

**STILLS LIMITED**

**Registered Number SC063316**

**Directors' Report and Financial Statements**

**For the year ended 31 March 2006**

WEDNESDAY



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# **STILLS LIMITED**

## **Directors' Report and Financial Statements**

**For the year ended 31 March 2006**

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### **Directors**

Robin Gillanders  
Dr Patricia MacDonald  
Izzy Cameron  
Stuart Murray (appointed Chairman 02 May 2006)  
Beverley Hood  
Alan Charles Horn (resigned 02 May 2006)  
Alexander Hamilton  
Michael Gill  
Fiona Hendry (resigned 26 April 2005 and re-appointed 02 May 2006)  
Ian Douglas Wilson  
Kate Wimpres

### **Secretary**

Stuart Murray

### **Office Director**

Ms Deirdre McKenna

### **Auditors**

Scott Moncrieff  
17 Melville Street  
Edinburgh  
EH3 7PH

### **Solicitors**

Maclay Murray & Spens  
3 Glenfinlas Street  
Edinburgh  
EH3 6AQ

### **Registered office**

23 Cockburn Street  
Edinburgh  
EH1 1BP

**Scottish charity No. SCO14136**

# **STILLS LIMITED**

## **Directors' Report**

**For the year ended 31 March 2006**

The directors present their report and the financial statements for the year ended 31 March 2006

### **Structure, Governance and Management**

The governance of the company is overseen by a Board of voluntary Directors, who as Directors in company law must also be members of the Association of the Company from whose number they are elected at Annual General Meetings. The Directors of the Company have certain legal, financial and fiduciary duties under company law and must also comply with charity law

Although many of these duties are delegated to staff, the ultimate responsibility for every aspect of the Company's operation lies with the Board of Directors

The company is governed by its memorandum and articles of association and directors are appointed in accordance with the relevant provisions of those articles

The Board, through the Chairman, is responsible for the line management and appraisal of the Chief Executive, known as the "Director" although she is not a director in terms of the company law

The Chief Executive, is responsible to the Board for reporting on the day to-day running of the organisation and with the support and input of the Board, is also responsible for strategic development to ensure the future sustainability of the organisation

The Chief Executive, is responsible for maintaining and developing systems of communications through a sub committee structure that draws upon Board expertise to inform and advise the Board on specialist areas of activity and policy recommendations as well as taking delegated decisions on operational issues.

Deirdre MacKenna was appointed as Chief Executive on November 2001

### **Governing Document**

The organisation is a charitable company limited by guarantee, incorporated on 19 October 1977 and registered as a charity on 19 October 1977. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1 per member. There are currently 10 members.

### **Recruitment and Appointment of Board of directors**

The directors of the company are also charity trustees for the purposes of charity law and under the company's Articles are known as members of the Board of directors. Under the requirements of the Memorandum and Articles of Association one third of the Directors retire at each Annual General Meeting, but may be reappointed by the members at that meeting.

### **Trustee Induction and Training**

New trustees are invited and encouraged to attend an introductory meeting with the Chairman and Chief Executive to familiarise themselves with the charity and the context within which it operates. The meeting covers:

- the obligations of Board of directors members,
- the main documents which set out the operational framework for the charity including the Memorandum and Articles;
- resourcing and the current financial position as set out in the latest published accounts; and
- future plans and objectives.

## **STILLS LIMITED**

### **Directors' Report**

**For the year ended 31 March 2006**

#### **Risk management**

As part of the forthcoming Organisational Development work planned for 2007, the Board will conduct a review of the major risks to which the charity is exposed. A risk register will be established and updated at least annually. Where appropriate, systems or procedures will be established to mitigate the risks the charity faces.

#### **Organisational structure**

Stills has a board of Directors who meet quarterly and are responsible for the strategic direction and policy of the company. At present the Board has ten members from a variety of professional backgrounds relevant to the work of the charity.

A scheme of delegation is in place and day to day responsibility for the provision of the services rest with the Chief Executive along with the Programme Manager. The Chief Executive is responsible for ensuring that the charity delivers the services specified and that key performance indicators are met. The Programme Manager has responsibility for the day to day operational management of the organisation, individual supervision of the staff team and also ensuring that the team continue to develop their skills and working practices in line with good practice.

#### **Related parties**

In so far as it is complimentary to the charity's objects, the company is guided by both local and national policy. At a national level visual arts activities are informed by Scottish Arts Council policies, and the forthcoming City of Edinburgh Council 'Visual Arts Crafts and Architecture Strategy' will inform local priorities. Project partnerships include Edinburgh Printmakers and Edinburgh Sculpture Workshop, and the Edinburgh galleries education forum, the Edinburgh International (Visual) Arts Festival and other informal partnerships enabling the company to contribute to and engage with policy and practice developments.

#### **Objectives and Activities**

The company's objects and principal activities are to inspire artists to flourish by enabling active and passive engagement with their work in our leading international centre for photography and digital media by:

- facilitating the exploration and production of new works by artists and the wider public,

- providing a critical context and visible benchmark for attendees and artists through projects, exhibitions, critical and interpretative texts, and events relating to contemporary photography and digital media,

- growing new artists and audiences and nurturing existing artists and audiences with the support of skilled staff and operators, and projects and events at appropriate levels and formats.

#### **Achievements and performance**

Throughout Stills' work, we strive to ensure that everyone at Stills experiences an open, inclusive environment where people and ideas can flow and exchange freely.

We have a diverse and loyal audience and seek to offer each person a high quality, richly rewarding experience, and are a main supplier of support, resources and employment for current and future generations of artists, and our unique artist and audience centred resource plays a key role in building a skills and knowledge base for Scottish artists in national and international contexts.

Stills continues to build strong relationships with audiences as a major provider of meaningful engagement with digital art, photography and the artists who create it, as well as access to artist led training in digital and photographic techniques.

*Stills' Residencies* programme celebrates artists and artistic excellence by enabling artists to work side by side with other users of our production facilities as well as exhibiting artists. Our *Focus Space* programme demonstrates the scope of the work of less experienced artists and enables the opportunity to show alongside established figures.

## STILLS LIMITED

### Directors' Report

For the year ended 31 March 2006

Our *Artistic Programme* is strengthened and extended through its wide range of *Audience Development* and *Education* activities and projects, such as *Re.Create* and *Ricochet*. This keeps artists and their work at Stills' core and communicates our ideas to people in a variety of tailored ways.

*Stills' Audiences* are encouraged to participate in activities as diverse as talks, performances, events and projects and are able to develop their practical and creative skills through our digital and photographic *Courses And Sessions* available for people of all ages and abilities.

In order to meet these opportunities and challenges head on, we have established an attitude within Stills which is open, responsive, enthusiastic and knowledgeable. We welcome and thrive upon collaboration and continual development.

Since 2003, we have successfully applied this attitude, for example working with collaborating organisations such as ArtsCatalyst, Low fi and The Jerwood Photography Awards, to satisfy our strong curatorial knowledge and ambition, or by establishing long term Education and Audience Development Programmes *Re.Create* and *Ricochet* with Edinburgh Printmakers and Edinburgh Sculpture Workshop as well as groups and individuals. This is much more desirable and effective than individual, short term projects, and enables us to employ staff for longer periods, and for them to develop activities which are appropriate for the needs of the people who experience them.

Despite never having employed marketing or publicity specialists, we are pleased to see that the quality of our artistic Programme was recognised by the media in over 17 features including two BBC television productions. *Festival Nights* in August 2005, and *Honey We're Killing The Kids*, September 2005.

#### *Employing Artists Benefits to Artists*

In 2005/06, Stills made payments to over 70 artists. These payments are fundamental in sustaining careers and supporting livelihoods. In addition, Stills' inclusive environment has enabled many artists to further develop their networks and skills, and provides valuable, informal curatorial and professional support.

#### *Personnel*

By maintaining a buoyant structure we have managed to create and successfully appoint a team structure which enables a consistent service during continued growth. Our core team of Chief Executive, Programme Manager, Project Co-ordinator and two Resources Co-ordinators work full time, and provide skills in photography, digital technology, education, curation, organisational, project and professional development and general management issues. They are complimented by our Audience Development and Education staff who have brought their vision, expertise and contacts to Stills throughout 2005/06, expanding the quality and range of activities, and people we work with.

We will continue to bring in expertise from beyond Stills, and work closely with and rely heavily upon a team of committed and flexible, expert individuals on a temporary and projects basis: photographic and digital technicians and tutors; exhibition design and installation staff; curators – on a project and programme basis; artist/educators, to deliver our education projects; advisors on capital and developmental issues, and others throughout our work.

Finally, but possibly most importantly, Stills operates daily with a key team of voluntary staff, at times providing up to 50% of our personnel.

Stills Volunteers are recruited from a huge variety of backgrounds and in return for their time and experience, Stills provides training in all our areas of activity supported by a programme of professional development.

## **STILLS LIMITED**

### **Directors' Report**

**For the year ended 31 March 2006**

#### **Artistic Programme**

Throughout our Artistic projects, links are made between the works on show, the processes employed within them, and past and forthcoming participative activities to engage with. During 2005/06 we presented 5 exhibitions (of artworks by more than 35 artists), and over 20 gallery events, which were visited by more than 20,000 people, with over 2,000 people directly engaging with artists in our creative projects, talks and events.

The majority of Stills' activities are consumed by people who have found routes to development and education outwith formal education. They are exploring their ideas or artistic practice, and are usually at early or emerging stages of exploring Stills' technology, engaging with conceptual and technical challenges, and will be relying upon Stills' facilities and staff to assist their exploration

This fact, coupled with our passion for contemporary visual art, makes a perfect climate for people to creatively develop without pressures of validation or certification

The diversity of formats within our Artistic Programme reflects the wide range of practice and constant state of development artists undertake while working with photographic and digital processes in their sense of ownership of these activities

Projects are always defined before commencement, but often take a different path than planned as a result of the artist discovering new possibilities for the project and the participants choosing to pursue routes which they were previously unaware of. Responsiveness to the creative process is essential to the exploration of ideas and fruition of one's own artistic vision, and so we maintain a flexible attitude throughout

It is essential that individuals understand that creative and technical learning at Stills exist within the realm of contemporary visual art – so that they can assume the license for inspiration and originality which defines artistic practice. Therefore, all our Education activities are led by artists, who introduce themselves and illustrate the aims of the activity through an introduction of their work.

Our work with formal education providers contrasts and compliments the curriculum by offering alternative approaches to the creative processes. We see all participants' engagement with us as part of their life long learning, and continuing route to individual expression

Everyone engaging with Stills is invited to take part in our critical events, and equally, are invited to offer their practice for critique

#### **Residents**

Resident artists are essential in successfully realising Stills' aims. Artists' presence over long periods of the time and their developed relationships and shared skills and experiences with other Users is the key to enlivening the creative process for participants who engage beyond the passive gallery experience

Stills' Residents form one of Stills' key communities. Through their regular presence and use of Stills' facilities, they provide a link between our different critical, creative and technical elements, and act as role models for our many lesser experienced users

They provide insight to the life of artists today – often widely contrasting examples within one group – and their accessibility, range of skill levels and individual experiences break down barriers and inhibitions which many people (including younger artists) can feel with contemporary art

They are an invaluable source of information and criticism to Stills and inform our methods and decisions in many areas.

## **STILLS LIMITED**

### **Directors' Report**

**For the year ended 31 March 2006**

#### **Exhibition Programme**

We are pleased to have presented a wide range of styles and methods of practice within a balance of types of exhibition such as solo, group, internal and externally curated exhibitions, which have reflected artists practice at all stages of their careers

#### **Events**

Events are an important part of our Audience Development strategy, and enable us to engage with artists, specialists and audiences in a focused way, expanding our Programme and providing a great opportunity for quality, direct contact with Attendees. Events comprise book and project launches, performances, portfolio sessions, artists/curator/specialist talks and symposia and private views.

Our Events Programme continues to steadily increase as we work with more and more organisations. Guest speakers include John Blakemore, Roderick Buchanan, Geoff Dyer, Femí Foluronso, Stefan Gec, Catriona Grant, Henna Nadeem, Martin Parr, Ian Rankin, Pamela So, Jon Thomson, Iseult Timmermanns, Joel Venet and regular partner organisations include Beyond Words Photographic Bookshops, Scottish Photographers, SPIN, The Cultural Enterprise Office and others

Our increasing number of intermittent, proactive and reactive short presentation and launch events with collaborating art and cultural organisations enables us to offer a wide range of opportunities and networks for peer critique, and support and mentorship to existing and aspiring artists. These short events are almost always programmed to complement the themes of the main exhibition, and therefore expand and refresh our views and perceptions.

#### **Resource Users: Courses and Sessions access to facilities and expertise**

##### **The exploration and production of new work**

Stills provides facilities, projects and programmes to enable artists to progress with their conceptual, technical and professional development

**concept** development, is provided through exhibitions, critical events and peer, staff and public critique;  
**technical** development is provided through access to subsidised digital and photographic facilities which can be booked and used by individuals wishing to work on their own, in taught courses and sessions, throughout our Residents Programme, one off events, and in informal tuition and discussion with staff, artists and tutors;  
and

**professional** development is provided through critical events, peer and staff critique and formally, through The Cultural Enterprise Office which operates their Edinburgh service from Stills

We continue to develop the range of Courses available, and have provided these at a subsidised rate to enable people with a broad range of experiences and incomes to attend. Over 140 individuals have attended over 500 Sessions and over 20 Courses. We rely upon talented and flexible tutors to deliver courses, and they in turn depend upon Stills to manage the administration and technical demands. Participant numbers are steadily increasing and in response to feedback from Attendees and Tutors, we plan to increase this rate with a new level of marketing and improved equipment

#### **Audience Development, Education and Interpretation programmes**

To parallel our research into developing artists needs and their impact upon Stills' resources, in 2003 we commissioned a research project intended to investigate and develop demand for our facilities, in order to proceed in a strategic and sustainable way. Our partner was Edinburgh Printmakers (EP), and with funds raised from SAC Audience Development, the £33k programme resulted in clarification of 10 key recommendations for progress where demand for affordable, combined, complimentary production services had been identified. The Report has also acted as an organisation guidance manual in Audience Development for both Stills and EP

## STILLS LIMITED

### Directors' Report

For the year ended 31 March 2006

Stills has been successful in being one of the ten CFO organisations selected for this progressive Scottish pilot programme. We were particularly keen to participate as through our Research project, we had been aware of the unique methods and approaches of *NftLoY* and the benefits to organisational, and particularly staff development. We have found that the leadership and staff training is beginning to have a positive practical impact on staff (rather than just theoretical), and is changing our focus from internal to external, and that this is acting as a catalyst for a new programme of staff training – from Volunteers to Board. In addition, as part of our collaboration with EP and ESW, we have started to carry out some of the training collectively, thus optimising resources while developing teams across organisations.

Strategic partnership with Edinburgh Printmakers (EP) and Edinburgh Sculpture Workshop (ESW) to raise the profile of our organisations and provide accessible introductions for existing and new audiences throughout Edinburgh. It has a minimum budget of £65k and started in April 2005.

It was recognised that the proven principles regarding collaborating with EP applied equally to ESW, and so the collaboration to maximise audience potential was extended to include ESW. Acting in response to the recommendations of the Audience Development Research Report, we devised a programme named *Re>Create* which began in April 2005 with over £65k funds secured from Stills, ESW, EP, Trusts and £50k SAC Audience Development.

To date, *Re>Create*'s taster sessions and projects have generated an overwhelmingly positive response clarifying the quality of the activities Stills, EP and ESW deliver and enabling new relationships to develop and lead to long term, qualitative projects and programmes.

Through our Education Programme, Stills has gradually developed important relationships with individuals and organisations throughout Edinburgh with the aim of providing appropriate creative activities to demystify the experience of making art, and enable individuals to discover their own creative paths. We are currently at a critical point where we can marry the established demand with the knowledge and skills of Stills' staff and expert artists to deliver requirements of the Groups and participants in the following ways.

as a result of careful work with over 30 organisations, and consultation with most community groups in Edinburgh, we can now provide participative projects of the highest standard within a ladder of development which can support the novice throughout their journey to artist, and by programming major exhibitions to lead and involve participants through an introduction to contemporary art, basic knowledge of photographic and digital techniques, exploration of artists' concepts, exploration of their own ideas and areas of interest, resolution of works and display and critique. Our recent exhibition *Ricochet* is an example of this.

A good example is the combination of *Ricochet*, our current Education programme which focuses on people with culturally diverse backgrounds, (and which will be the model for all future Education projects), and *Re>Create* our Audience Development programme which engages and harnesses people who have not yet experienced Stills, or would like to explore Stills further.

Between our Education and Audience Development programmes, we provide tasters, creative projects, mentoring by professional artists, collaborations with artists, training courses, arts worker apprenticeships in photographic and digital skills, arts worker apprenticeships in creative project development, direct engagement with artists in our major exhibitions, presentations and events and smaller exhibitions presenting new works and project outcomes, and other events which complement and further explore the works and outcomes.

Please see Stills Annual review 2005 / 06 for a detailed report on activity.



# **STILLS LIMITED**

## **Directors' Report**

**For the year ended 31 March 2006**

### **Financial review**

Against the backdrop of limited resources and insecurities over revenue funding, it has continued to be difficult to plan or develop services. Nevertheless, with the aid of sound financial management and the support of both its staff and volunteers generated an acceptable outcome for the period with plans in place to increase core funds in the years ahead

### **Principal funding sources**

Stills' revenue funding is provided by Scottish Arts Council (£113,300) and City of Edinburgh Council (£19,384)

### **Investment policy**

Most of Stills' funds are to be spent in the short term so there are few funds for long term investment

### **Reserves policy**

The company has identified a minimum reserve requirement of £25,000 in order to meet commitments as they fall due. Actual unrestricted reserves were £2,177 at 31 March 2006. The directors are aware that the unrestricted reserve level is too low and the company is actively pursuing additional funds to rectify this deficit.

### **Plans for future periods**

During 2007/08, Organisation Development will comprise completing the Business Planning process, restructuring operational systems (artistic, technical and customer) including new policies and procedures for communication with the public and personnel development and training programme while continuing to prioritise staff development.

Capital Development will continue consultation with existing and potential users in order to hone equipment and services, and Skills Development (Sessions and Courses) will continue to generate surpluses while continuing consultation with existing and potential users in order to hone equipment and services.

The Artistic Programme will comprise stage 3 of the Residents Programme, two new major artists commissions alongside an annual programme of 5 exhibitions. Education and Audience Development will include the next phase of *Re Create* while continuing to work with Edinburgh Printmakers and Edinburgh Sculpture Workshop, as well as further developing *Ricochet* and a new *Customer Relationship Management System* to enable Stills, Edinburgh Printmakers and Edinburgh Sculpture Workshop to operate a bespoke system, supporting and streamlining database, sales and marketing personnel and systems across each organisation.

### **Responsibilities of the Board of Directors**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year. In preparing those financial statements, the Board of directors should follow best practice and:

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

The directors are responsible for maintaining proper 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 1985. The Board of directors is 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.

# **STILLS LIMITED**

## **Directors' Report**

**For the year ended 31 March 2006**

### **Members of the Board of Directors**

Members of the Board of directors, 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 3

### **Disclosure of Information to Auditors**

As far as each of the Board members, at the time the report is approved, are aware

- There is no relevant information of which the company's auditors are unaware; and
- The Board members have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of the information.

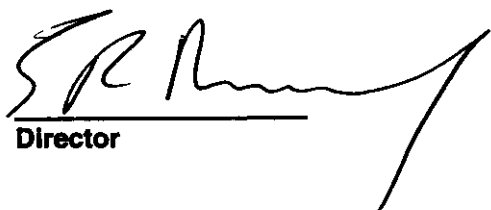
### **Independent Auditors**

A resolution to reappoint Scott Moncrieff will be put to the members at the annual general meeting

The directors report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005) and in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities.

Approved by the Board on 30 January 2007 and signed on its behalf by



Director

**STILLS LIMITED**  
*(a company limited by guarantee)*  
**Independent Auditors' Report to the members**  
**For the year ended 31 March 2006**

We have audited the financial statements of Stills Limited for the year ended 31 March 2006 set out on pages 10 to 16. These financial statements have been prepared under the historical cost convention and the accounting policies set out on page 12 and 13

This report is made solely to the company's members 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 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 opinions we have formed.

**Respective responsibilities of directors and auditors**

As described in the Statement of Directors' Responsibilities the charitable company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Our responsibility is to audit the financial statements 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 financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the charitable company 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 directors' remuneration and transactions with the charitable company is not disclosed

We report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements

**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 financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable 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 financial statements 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 financial statements

**Opinion**

- The financial statements 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 deficit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements

*Scott Moncrieff*  
**SCOTT-MONCRIEFF**  
**Chartered Accountants**  
**Registered Auditor**  
**17 Melville Street**  
**Edinburgh**  
**EH3 7PH**

30 January 2007

# STILLS LIMITED

## Income and Expenditure Account & Statement of Financial Activities

For the year ended 31 March 2006

	Notes	Restricted Funds £	Unrestricted Funds £	Total Funds 2006 £	(As restated) Total Funds 2005 £
<b>Incoming resources</b>					
Incoming resources from generated funds voluntary income	3		141,275	141,275	125,885
investment income			1,716	1,716	666
Incoming resources from charitable activities	4	73,311	62,036	135,347	106,179
Other incoming resources					268
Total incoming resources		<u>73,311</u>	<u>205,027</u>	<u>278,338</u>	<u>232,998</u>
<b>Resources expended</b>	6				
Costs of generating funds					
Costs of generating voluntary income			20,159	20,159	28,956
Charitable activities		130,624	181,434	312,058	260,602
Governance costs			4,250	4,250	3,943
Total resources expended		<u>130,624</u>	<u>205,843</u>	<u>336,467</u>	<u>293,501</u>
Deficit for the year	2	(57,313)	(816)	(58,129)	(60,503)
Transfers between funds		<u>48,539</u>	<u>(48,539)</u>		
Funds at 1 April 2005		<u>(8,774)</u> 462,595	<u>(49,355)</u> 51,532	<u>(58,129)</u> 514,127	<u>(60,503)</u> 574,630
Funds at 31 March 2006		<u>453,821</u>	<u>2,177</u>	<u>455,998</u>	<u>514,127</u>

All of the results relate to continuing activities. There were no recognised gains and losses other than those included above.

The notes on pages 12 to 16 form part of these financial statements

# STILLS LIMITED

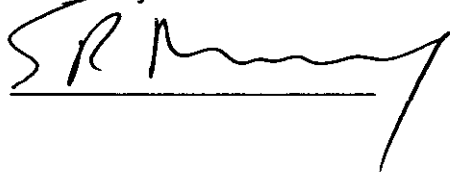
## Balance Sheet

As at 31 March 2006

	Notes	£	2006	£	£	2005	£
<b>Fixed assets</b>							
Tangible assets	7		450,094			512,227	
<b>Current assets</b>							
Debtors	8	25,809		29,602			
Bank account		2,871		2,722			
Cash on hand		560		1,192			
			29,240		33,516		
<b>Creditors: Amounts falling due within one year</b>	9	23,336		31,616			
<b>Net current assets</b>			5,904			1,900	
<b>Net assets</b>			455,998			514,127	
<b>Funds</b>	11						
Restricted funds			453,821		462,595		
Unrestricted funds			2,177		51,532		
			455,998		514,127		

These accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective June 2002)

These financial statements were authorised for issue by the Board of Directors on 30 January 2007 and signed on its behalf by:



Director

The notes on pages 12 to 16 form part of these financial statements

## **STILLS LIMITED**

### **Notes to the Financial Statements**

**For the year ended 31 March 2006**

#### **1. Accounting policies**

##### **Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention, in accordance with applicable accounting standards, Statement of Recommended Practice – Accounting and Reporting by Charities (SORP 2005) and the Companies Act 1985. Due to the introduction of SORP 2005, the income and expenditure for the year ended 31 March 2005 has been reclassified.

The financial statements are prepared on a going concern basis.

##### **Grants and subsidies**

Revenue grants and subsidies are credited to the income and expenditure account and statement of financial activities when receivable, unless they relate to a specified future period, in which case they are deferred

##### **Grants for the purchase of fixed assets**

Grants are credited to restricted funds and depreciation charged in the year is debited to the appropriate fund

##### **Voluntary income**

Voluntary income received by way of donations and gifts to the charity is included in full in the Statement of Financial Activities when receivable. Gifts in kind are recognised as incoming resources and resources expended in the period in which the gift is received

##### **Operating leases**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the income and expenditure account as they fall due

##### **Allocation of expenditure**

Where possible expenditure has been charged direct to charitable expenditure or governance costs. Where this is not possible the expenditure has been allocated on the basis of time spent by staff on each activity:

- charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries, and
- governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

##### **Taxation**

The company is recognised as a charity and accordingly is not liable for corporation tax under Section 505 of the Income and Corporation Taxes Act 1988. The company is registered for Value Added Tax (VAT) and accordingly expenditure is stated net of VAT

# STILLS LIMITED

## Notes to the Financial Statements - continued

For the year ended 31 March 2006

### 1. Accounting policies (continued)

#### Tangible fixed assets and depreciation

Tangible fixed assets, costing over £300 are stated at cost less depreciation.

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, evenly over their expected useful lives as follows:

Tenant's improvements	5% to 33 3% straight line
Fixtures and fittings	20%
Computers	33 3%
Other equipment	25%

#### Restricted and Unrestricted funds

Restricted funds are to be used for specified purposes as laid down by the donor. Unrestricted funds are to be used to carry out the core activities of the charity

### 2. Deficit for the year

The deficit for the year is stated after charging:

	2006 £	2005 £
Auditors remuneration in respect of audit	4,250	3,943
accountancy	14,069	4,542
Depreciation	67,497	65,930
	<u>          </u>	<u>          </u>

### 3. Incoming resources from generated funds – voluntary income

	Restricted Funds £	Unrestricted Funds £	Total Funds 2006 £	Total Funds 2005 £
Scottish Arts Council – revenue grant		113,271	113,271	110,000
City of Edinburgh Council		19,384	19,384	15,885
Oppenheim Funds		5,500	5,500	
Other donations		3,120	3,120	
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
		141,275	141,275	125,885
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

# STILLS LIMITED

## Notes to the Financial Statements - continued

For the year ended 31 March 2006

4. Incoming resources from charitable activities	Restricted Funds £	Unrestricted Funds £	Total Funds 2006 £	Total Funds 2005 £
Scottish Arts Council – mainstreaming grant (Interpretation)	6,747		6,747	3,250
Richard Hough Resource				9,231
Other project grants	66,564		66,564	31,993
Project income		62,036	62,036	45,671
National Lottery – CYP				3,423
National Lottery – CTS				12,612
	<hr/>	<hr/>	<hr/>	<hr/>
	73,311	62,036	135,347	106,180
	<hr/>	<hr/>	<hr/>	<hr/>

5. Staff costs	2006 £	2005 £
Wages and salaries	115,128	89,513
Social security	9,349	7,246
	<hr/>	<hr/>
	124,477	96,759
	<hr/>	<hr/>

The average number of employees during the year was 8 (2005 7)

None of the employees received emoluments in excess of £60,000.

None of the directors received any remuneration or reimbursement of expenses (2005 – none).

6. Resources expended	Total 2006 £	Total 2005 £
Project costs	81,441	78,287
Staff costs	124,477	96,759
Office and property costs	33,140	27,202
Administration costs	25,662	21,380
Depreciation	67,497	65,930
Governance costs	4,250	3,943
	<hr/>	<hr/>
	336,467	293,501
	<hr/>	<hr/>



# STILLS LIMITED

## Notes to the Financial Statements – continued

For the year ended 31 March 2006

### 7. Tangible fixed assets

	Other Equipment £	Tenants Improvements £	Fixtures & Fittings £	Computers £	Total £
<b>Cost</b>					
At 1 April 2005	49,933	1,042,461	2,727	23,510	1,118,631
Additions	3,861			1,503	5,364
At 31 March 2006	<u>53,794</u>	<u>1,042,461</u>	<u>2,727</u>	<u>25,013</u>	<u>1,123,995</u>
<b>Depreciation</b>					
At 1 April 2005	49,882	530,797	2,469	23,256	606,404
Charge for the year	982	65,675	81	759	67,497
At 31 March 2006	<u>50,864</u>	<u>596,472</u>	<u>2,550</u>	<u>24,015</u>	<u>673,901</u>
<b>Net Book Value</b>					
At 31 March 2006	<u>2,930</u>	<u>445,989</u>	<u>177</u>	<u>998</u>	<u>450,094</u>
At 31 March 2005	<u>51</u>	<u>511,664</u>	<u>258</u>	<u>254</u>	<u>512,227</u>

All fixed assets of the charity were for direct charitable purposes.

	2006 £	2005 £
<b>8. Debtors</b>		
Trade debtors	132	5,274
Prepayments and accrued income	25,677	24,328
	<u>25,809</u>	<u>29,602</u>
<b>9. Creditors- amounts falling due within one year</b>		
Trade creditors	7,538	1,063
Accruals and deferred income	11,923	29,662
Social security and other taxes	3,875	891
	<u>23,336</u>	<u>31,616</u>

# STILLS LIMITED

## Notes to the Financial Statements – continued

For the year ended 31 March 2006

### 10. Analysis of net assets

	Restricted Funds	Unrestricted Funds	Total Funds 2006
	£	£	£
Fixed assets	445,459	4,635	450,094
Net current assets	8,362	(2,458)	5,904
	<hr/>	<hr/>	<hr/>
	453,821	2,177	455,998
	<hr/>	<hr/>	<hr/>

### 11. Analysis of funds

	Balance at 31 March 2005 £	Incoming Resources & Transfers £	Outgoing Resources & Transfers £	Balance at 31 March 2006 £
<b>Restricted funds</b>				
Property Reserve	511,134		(65,675)	445,459
Community Fund National Lottery CTS	(14,341)	14,341		
Community Fund National Lottery CYP	(34,198)	34,198		
Education Ricochet		28,636	(20,274)	8,362
Education Mainstreaming		6,747	(6,747)	
Residents Programme		279	(279)	
Audience Development - Recreate		33,405	(33,405)	
Ethnic Minority Trainee		4,244	(4,244)	
	<hr/>	<hr/>	<hr/>	<hr/>
	462,595	121,850	(130,624)	453,821
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Unrestricted funds</b>				
General Fund	51,532	205,027	(254,382)	2,177
	<hr/>	<hr/>	<hr/>	<hr/>

The CTS and CYP funds brought forward were in deficit and both projects have been completed within the year. Therefore, the deficits have been cleared via transfers from unrestricted funds.

### 12. Going Concern

The financial statements are prepared on the going concern basis. As disclosed in note 10, the net current assets of the charity are in deficit at the year end. The directors are aware of this and are actively pursuing additional means of core funding in order that the charity moves towards its stated reserves policy of a minimum requirement of £25,000. The directors are confident that this can be achieved and budgets and management accounts for 2006/07 confirm that the going concern basis is appropriate.