

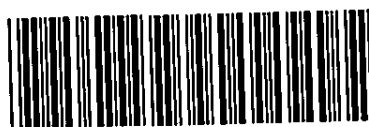
STILLS LIMITED

Registered Company Number SC063316

Directors' Report and Financial Statements

For the year ended 31 March 2011

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STILLS LIMITED
(a company limited by guarantee)
Directors' Report and Financial Statements
For the year ended 31 March 2011

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Directors

Paul Gray (Chairman)
Simon Aves
Robin Gillanders
Dr Patricia MacDonald
Izzy Cameron
Fiona Hendry (resigned 29th March 2011)
Kate Wimpres
Graeme Colquhoun
Abigail Carney (resigned 10th June 2011)
Ian Wilson (resigned 2nd June 2010)
Jane Brettle
Benjamin Spencer

Secretary

Graeme Colquhoun

Chief Executive

Ms Deirdre MacKenna

Auditors

Scott-Moncrieff
Exchange Place 3
Semple Street
Edinburgh
EH3 8BL

Registered office

23 Cockburn Street
Edinburgh
EH1 1BP

Scottish Charity No. SC 014136

STILLS LIMITED
(a company limited by guarantee)

Directors' Report-continued

For the year ended 31 March 2011

New opportunities and representation for artists, audiences and participants

To stimulate ambitious artistic practice and to raise the calibre of the sector in general, the next phase of our Developing Practice Programme will include:

- long term curatorial projects, which explore themes, provide context for learning and commission new works. This will require more specialised staff, strong UK and International networks and partnerships, and an increase in funds for production
- European and Middle Eastern partnerships in our Resident Artist programme linking professionals within an expanded cultural community
- a developed commissioning and acquisitions policy which will improve the value of investment of public funding in new works and strengthen the legacy of Photography in Scotland
- partnerships with photography organisations throughout Scotland to determine collaborative projects and strategic partnerships
- new critical writing and publications.

Increasing engagement in Photography

To further develop a diverse range of activities for the general public, we will

- commission consultant specialists to advise us of sector-specific developments
- exploit digital technology as a tool for learning and communication
- continued development of theoretical content in all teaching activities
- undertake partnerships throughout Scotland to reach more people, more effectively
- optimise our existing facilities and skills to meet demand through training, creative projects and events.

Achieving financial targets including

- reduce our deficit by 50% to £28k
- securing agreement from the City of Edinburgh Council (CEC) for a continued period of stability during our feasibility process (rent, rates and revenue standstill) valued at £30k p.a.
- generating a surplus of £50k from our Teaching and Learning programme, which will fund feasibility, costs for capital growth, reserves, contingencies and Programme costs
- securing income from Trusts, Foundations and other sources of £130k over two years.

Statement of Directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STILLS LIMITED
(a company limited by guarantee)
Directors' Report - continued

For the year ended 31 March 2011

Members of the board of directors

Members of the board of directors, who are trustees for the purpose of charity law, who served during the year and up to the date of this report, are set out in the contents page.

Statement of disclosure of information to auditors

To the knowledge and belief of each of the persons who are directors at the time the report is approved:

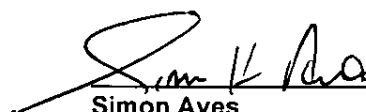
- So far as the director is aware, there is no relevant information of which the company's auditor is unaware, and
- He/she has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information, and to establish that the company's auditor is aware of the information

Auditors

A resolution to reappoint Scott-Moncrieff, Chartered Accountants will be put to the members at the Annual General Meeting.

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 15 of the Companies Act 2006 relating to small entities.

Approved by the board on 20/12/2011 and signed on its behalf by

 Director
Simon Aves

STILLS LIMITED
(a company limited by guarantee)

Independent Auditor's Report to the Members and Directors

For the year ended 31 March 2011

We have audited the financial statements of Stills Limited for the year ended 31 March 2011 which comprise the Statement of Financial Activities, Balance Sheet and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made exclusively to the members, as a body, in accordance with Sections 495 and 496 of the Companies Act 2006 and to the charitable company's directors, as a body, in accordance with section 44 (1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the members and the charitable company's directors 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 charitable company and its members and directors as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' responsibilities set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 44 (1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (United Kingdom and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2011 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

STILLS LIMITED
(a company limited by guarantee)

Independent Auditor's Report to the Members and Directors-continued

For the year ended 31 March 2011

Emphasis of matter- going concern

In forming our opinion, which is not qualified, we have considered the adequacy of the disclosures made in note 13 to the financial statements concerning the company's ability to continue as a going concern. The company made an unrestricted deficit of £40,200 during the year ended 31 March 2011 but, at that date, the company's unrestricted liabilities exceeded its assets by £52,221. These conditions indicate the existence of an uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the charitable company has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies exemption in preparing the directors' report .

Scott - Moncrieff

Michael Harkness, Senior Statutory Auditor
For and on behalf of Scott-Moncrieff, Statutory Auditor
Chartered Accountants
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
Exchange Place 3
Seemple Street
Edinburgh
EH3 8BL

20 December 2011

STILLS LIMITED
(a company limited by guarantee)
**Statement of Financial Activities and
Income and Expenditure Account**

For the year ended 31 March 2011

	Notes	Restricted Funds £	Unrestrict- ed Funds £	Total Funds 2011 £	Total Funds 2010 £
Incoming resources					
Incoming resources from generated funds					
-voluntary income	3	-	163,160	163,160	160,406
-investment income		-	-	-	12
Incoming resources from charitable activities	4	21,600	104,840	126,440	141,610
		<hr/>	<hr/>	<hr/>	<hr/>
Total incoming resources		21,600	268,000	289,600	302,028
		<hr/>	<hr/>	<hr/>	<hr/>
Resources expended	6				
Costs of generating funds					
Costs of generating voluntary income		-	43,082	43,082	44,588
Charitable activities		108,112	262,421	370,533	337,376
Governance costs		-	5,739	5,739	4,950
		<hr/>	<hr/>	<hr/>	<hr/>
Total resources expended		108,112	311,242	419,354	386,914
		<hr/>	<hr/>	<hr/>	<hr/>
Net (outgoing) resources before transfers	2	(86,512)	(43,242)	(129,754)	(84,886)
Gross transfers between funds	12	(3,042)	3,042	-	-
		<hr/>	<hr/>	<hr/>	<hr/>
Net movement in funds		(89,554)	(40,200)	(129,754)	(84,886)
Funds at 1 April 2010		257,434	(12,021)	245,413	330,299
		<hr/>	<hr/>	<hr/>	<hr/>
Funds at 31 March 2011		167,880	(52,221)	115,659	245,413
		<hr/>	<hr/>	<hr/>	<hr/>

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

The notes on pages 11 to 16 form part of these financial statements

STILLS LIMITED
(a company limited by guarantee)

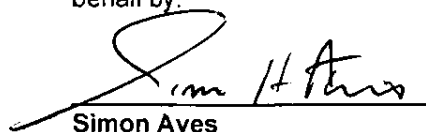
Balance Sheet

As at 31 March 2011

	Notes	£	2011 £	£	2010 £
Fixed assets					
Tangible assets	7		167,587		244,683
Current assets					
Debtors	8	36,835		38,378	
Cash on hand		600		1,621	
		<u>37,435</u>		<u>39,999</u>	
Creditors: Amounts falling due within one year	9	<u>(89,363)</u>		<u>(39,269)</u>	
Net current (liabilities)/ assets			<u>(51,928)</u>		<u>730</u>
Net assets			<u>115,659</u>		<u>245,413</u>
Funds					
Restricted funds	11		167,880		257,434
Unrestricted funds			(52,221)		(12,021)
			<u>115,659</u>		<u>245,413</u>

These financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 and the Financial Reporting Standard for Smaller Entities (effective April 2008).

These financial statements were authorised for issue by the board of directors on 20/12/2011 and signed on its behalf by:

 Director
Simon Aves

The notes on pages 11 to 16 form part of these financial statements

Company Registration No. SC063316

STILLS LIMITED
(a company limited by guarantee)
Notes to the Financial Statements
For the year ended 31 March 2011

1. Accounting policies

Going Concern

The directors have assessed a period of 12 months from the date of approval of the financial statements and consider that no material uncertainties exist that cast significant doubt on the ability of the company to continue as a going concern. Thus the directors adopt a going concern basis of accounting in preparing the financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable UK accounting standards, the Charities Accounts (Scotland) Regulations 2006, the Statement of Recommended Practice – Accounting and Reporting by Charities (SORP 2005) and the Companies Act 2006. 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

Capital grants are credited to restricted funds and depreciation charged in the year is debited to the appropriate fund.

Voluntary income

Voluntary income is included in full in the Statement of Financial Activities when the charity is entitled to it, there is reasonable certainty of receipt and the amount is quantifiable.

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.

Resources expended

Resources expended are recognised when a legal or constructive obligation arises. Where possible, expenditure has been charged direct to cost of generating funds, 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:

- cost of generating funds comprises a resource allocation from staffing costs
- 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 those costs linked to the strategic management of the charity.

STILLS LIMITED
(a company limited by guarantee)
Notes to the Financial Statements - continued

For the year ended 31 March 2011

1. Accounting policies (continued)

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 not registered for VAT and therefore expenditure is stated inclusive of VAT.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost, less accumulated 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:

	2011 £	2010 £
Auditors' remuneration in respect of		
- audit	4,740	4,950
- accountancy	-	9,993
Depreciation – restricted	75,523	85,681
	<u>75,523</u>	<u>99,624</u>

**3. Incoming resources from generated funds
- voluntary income**

	Restricted Funds £	Unrestricted Funds £	Total Funds 2011 £	Total Funds 2010 £
Creative Scotland – revenue grant	-	140,000	140,000	140,000
City of Edinburgh Council	-	18,960	18,960	19,648
Other donations	-	4,200	4,200	758
	<u>-</u>	<u>163,160</u>	<u>163,160</u>	<u>160,406</u>

STILLS LIMITED
(a company limited by guarantee)
Notes to the Financial Statements - continued
For the year ended 31 March 2011

4. Incoming resources from charitable activities	Restricted Funds £	Unrestricted Funds £	Total Funds 2011 £	Total Funds 2010 £
Other project grants	21,600	14,722	36,322	31,279
Project income	-	90,118	90,118	110,331
	<u>21,600</u>	<u>104,840</u>	<u>126,440</u>	<u>141,610</u>

5. Staff costs	2011 £	2010 £
Wages and salaries	155,146	143,688
Social security costs	14,142	12,501
	<u>169,288</u>	<u>156,189</u>

The average number of employees during the year was 8 (2010 - 8).

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

None of the directors received any remuneration or reimbursement of expenses (2010 – none).

6. Resources expended	Total 2011 £	Total 2010 £
Project costs	70,125	43,831
Staff costs	169,288	156,189
Office and property costs	64,988	70,663
Administration costs	33,691	25,600
Depreciation	75,523	85,681
Governance costs	5,739	4,950
	<u>419,354</u>	<u>386,914</u>

STILLS LIMITED
(a company limited by guarantee)
Notes to the Financial Statements – continued
For the year ended 31 March 2011

7. Tangible fixed assets

	Other Equipment	Tenants Improvement s	Fixtures & Fittings	Computers	Total
	£	£	£	£	£
Cost					
At 1 April 2010	115,567	1,053,797	19,437	54,547	1,243,348
Disposal	(2,796)	-	-	-	(2,796)
At 31 March 2011	112,771	1,053,797	19,437	54,547	1,240,552
Depreciation					
At 1 April 2010	97,564	834,480	12,554	54,067	998,665
Charge for the year	14,582	57,213	3,342	386	75,523
Disposal	(1,223)	-	-	-	(1,223)
At 31 March 2011	110,923	891,693	15,896	54,453	1,072,965
Net Book Value					
At 31 March 2011	1,848	162,104	3,541	94	167,587
At 31 March 2010	18,003	219,317	6,883	480	244,683

	2011 £	2010 £
8. Debtors		
Trade debtors	793	4,127
Prepayments and accrued income	36,042	34,251
	36,835	38,378
	2011 £	2010 £
9. Creditors- amounts falling due within one year		
Trade creditors	9,425	10,455
Accruals and deferred income	6,147	8,085
Social security and other taxes	3,969	4,177
Bank overdraft	69,822	16,552
	89,363	39,269

STILLS LIMITED
(a company limited by guarantee)
Notes to the Financial Statements – continued
For the year ended 31 March 2011

10. Analysis of net assets between funds

	Restricted funds £	Unrestricted funds £	Total funds 2011 £
Fixed assets	162,104	5,483	167,587
Net current assets/(liabilities)	5,776	(57,704)	(51,928)
	<u>167,880</u>	<u>(52,221)</u>	<u>115,659</u>

11. Analysis of funds

	Balance at 31 March 2010 £	Incoming resources £	Outgoing resources & transfers £	Transfers £	Balance at 31 March 2011 £
Restricted funds					
Asset funds					
Property reserve	212,651	-	(57,213)	6,666	162,104
Capital development	26,576	-	(16,409)	(10,167)	-
Project funds					
Language with Flowers		18,400	(12,624)	-	5,776
Programme fellow	18,207	-	(18,666)	459	-
Training	-	3,200	(3,200)	-	-
	<u>257,434</u>	<u>21,600</u>	<u>(108,112)</u>	<u>(3,042)</u>	<u>167,880</u>
Unrestricted funds					
General fund	(12,021)	268,000	(311,242)	3,042	(52,221)
Total funds	<u>245,413</u>	<u>289,600</u>	<u>(419,354)</u>	<u>-</u>	<u>115,659</u>

Capital and property reserve - This relates to the remaining value of the asset as identified after the complete refurbishment and restructure of the building in c.1997.

STILLS LIMITED
(a company limited by guarantee)
Notes to the Financial Statements – continued

For the year ended 31 March 2011

11. Analysis of funds - continued

Language with Flowers – a project aiming to celebrate aspects of the multicultural community in Scotland by offering an opportunity to explore photography, design and calligraphy with artists Leena Nammari and Jila Peacock. Devised by Art consultant Elizabeth Guest, the project engages participants from Muslim and non-Muslim backgrounds. Funded through an investment grant from Creative Scotland.

Programme fellow - A project which funded Stills towards the cost of increasing the cultural diversity of the professional arts sector through a bespoke training programme. This has helped to fund the salary of a fellow who has helped to design a new film theatre for the charity. Funded through an investment grant from Creative Scotland.

Training - intensive training to develop the knowledge, networks and capacity of Stills staff funded through a Creative Scotland investment grant.

12. Transfers

Small transfers from Unrestricted Funds have been made to meet the underfunded costs in some restricted projects.

13. Going concern

The financial statements are prepared on the going concern basis. As disclosed in note 10, the unrestricted 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 for 2011/12 confirm that the going concern basis is appropriate.