre) and arts development in North Liverpool; the remit of the consortium continues to expand (for instance through Find Your Talent funding from DoCMS), as does the work involved for senior management, but the forum is likely to become even more significant in future as a means of taking a strategic (non-competitive) position in relation to the financial stringencies ahead. We are also working with our LARC associates on Creative Apprenticeships, the 'Long Night', advocacy and audience development initiatives.

9.2 Culture Campus

Originally conceived in 2003 as a visual-arts led postgraduate 'campus' to address the issue of graduate retention in the City (the lack of a vibrant post-graduate culture in Liverpool had previously been identified as the single factor most damaging to development of the visual arts infrastructure) Culture Campus has continued to consolidate its position in relation to the Universities, and has found an expanded role as the interface between all the LARC organisations (not just visual arts) and the HEIs. Lewis Biggs resigned as Chairman of the company in January 09 after an extended term of office but the Biennial remains a key partner and leader of the initiative, now set to become a steering group for NW Cultural Observatory, Impacts 08 and a CPD project.

9.3 VAIL

Senior staff continued their leadership of the Visual Arts in Liverpool advocacy campaign (initiated early in 2007), which added value to the work of all the visual arts organisations through promoting and articulating the city's programme as a whole. The aim to make Liverpool the 'first to mind' city in the UK after London for the visual arts certainly appeared to be proven for this year at least. This initiative is a natural extension of the visual arts partnership represented by the festival and contributes to our aim of strengthening the visual arts infrastructure and developing audiences.

9.4 Public Art Strategy for Liverpool City Council

From 2005 until the end of 2008, Laurie Peake's post was paid for by Liverpool City Council, recognising the strategic importance of council officers being able to draw on her expertise. In anticipation of this arrangement ending in 2008, we advocated that the city should appoint its own public art officer to advise colleagues in Planning (Regeneration Department). With the support of Arts Council England this post was finally appointed in October 2008, in theory allowing the Council to 'internalise' the knowledge that it has gained over the years leading up to 2008. Unfortunately, by the end of the review period and at the time of writing, the Public Art Officer had been unable to resurrect the Steering Group formally administered by Laurie Peake, without which her advice is unlikely to gain political weight. This may adversely affect our own work through a deteriorating city-wide political and practical context.

B. Company Review

1.0 Introduction

The company has now grown into its status as a frequently studied and quoted exemplar of a successful pioneering visual arts festival promoter and commissioning agency.

We have always taken a long-term developmental view of our impact on the cultural environment of the city region as well as more broadly, regionally, nationally and in the global network of visual art events. The Regional Development Agency, the Liverpool City Council and the Arts Council all regard us as a valuable permanent feature of their offer to the region and sub-region. With a healthier balance sheet in terms of reserves, the Company is now firmly in a position in relation to all its stakeholders to punch up to its weight of expertise and ambition.

1.1 Public Benefit Statement:

The company works for the public benefit in accordance with its charitable objects and through delivering the programme of activities described in part A.

1.2 Organisational Development and Business Planning

The company went through a major re-structuring process in 2006/7 to prepare for the challenge of 2008, and its success was proven by our capacity to deliver the celebrated programme that we did in that year. Further organisational restructuring was undertaken in the winter of 2008/9 and an updated Operational Plan for Biennial activities 2009-12 was accepted by the Board in March 2009.

1.3 Staff

The enlarged staff needed to provide the capacity to deliver the enhanced programme for 2008 was reviewed in October. The resulting structure allowed greater focus on our core activity of commissioning art, along with some planned shrinkage at the end of the 2008 year was also necessary, and at the end of the review period, a new staff structure was being put into place (from April 2009) with many staff transferring onto permanent contracts. We have also kept significant focus on developing our capacity to deliver in the area of private income, and have been putting in place the required foundations, including brand development and expanded media reach. As mentioned above, the structure of the programming staff was also changed to form a single, more fluid commissioning team, as opposed to separate departments for each element of programme.

New positions include a permanent Development Officer, to enhance our capacity to secure private sector support, a temporary Visitor Services Officer post to co-ordinate our festival visitor programme and ensure a high-quality experience for all visitors, and a part-time Finance Assistant to support the organisation in timely financial management.

There were 21 posts at the end of the review period (March 2009):

Director; Executive Director; Programme Director (Public Art); Programme Director (International Exchange & HE); International Curator (Vacant); Development Manager; Development Officer; Executive Officer; Administration Assistant (part time); Finance Officer; Finance Assistant (part time); Head of Marketing and Communications; Digital Content Co-ordinator (part time); Marketing Officer (Vacant). Partnership Coordinator; HMRI Public Realm Manager; Project Curator; Programme Assistant (International Exchange & HE); Programme Assistant (*International* exhibition); and two Programme Assistants (Public Art) (part time).

1.4 Use of volunteers.

Seventy four volunteers were recruited through a process of advertising and interview; they received training and then contributed a total of 13, 304 hours towards technical support, stewarding, information, sales and security during the ten week festival.

1.5 Board Membership and Development

The Directors of Liverpool Biennial of Contemporary Art Ltd. during the review year were as follows:

Paula Ridley (Chairman from March 2008), Prof Dawn Ades, Bryan Biggs MBE (resigned Sept 08), Walter Brown CBE (resigned Sept 08), Lesley Chalmers, Michael Cox, Jim Gill, Roger Goddard, Alison Jones, Prof Declan McGonagle (resigned Spring 2009), Simon McKinnon, Prof Gerald Pillay, Alistair Sunderland, James Warnock (resigned Sept 08), Jane Wentworth, Tony Wilson, Frances McEntegart (resigned June 2008).

One third of Board members stand down each year by rotation, unless resignations provide this turnover. New members are recruited in accordance with the requirement of the Company for particular skill sets and experience: Development / Fundraising, Marketing and PR, Finance, Company Law and HR, Academic / HEIs, International Art Exhibitions, etc. From time to time the Company has requested support in recruitment from the 'Board Bank' operated by Business in the Arts Northwest. New Board members are assigned a member of staff as a first point of contact for communicating experience, and Board induction / training days take place once each year or as required.

1.6 Risk Management

The primary risk to which the company is exposed is commitment to artistic activity and related expenditure in advance of funding or the confirmation of that funding, or in extremis, withdrawal of funding.

Processes are in place to manage that risk including regular reporting to Board and management of actual results against budget.

Secondary risks, all of which are managed appropriately, include:

- Uninsured third party costs through structural failure of any art work;
- Financial fraud;
- Potential costs resulting from employment legislation matters.

C. Financial Review

1.0 Financial Management Policies.

Financial management policies are in place and reviewed regularly by the Sub-Committee of the Board.

1.2 Principal Funding Sources

The principal funders of the company are Arts Council England, and Liverpool City Council (via Liverpool Culture Company in 2008), and we are grateful for their continued support of our work. The Northwest Regional Development Agency with Liverpool Vision provide invaluable investment in our public realm programme and promotional activity. The Calouste Gulbenkian Foundation agreed a three-year funding package over 2008-10 for a programme of 'Gulbenkian European Commissions' within the festival.

We are grateful to a number of charitable trusts and foundations for project support, including the Henry Moore Foundation, as well as numerous international agencies and Embassies, with particular support from EU-Japan Fest in 2008, as well as continued support from the Australia Council.

1.3 Financial Outlook:

We are aware that 2009-11 will be a challenging period in terms of securing funding, and have increased internal resources for fundraising in response to this. Our income target for 09-11 is £4.28m, of which 55% is currently confirmed. We are pleased to have commitments in place for 2009/10 and 2010/11 for an increase in funding from Arts Council England, and standstill funding from Liverpool City Council. We are seeking to replace the 'enhancement' and project funding received from the City during 08 in order to continue to develop our core programme using 2008 as a catalyst for growth. The commitment from the Calouste Gulbenkian Foundation for a programme of 'Gulbenkian European Commissions' in 2010 will provide valuable support, and we are hopeful of securing a significant proportion of our festival programme and marketing budget from an application for NWDA and ERDF support, championed by Liverpool Vision (decision due August 09). While the funding received in 2008 for 'additional' programme such as the 08 series of public art commissions is no longer available, new partnerships and projects are opening up other resources, such as New Heartlands and RSL support for the Canal Programme. We will continue to invest in developing relationships with businesses with the aim of being well positioned to take advantage of future upturns in the economy.

1.4 End of year accounts

The end of year accounts show the Company ending the financial year with a net negative movement of funds of £103,424. Total income for the year was £3,345,572, and expenditure was £3,448,996

With a surplus of £63,393 carried forward from 2007/08, which included restricted income for expenditure due to take place in 2008/09, the company has utilised an amount of its operational reserve totalling £40,031. The decision to use reserves in this way was unwelcome but taken advisedly, and reflected the requirement that the company take every advantage possible from the opportunity provided by Liverpool's year as European Capital of Culture, knowing that this was not the moment to spoil the ship for a ha'pennyworth (or £40,000) of tar.

The company has total funds to be carried forward to 2009/10 of £545,138, of which £300,000 are designated funds, £54,611 are restricted funds unspent as at 31 March 2009, and £190,527 are free reserves.

For 2009/10 the Arts Council will provide £550,000 and the City Council £305,732 providing increased ongoing security for the Company. However, funds for the bulk of the artistic programme still have to be raised from other sources – project funding from European, national and regional public sources, from overseas governments and agencies, from Trusts and Foundations, and from Corporate funds – and that this represents a continuing challenge of some magnitude.

Lewis Biggs
Chief Executive
3rd September 2009