

THE ARTISTS' COLLECTIVE GALLERY LIMITED
(A Company Limited by Guarantee)

**DIRECTORS' REPORT
and
FINANCIAL STATEMENTS**

For the year ended 31 March 2001



THE ARTISTS COLLECTIVE GALLERY LIMITED

DIRECTORS

Sarah Elizabeth Munro
Rosemary King Burnett (resigned 28 June 2000)
Chad McCail
Moyna Flannigan (resigned 5 October 2000)
Kate Gray
Alexander Scott Lee (Chairman)
Keith Scott Hartley
Johan Albert Van Den Berg

SECRETARY

Sarah Elizabeth Munro

REGISTERED OFFICE

22-28 Cockburn Street
EDINBURGH
EH1 1NY

BANKERS

Bank of Scotland Plc
32a Chamber Street
EDINBURGH
EH1 1NY

SOLICITORS

Anderson Strathern WS
48 Castle Street
EDINBURGH
EH2 3LX

AUDITORS

Chiene & Tait, CA
61 Dublin Street
EDINBURGH
EH3 6NL

THE ARTISTS COLLECTIVE GALLERY LIMITED

DIRECTORS' REPORT

The directors submit their report and financial statements for the year ended 31 March 2001.

Principal activity

The Artists Collective Gallery Limited is constituted as a company limited by guarantee, and is therefore governed by the Memorandum and Articles of Association.

The company's object and its principal activity continues to be that of providing assistance to emerging and less established artists by providing an exhibition venue and associated exhibition support and promotional services. In addition the gallery has an education programme which includes talks and events, the organisation of collaborations and exchanges. The gallery aims to support and develop local art practice through establishing links with artists and projects nationally and internationally.

The company is organised so that the Directors meet quarterly to manage its affairs. As a members based gallery there is a Committee who are voted in by postal ballot of the members. The Committee programmes the exhibition space through members proposals.

There are three full time employees. The Gallery Director oversees all aspects of running the organisation and in the main is responsible for artistic programming, strategic planning and overseeing finance. The Gallery Manager manages the day to day running of the organisation including finance and administration. The Intern is responsible for developing and implementing education, access and audience development strategies. We also worked with the New Deal Training Programme, providing a voluntary placement for two people over the year.

Development, activities and achievements and future developments

The Gallery reopened to the public on 4 April 2001. Work was completed just hours before we installed the British Art Show 5, with work by Wolfgang Tillmans, Jeremy Deller, and Grayson Perry. The exhibition was sited in 7 venues across Edinburgh and generated a huge amount of press and public debate as well as generating an audience of over 35,000 visitors.

This year also saw the highly successful launch of our New Work Scotland Programme, a major new initiative aimed at providing a rationale for our support of emergent artists and a coherent structure for the support of new graduates. Over 100 recently graduated Scottish based artists applied and a shortlist of 12 received studio visits. A final selection of 6 artists were presented with a major opportunity to make new work for a series of solo shows that took place between June and October 2000. The projects received a high level of media coverage and were both critically and popularly acclaimed. The selected artists were Bryan Davies (Edinburgh); David Blyth (Aberdeen); Jonathan Owen (Edinburgh); a Love Laboratory (Glasgow); Mick Peter (Glasgow) and Katy Dove (Dundee). The Access Intern organised a series of discussions and debates to coincide with the NWSP which included the development of a series of artists talks aimed at furthering links between the Scottish Art Colleges and the Collective.

This year also saw the Collective participate in the collaborative project Vivre Sa Vie – a survey of contemporary French art that involved collaborations with a number of venues in Glasgow and Edinburgh including – Tramway, Transmission, French Institute and Street Level. Collective presented work by Glass Box, an international artist run space from Paris. Other highlights of the Artistic Programme included the first two person show of work by Michael Wilkinson and Peter McGoldrick and a solo project by collaborative group Henry VIII's Wives.

Our International work was continued with the Director being awarded an International Research Award by The Scottish Arts Council to visit Japan in January 2001. The results of this trip – the project Art in the Home, in collaboration with City Art Centre, Edinburgh College of Art and Yamaguchi Institute of Contemporary Art is under development and will take place in Yamaguchi, Japan October 2001 and Edinburgh in March 2002.

A major International initiative was our invitation to participate in ARCO, the Madrid International Art Fair that took place in February 2001. Collective was selected along with 23 other UK galleries to represent British Art Now. We took a presentation of work by Edinburgh based artists – Paul Carter, Kate Gray, Lyn Lowenstein, Chad McCail, Billy McCall, Janice McNab and Jonathan Owen. We sold over £8,000 of work and launched our International Strategy.

THE ARTISTS COLLECTIVE GALLERY LIMITED

DIRECTORS' REPORT

Development, activities and achievements and future developments (continued)

Our commitment to education and access has continued with the employment of Rebecca Marr as our Access and Participation Intern. The Intern has carried out a number of projects both practical and research based. Key events have been organised to coincide with the exhibition programme including for example a symposium "I love alternative spaces" which took place during Glass Boxes exhibition at the gallery.

The staff and exhibiting artists have been delighted with the new facilities and layout of the gallery. The mezzanine has provided much needed office space and the provision of the new equipment has enabled the gallery to fully support the needs of our artists and public.

Transactions and Financial Position

The income and expenditure account shows a net deficit for the year of £4,242 (2000: surplus £3,352) and the reserves stand at £1,206 (2000: £5,448). The funding from City of Edinburgh Council decreased from £10,213 to £8,260 while the Scottish Arts Council revenue funding increased to £65,000 from £55,000.

Tangible assets for use by the Company

Details of movements in fixed assets are set out in note 6 to the financial statements.

Funds available

The present level of funding is adequate to support the continuation of the company's normal activities and the Directors consider its financial position to be satisfactory. The future developments as explained above will be largely funded by grants from the lottery and associated bodies.

Directors

The directors who served during the year were as follows:

Sarah Elizabeth Munro
Rosemary King Burnett (resigned 28 June 2000)
Chad McCail
Moyna Flannigan (resigned 5 October 2000)
Kate Gray
Alexander Scott Lee (Chairman)
Keith Scott Hartley
Johan Albert Van Den Berg

The directors are also guarantors of the company for the sum of £50 for the period of their term of office as director.

Directors' responsibilities for the financial statements

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 company and of the surplus or deficit of the company for that period. In preparing those financial statements the directors are required to:

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

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

THE ARTISTS COLLECTIVE GALLERY LIMITED

DIRECTORS' REPORT

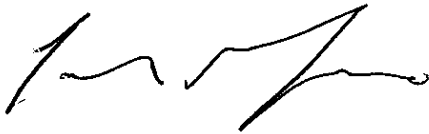
Auditors

A resolution to re-appoint Chiene & Tait CA will be proposed at the Annual General Meeting.

Small Company Exemptions

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

BY ORDER OF THE BOARD



S MUNRO
Secretary

25/09/2001



AUDITORS REPORT TO THE MEMBERS OF

THE ARTISTS COLLECTIVE GALLERY LIMITED

We have audited the financial statements on pages 5 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 2 of the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards 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 whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the 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.

As described in note 10, the financial statements have been prepared on the going concern basis which assumes that adequate grants and fund raising income will be received in order for the company to be able to meet its day to day working capital commitments. In view of the significance of this matter we should like to draw it to your attention but our opinion is not qualified in this respect.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2001 and its deficit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.

CHIENE & TAIT CA
Registered Auditors
61 Dublin Street
Edinburgh EH3 6NL

25/9/ 2001

THE ARTISTS COLLECTIVE GALLERY LIMITED

**INCOME and EXPENDITURE ACCOUNT
INCORPORATING the STATEMENT of FINANCIAL ACTIVITIES**

For the year ended 31 March 2001

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2001 £	Total 2000 £
Incoming resources					
Grants received	3	65,000	23,646	88,646	69,661
Gallery income		47,135	-	47,135	24,660
Membership fees		2,425	-	2,425	784
Fundraising		2,500	-	2,500	535
Investment income		1,782	-	1,782	921
		<u>118,842</u>	<u>23,646</u>	<u>142,488</u>	<u>96,561</u>
Resources expended					
Direct charitable expenditure		79,681	33,546	113,227	69,694
Fundraising		14,253	-	14,253	10,334
Management and administration		19,250	-	19,250	13,181
		<u>113,184</u>	<u>33,546</u>	<u>146,730</u>	<u>93,209</u>
Net movement in funds before transfers		5,658	(9,900)	(4,242)	3,352
Transfers between funds		(9,900)	9,900	-	-
Net movement in funds for year		<u>(4,242)</u>	<u>-</u>	<u>(4,242)</u>	<u>3,352</u>
Balance brought forward 1 April 2000		5,448	-	5,448	2,096
Balance carried forward 31 March 2001	13	<u>1,206</u>	<u>-</u>	<u>1,206</u>	<u>5,448</u>

The notes on pages 7 to 10 form part of these financial statements.

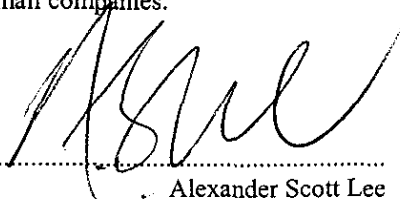
THE ARTISTS COLLECTIVE GALLERY LIMITED

BALANCE SHEET

As at 31 March 2001

	Notes	£	2001 £	£	2000 £
Fixed assets					
Tangible assets	6		255,559		92,585
Current assets					
Debtors	7	13,737		4,859	
Cash at bank and in hand		35,641		33,656	
		49,378		38,515	
Creditors: amounts falling due within one year	8	52,036		33,093	
Net current (liabilities)/assets			(2,658)		5,422
Total assets less current liabilities			252,901		98,007
Funds					
Restricted funds	13		251,695		92,559
Unrestricted funds	13		1,206		5,448
			252,901		98,007

The financial statements have been prepared in accordance with the special provision of Part VII of the Companies Act 1985 relating to small companies.



 Alexander Scott Lee

Chairman

25-9-2001

The notes on pages 7 to 10 form part of these financial statements.

THE ARTISTS COLLECTIVE GALLERY LIMITED

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2001

1. Accounting policies

Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with Charities Accounts (Scotland) Regulations 1992 and Statement of Recommended Practice Accounting by Charities (1995).

Tangible fixed assets

All fixed assets are recorded at cost.

Depreciation is provided on tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value of each asset over its expected useful life using the following rates.

Fixtures	-	10% straight line
Computers	-	30% straight line
Office equipment	-	25% straight line
Renovations	-	4% straight line

Capital grants received towards the cost of fixed assets are credited to a restricted fund where transfers are made from the restricted fund to cover the depreciation.

Cashflow statement

The company is a small company as defined by S247 of the Companies Act 1985 and is entitled to exemption from the preparation of a cashflow statement as required under FRS1 (revised.) Consequently, a cashflow statement has not been prepared.

Grants

Revenue grants are credited to the income and expenditure account so as to match them with the expenditure to which they relate.

Expenditure

The operating costs of the company have been allocated between direct charitable, fundraising and management and administration expenditure based on an estimate of the time spent by staff on relevant duties and the nature of non-staff expenditure incurred.

Reserves

Capital grant reserve fund

This fund represents monies received towards the renovation of leased office premises. The renovations have been capitalised as an asset. Transfers from the reserve will be made in amounts equal to the depreciation on the renovations.

Equipment reserve fund

This fund represents monies received towards the cost of new equipment. The equipment has been capitalised as an asset. Transfers from the reserve will be made in amounts equal to the depreciation on the equipment.

2. Net movement of funds in the year

	2001	2000
	£	£
The net movement of funds in the year represents a deficit (2000: surplus) of income over expenditure and is stated after charging:		
Rent	10,000	10,000
Auditors remuneration - audit	1,000	970
- non audit work	762	1,469
Depreciation	14,530	5,388
Director's remuneration	25,224	22,000

THE ARTISTS COLLECTIVE GALLERY LIMITED

NOTES to the FINANCIAL STATEMENTS (contd)

For the year ended 31 March 2001

3. Grants received	Unrestricted £	Restricted £	2001 £	2000 £
Scottish Arts Council - revenue	65,000	-	65,000	55,000
- other	-	5,858	5,858	4,902
Less: deferred income	-	(1,974)	(1,974)	(2,500)
City of Edinburgh Council - Revenue	-	7,013	7,013	7,013
- Other	-	1,247	1,247	3,200
Less: Deferred income	-	(390)	(390)	(3,200)
Internship	-	21,822	21,822	13,089
Less: Deferred income	-	(9,930)	(9,930)	(7,843)
	65,000	23,646	88,646	69,661

4. Directors Remuneration

No remuneration is paid to any directors, other than to Sarah Munro who is employed by the Gallery. Expenses of £nil have been reimbursed to the directors during the year (2000: £180)

5. Taxation

The Artists Collective Gallery Limited has been accorded charitable status for taxation purposes by the Inland Revenue. As in the year to 31 March 2000; in the year to 31 March 2001 it is considered that the Gallery's activities were within the scope of Charitable status and accordingly no provisions for taxation is necessary.

6. Tangible fixed assets	Office Equipment £	Renovations £	Computers £	Furnishings & fittings £	Total £
Cost					
At 1 April 2000	249	105,645	6,566	6,397	118,857
Additions	247	158,464	7,778	11,015	177,504
At 31 March 2001	496	264,109	14,344	17,412	296,361
Aggregate depreciation					
At 1 April 2000	247	14,770	5,065	6,190	26,272
Charge for year	64	10,124	3,033	1,309	14,530
At 31 March 2001	311	24,894	8,098	7,499	40,802
Net book value					
At 31 March 2001	185	239,215	6,246	9,913	255,559
At 31 March 2000	2	90,875	1,501	207	92,585

THE ARTISTS COLLECTIVE GALLERY LIMITED

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2001

7. Debtors	2001 £	2000 £
Debtors	11,960	3,484
Prepayments	1,777	1,375
	<u>13,737</u>	<u>4,859</u>

8. Creditors: amounts falling due within one year:

Accruals	3,788	1,000
Sundry creditors	31,662	10,251
Deferred income	12,973	21,842
Tax and social security	3,613	-
	<u>52,036</u>	<u>33,093</u>

9. Share capital

The company is a company limited by guarantee and does not have a share capital. In the event of the company being wound up each member has guaranteed to contribute £50.

10. Going concern

The company depends upon grants and fundraising in order for it to meet its day to day working capital requirements. The directors have prepared projected accounts for the year ended 31 March 2002 which indicate the amount of additional grant and fundraising assistance required. The financial statements have been prepared on the going concern basis which assumes that adequate grants and fundraising income will be received.

11. Financial commitments

At 31 March 2001 the company had annual commitments under non-cancellable operating leases as follows:

	2001 Equipment £	Land & Buildings £	2000 Equipment £	Land & Buildings £
Expiry date				
Between two and five years	983	-	983	-
In over five years	-	10,000	-	10,000
	<u>983</u>	<u>10,000</u>	<u>983</u>	<u>10,000</u>

12. Capital commitments	2001 £	2000 £
Contracted	<u>21,357</u>	<u>165,000</u>

THE ARTISTS COLLECTIVE GALLERY LIMITED

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2001

13. Funds		2001	2000
		£	£
Unrestricted – General Fund			
Opening funds		5,448	2,096
Net incoming/(outgoing) resources		(4,242)	3,352
		<u>1,206</u>	<u>5,448</u>
	Equipment Reserve Fund	Capital Grant Reserve Fund	
	£	£	
Restricted			
Opening funds	-	92,559	92,559
Additions during year	19,038	154,628	174,346
Transfer during year	(4,406)	(10,124)	(14,530)
	<u>14,632</u>	<u>237,063</u>	<u>251,695</u>
			<u>92,559</u>