

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

DIRECTORS' REPORT
and
FINANCIAL STATEMENTS

For the year ended 31 March 2010

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THE ARTISTS' COLLECTIVE GALLERY LIMITED

REFERENCE AND ADMINISTRATIVE INFORMATION

DIRECTORS

Johan Albert Van Den Berg (Chairman)
Keith Scott Hartley
Natasha Durkin
Steve Grimmond
Jennifer Boyd Hogarth
Kirstie Skinner
Ellen Munro
Jane Hogg
Claire Brennan
Claire Simpson (appointed 11 November 2009)

SECRETARY

Kirstie Skinner

SENIOR MANAGEMENT STAFF

Kate Gray (Chief Executive)
Kate Smith (General Manager)

REGISTERED OFFICE

22-28 Cockburn Street
EDINBURGH
EH1 1NY

BANKERS

Bank of Scotland
32a Chambers Street
EDINBURGH
EH1 1JB

SOLICITORS

Anderson Strathern LLP
1 Rutland Court
EDINBURGH
EH3 8EY

AUDITOR

Chiene + Tait
Chartered Accountants and Statutory Auditor
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 2010.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Artists' Collective Gallery Limited ('The Collective') is a company limited by guarantee governed by the objects as set out in its Articles of Association.

Recruitment and appointment, induction and training of trustees

We continue to monitor diversity of our board and invite new members as required, in line with developments in policy or activity. New Board members receive a pack of information about the gallery and spend some time one to one with the Gallery Director discussing current activities and issues. Relevant strategic documents are provided. Board members are normally appointed due to their own personal area of speciality and expertise, usually being highly qualified or successful within their field.

Organisational structure and how decisions are made

The company is organised so that Directors meet quarterly to manage its affairs. Six exhibitions per annum and non-gallery based projects are curated by the Gallery Director, often in collaboration or partnership with other organisations, artists or curators.

The Collective employs 4 staff. The Gallery Director Kate Gray (full time) oversees all aspects of running the organisation - responsible for the artistic programme, strategic development, personnel and financial management. The Programme Manager, Kirsten Body manages the day to day running of the artistic programme. General Manager (3 days) Kate Smith, oversees the Finance, Facilities Management and Administrative & Legal Responsibilities. Jill Brown was employed as Press and Marketing Officer. The Gallery supported four volunteer trainee posts throughout the year with 2 going onto paid employment in the arts. Again an active team of volunteers supported us. Kate Gray was elected by the Visual Arts and Galleries Association to the Scottish Employers group with the goal of promoting more apprenticeships in the visual arts.

Board

Claire Simpson was appointed to the Board on 11 November 2009.

Risk management

The directors have assessed the major risks to which the company is exposed and are satisfied that systems are in place to mitigate their exposure to major risks. The principal risks and uncertainties affecting the charity relate to sustainability of ongoing funding, and further information is contained under the Reserves Policy.

OBJECTIVES AND ACTIVITIES

Objectives and aims of the charity

The company's object and its principal activity continues to be that of providing assistance to emerging and less established artists by acting as an exhibition, commissioning and development agency. We aim to support emergent Scottish contemporary art and artists within the context of an international programme – providing Scottish based artists with their first major solo show and emergent international artists with their first solo show in Scotland. We aim to commission new work that is of national and international significance.

The Collective is committed to engaging with new audiences and creating access to and participation in the contemporary visual arts through a range of innovative projects/structures. As well as developing an ongoing exhibition programme in our two galleries and project room we are increasingly interested in inviting artists to design specific projects operating within the city of Edinburgh.

DIRECTORS' REPORT (Cont'd.)

ACHIEVEMENTS AND PERFORMANCE

ARTISTIC PROGRAMME (1 April 2009 – 31 March 2010)

Our artistic programme continued to profile the very best of work emerging on both a Scottish and UK level within the context of an international programme, through the provision of significant opportunities for artists. This includes exhibitions, commissions and off site works and/or events.

EXHIBITION PROGRAMME 2009 – 2010

14 March - 9 May

ROLL IT TO ME

Pil and Galia Kollektiv, TeamPingPong, Tim Etchells

(As mentioned in 2009)

Season 1: National Solo

23 May - 19 July 2009

Commonwealth Suite

Jordon Baseman and Henne Rilkka Halonen

Two new commission films "A Hypnotic Effect" by Brighton based artist Jordon Baseman and "The Bathhouse" by Newcastle based Henne Rilkka Halonen set in The Royal Commonwealth Pool, Edinburgh before it was shut for refurbishment in 2009. The exhibition was opened by a diving display at the Royal Commonwealth Pool.

Season 2: Festival/ Cross Artform

7 August – 27 September 2009

SUSAN NORRIE

Presented in partnership with Edinburgh International Festival as part of The Enlightenments curated by Julianna Engbert.

Collective exhibited two video works by Australian artist Susan Norrie. Her acclaimed video project, **Enola**, pictures a world that has become mummified as a result of nuclear trauma, and a new project **SHOT**, explores aspects of outer space and our quest for enlightenment beyond our fragile, precarious world.

Sponsored by Bank of Scotland. Supported by Homecoming Scotland and the Government of Victoria, Australia through Arts Victoria.

Also available in the gallery was a Blue-tooth Commission by Juan Cruz

Guest Room

The How Not To Cook Book – lessons learned the hard way by Alexandra Mir Commissioned by Collective.

A limited edition book and art project by Aleksandra Mir commissioned and produced by Collective, Edinburgh.

An installation of the publication commissioned by Collective. The installation was designed by Euan Imrie of Collective Architecture, Glasgow.

Season 3: Scottish Emergent/ Professional Practice

New Work Scotland Programme (NWSP 10 October – 31 January 2009)

This year we supported 5 artists and 2 writers as well as 1 producers group / 6 professional practice education projects/ 2 exhibition previews). For full details please refer to the NWSP newspaper.

DIRECTORS' REPORT (Cont'd.)

ACHIEVEMENTS AND PERFORMANCE (continued)

NWSP as always was responsive to the applications received, meaning this year we worked with more artists both in and outside of the galleries. Also this year we continued the section to support new producers/curators and offered Scottish based emergent projects a chance to curate a project or exhibition in the newly installed Guest Room over the two exhibitions.

STUDIO VOLTAIRE RESIDENCY

It was the second year that we worked with Studio Voltaire in London to host a residency for one of the selected Scottish Emergent artists, Anna Tanner. As part of this residency Collective represented Anna at The Zoo Art Fair as well as offering her a chance to make work in London with access to mentors.

Key associated events were: *Collective's Advice Bureau for Artists* where anyone could book a 25 minute advice session with the Collective's creative team and invited specialists; *New Writing in Scotland Panel Discussion* aimed at encouraging new models of supporting writing around the visual arts in Scotland; and *Artists' DIY Soapbox* where some of Scotland's newest and most exciting artist-run ventures got to promote their projects for 10 minutes each. We also ran a special event to mark 10 years of New Work Scotland Programme. This event invited back a group of past recipients to talk about their experiences since their NWSP projects. We also ran a series of workshops on Fanzines.

Again a Facebook blog was used to facilitate communication about events - we currently have 2,300 friends, split over 2 sites.

27 September - 25 October

New Work Scotland Programme 2008: Anna Tanner and Michael White

The Guest Room: Place Projects

Off site – Jennifer Grant

8 November - 6 December

New Work Scotland Programme 2008: Katharina Kiebacher and Rachel Adams

The Guest Room: Place Projects

Season 4: Collective Curated.

13 February - 28 March 2010

DOCUMENTALIST

Chris Evans, Deimantas Narkevičius, Suzanne Treister

An international group show across all the gallery spaces with work exploring blurred boundaries between fiction and reality through drawing, sculpture and film.

Other Projects/ Education Activity

The How Not To Cook Book - lessons learned the hard way limited edition book and art project by Aleksandra Mir invited 1,000 people from all around the world to offer their advice of how NOT to cook. Through a specially made website, entries were collected from Brazil, Mexico, New Zealand, Spain, France, Italy, the UK the US and many more countries. Whilst Collective concentrated on marketing the project nationally/internationally there was a significant focus into the Scottish contribution to the book, gathering over 250 entries from Scotland. Aware that many people may not have access to the internet particularly or wouldn't have been aware of the project during April, Collective delivered presentations and narrative workshops around Edinburgh in community centres, residential homes, schools, history clubs, restaurants, canteens and shops, gathering stories for the publication.

A series of events were designed to examine the role of public artworks in relation to the project; how it alters our perceptions of both public art and public space.

DIRECTORS' REPORT (Cont'd.)

ACHIEVEMENTS AND PERFORMANCE (continued)

1. In April 2009 we hosted a Potluck Dinner at Portobello Community Centre in partnership with Big Things on the Beach. Aleksandra Mir attended conversations facilitated by guest speaker Ray McKenzie (Glasgow School of Art, Senior Lecturer) who assessed the problematic relationship that has arisen between the private and the public in urban space, and how he sees this affecting contemporary practices of public art. He appeared alongside comedian, mod and chutney-maker Ian Moore and there was music from Earl Grey and The Loose Leaves.
2. Collective launched a series of cooking workshops with community members from Streetwork Edinburgh and local chef, Chris Askam from Out of the Blue Café for three weeks in June 2009. The workshops culminated in a public picnic, in Queen Street's private gardens, and local stand-up Sian Bevan delivered a comic performance.
3. Break it to make it: giant omelette cook at The Ross Bandstand, West Princes St Gardens to celebrate the launch of the publication and the opening of the Edinburgh Art Festival: Speakers, Hans Ulrich Obrist (Curator Serpentine, London), John Hegley (comedian), Mary Anne Francis (Research Fellow in Writing + Art at Chelsea College of Art & Design) and Simon Munnery (comedian). Music from King Creosote and Pictish Trails and omelette cooked by SXL caterers.
4. How Not to Cookbook Reading: Comedian Phil Kay re-interpreted the publication in a reading performance during the EAF.

CURATORS TRIP TO CHINA

Kate Gray was part of a delegation of Scottish Curators to China in September 2009 visiting Beijing and Sanghi. As a result of this Collective became the lead organisation on an exchange project between Scotland and China. These projects will take place during 2010.

SQUARE MILE

Collective took part in a major new initiative by Visiting Arts, Square mile. **1mile²** is a three-year global arts programme that asks communities to map the biodiversity, cultural diversity, and aesthetic diversity of their local neighbourhood, working in collaboration with an artist and an ecologist. Please see below for more information.

CHRISTMAS WINDOW

19 December 2009 – 5th January 2010

ChristMASSProduction - Chen Hangfeng (Shaghi)

Chen Hangfeng showed **Santa's Little Helpers**, a documentary made in Zhejiang Province, China where 50% of the world's Xmas decorations are made by hand, along with a multi-coloured, site-specific piece made up of snowflakes composed from different brand logos, titled **ChristMASSProduction**.

PROFESSIONAL PRACTICE/ PUBLIC PROGRAMME

SQUARE MILE

Collective took part in a major new initiative by Visiting Arts, Square mile. **1mile²** is a three-year global arts programme that asks communities to map the biodiversity, cultural diversity, and aesthetic diversity of their local neighbourhood, working in collaboration with an artist and an ecologist. Communities are linked across the world through an Internet platform that shares and challenges their findings, perceptions, ideas, experiences and creativity and encourages new connections between people.

DIRECTORS' REPORT (Cont'd.)

ACHIEVEMENTS AND PERFORMANCE (continued)

This project began in October 2009 with a project by local artists Zoe Walker and Neil Bromwich's Project "The Bank of Reason". A partnership with Kohj in Delhi, India included a residency in Edinburgh for Delhi based artists Sreejata Roy and Mrityunjay Chatterjee, who produced "Publik Booth". Collective will receive a fee of £11,000 to host this project from the £15,000 raised from the City of Edinburgh Council.

During January/February 2009 the Public Programme Co-ordinator delivered lectures aimed at final year undergraduate and postgraduate students at all of the four Scottish art colleges.

Also this year we continued and added to our series of pod-casts aimed at widening audience enjoyment of the exhibition and event programme. Also we initiated the resource area and library in the reception where people can browse a selection of books chosen by artists involved in each project/exhibition.

FINANCIAL REVIEW

The Statement of Financial Activities shows net outgoing resources for the year of £46,082 (2009: net outgoing resources £37,120). The unrestricted general fund stands at £52,338 (2009: £45,971), whilst the restricted funds stand at £119,978 (2009: £172,427).

Fundraising

We were awarded £9,500 from the Scottish Arts Council New Work Fund to fund a joint commission with Chisenhale, London and Picture This, Bristol of "Crash – In Free Fall", a project with Hito Steryl which will be shown at the Gallery in August 2010.

Following the trip to China which Kate Gray took part in we were the lead organisation awarded £40,000 towards a series of three projects with artists from China in Scotland.

We were awarded £5,000 from the SAC towards the costs of an artist's residency with Studio Voltaire, London, in September 2009.

We were awarded £15,000 from the Edinburgh City Council to take part in 1mile² in 2009.

Tangible assets for use by the company

Details of movements in fixed assets are set out in note 10 to the financial statements.

Investment policy

The directors consider that where surplus funds are available, they should be held in a suitable high interest bearing bank account.

Reserves policy

It is the policy of the directors to maintain unrestricted general funds, which are the free reserves of the charity at a level that equates to approximately three months' unrestricted expenditure. The unrestricted general funds currently consist of approximately three month's expenditure.

Restricted funds have decreased from £172,427 to £119,978 (refer note 17). The nature and purpose of these funds are set out in note 1 to the financial statements.

PLANS FOR FUTURE PERIODS

NEW WORKS SCOTLAND SELECTION 2010/11

The selection panel met on 27 March 2010 to conduct the first round short-listing. This year's selection panel consists of director of The Salford Restoration Society, Lesley Young (Manchester/Glasgow), artist Jordon Baseman (Brighton), and curator for Cubitt (London) Michelle Cotton, with Collective's Programme Co-ordinator, Jenny Richards (chair). The second interview stage was completed in April 2009, with the exhibitions and projects scheduled for September 2010 – January 2011.

DIRECTORS' REPORT (Cont'd.)

HOW TO TURN THE WORLD BY HAND

This project over three sites during the year 2010-11 involves Arrow Factory, Beijing, PIST, Istanbul and Collective, Edinburgh and will include dialogue and exhibitions in all three cities.

ALEXANDRITE – Tessa Lynch

A project in which Tessa has a residency with The Ratho Climbing arena and develops a performance with participants.

Statement of Directors' responsibilities

The directors (who are also directors of The Artists' Collective Gallery Limited for the purposes of company law) 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 the incoming resources and application of resources, including the net income and expenditure, of the charitable company for the year. In preparing the financial statements the directors are required to:

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards and statements of recommended practice have been followed, subject to any 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 charity will continue in operation.

The directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the charity 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. The applicable law also sets out the directors' responsibilities for the preparation and content of the Directors Report.

The directors 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.

In so far as the directors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

A resolution to re-appoint Chiene + Tait, Chartered Accountants, will be proposed at the Annual General Meeting.

Small Company Exemptions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

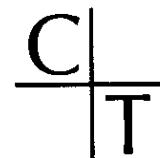
BY ORDER OF THE BOARD



Kirstie Skinner
Director

28 Oct 2010

**INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS AND MEMBERS OF
THE ARTISTS' COLLECTIVE GALLERY LIMITED**



We have audited the financial statements of The Artists' Collective Gallery Limited for the year ended 31 March 2010 set out on pages 10 to 20. The financial statements have been prepared under the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective April 2008).

This report is made solely to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charity's trustees, 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. Our audit work has been undertaken so that we might state to the members and 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, its members as a body and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditor

The Directors' (who are also the directors of the company for the purposes of company law) responsibilities for preparing the Directors' Report and the financial statements in accordance with applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Directors' Responsibilities.

We have been appointed auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report to you in accordance with those Acts.

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, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities 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. We also report to you whether in our opinion the information given in the Directors' Report is consistent with those financial statements.

We also report to you if, in our opinion, the charity has not kept adequate and proper accounting records, if the charity's financial statements are not in agreement with these accounting records, if we have not received all the information and explanations we require for our audit, or if certain disclosures of Directors' remuneration specified by law are not made.

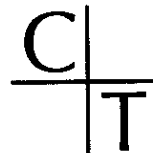
We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit 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 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 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.

**INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS AND MEMBERS OF
THE ARTISTS' COLLECTIVE GALLERY LIMITED (Continued)**



Opinion

In our opinion

- the financial statements give a true and fair view of the state of the charity's affairs as at 31 March 2010 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities;
- the financial statements 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; and
- the information given in the Directors' Report is consistent with the financial statements.

Malcolm A Beveridge

Malcolm Beveridge BA CA (Senior Statutory Auditor)

For and on behalf of

CHIENE + TAIT

Chartered Accountants and Statutory Auditor

61 Dublin Street

Edinburgh, EH3 6NL

4 November 2010

THE ARTISTS' COLLECTIVE GALLERY LIMITED

STATEMENT of FINANCIAL ACTIVITIES

For the year ended 31 March 2010

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2010 £	Total 2009 £
Incoming resources					
<u>Incoming resources from generated funds:</u>					
Voluntary income	3	146,776	-	146,776	126,776
Activities for generating funds		5,233	-	5,233	1,392
Investment income		1,330	-	1,330	1,710
<u>Incoming resources from charitable activities:</u>	4	3,608	92,894	96,502	53,984
Total incoming resources		<u>156,947</u>	<u>92,894</u>	<u>249,841</u>	<u>183,862</u>
Resources expended					
<u>Cost of generating funds:</u>					
Cost of generating voluntary income	5	24,090	-	24,090	19,269
Fundraising trading: cost of goods sold and other costs	6	2,774	-	2,774	174
<u>Charitable activities:</u>	7	73,101	184,362	257,463	192,396
<u>Governance costs:</u>	5	11,596	-	11,596	9,143
Total resources expended		<u>111,561</u>	<u>184,362</u>	<u>295,923</u>	<u>220,982</u>
Net outgoing resources before transfers between funds		45,386	(91,468)	(46,082)	(37,120)
Transfers between funds		(39,019)	39,019	-	-
Net movement in funds for the year		<u>6,367</u>	<u>(52,449)</u>	<u>(46,082)</u>	<u>(37,120)</u>
Balance brought forward 1 April 2009		45,971	172,427	218,398	255,518
Balance carried forward 31 March 2010	17	<u>52,338</u>	<u>119,978</u>	<u>172,316</u>	<u>218,398</u>

All activities related to continuing operations.

The company has no recognised gains or losses other than those included in the statement of financial activities.

The notes on pages 12 to 20 form part of these financial statements.

THE ARTISTS' COLLECTIVE GALLERY LIMITED

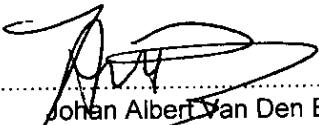
BALANCE SHEET

As at 31 March 2010

	Notes	£	2010 £	£	2009 £
Fixed assets					
Tangible assets	10		86,214		175,849
Current assets					
Debtors	11	8,191		19,458	
Cash at bank and in hand		110,273		70,447	
		<u>118,464</u>		<u>89,905</u>	
Creditors: amounts falling due within one year	12	<u>32,362</u>		<u>47,356</u>	
Net current assets			86,102		42,549
Total assets less current liabilities			<u>172,316</u>		<u>218,398</u>
			=====		=====
Funds					
Restricted funds	17		119,978		172,427
Unrestricted funds:					
- General funds	17		52,338		45,971
			<u>172,316</u>		<u>218,398</u>
			=====		=====

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

Approved by the Board of Directors on ~~29 October~~ 2010 and signed on its behalf by:


 Chairman
 Johan Albert Van Den Berg


 Director
 Kirstie Skinner

Company Number: SC093812

The notes on pages 12 to 20 form part of these financial statements.

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2010

1. Accounting policies

Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Companies Act 1985, Charities Accounts (Scotland) Regulations 2006 and Statement of Recommended Practice Accounting and Reporting by Charities (2005) and the Financial Reporting Standard for Smaller Entities (effective April 2008).

Tangible fixed assets

All fixed assets over £1,000 are capitalised.

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

The Directors have been advised that City of Edinburgh Council intend to terminate their property lease with effect from 31 March 2011. As a consequence they have reviewed their depreciation policies and agreed that it is appropriate to depreciate the remaining value of the renovations over the period to 31 March 2011. They also agreed that it was appropriate to fully depreciate all remaining assets in the year to 31 March 2010.

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.

Grants

Revenue grants are credited to the Statement of Financial Activities when they are receivable.

Expenditure

The operating costs of the company have been allocated between costs of generating funds, fundraising and charitable activity expenditure based on an estimate of the time spent by staff on relevant duties and the nature of non-staff expenditure incurred. 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. The company is not registered for VAT and accordingly expenditure includes VAT where appropriate.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lesser are charged to the Statement of Financial Activities on a straight-line basis over the period of the lease.

Restricted funds

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.

Capital grant equipment fund

This fund represents a capital equipment grant from the Scottish Arts Council towards purchasing new office and exhibition equipment.

THE ARTISTS' COLLECTIVE GALLERY LIMITED

NOTES to the FINANCIAL STATEMENTS (Cont'd.)

For the year ended 31 March 2010

1. Accounting policies

Restricted funds (cont'd)

New Work Scotland Programme (NWSP) Studio Voltaire

An artist's residency at Studio Voltaire, London offered to one of the New Work Scotland Programme artists during 2008.

Aleksandra Mir Project

A limited edition book and year long art project by Aleksandra Mir commissioned and produced by the Collective.

Square Mile

Second year of the Scottish pilot for Visiting Arts on a Major 3 year programme of commission's events and international exchanges. Two off-site projects with artists based in Edinburgh and Delhi with an ecologist working public spaces and holding workshops with local residents based in a square mile around the Collective Gallery.

Hangfeng Chen (China)

An outcome from Kate Gray's SAC trip to China in October. Hangfeng installed an alternative Christmas window in gallery 1, while the gallery was closed over the festive season. The window featured a video piece of a Christmas workshop village in china. Hangfeng was part of the Visiting Arts 1mile² programme based in Bradford.

China Project

A two phase programme to visit Chinese curators and to work on three projects with artists. Collective is the lead organisation within a consortium including: Scottish Sculpture Workshop, Generator, Polar Cap and Glasgow Sculpture Workshop.

Hito Steyerl (Berlin) part of the Edinburgh Art Festival

Solo festival exhibition in the main galleries co-commissioned with Picture This, Bristol & Chisenhale, London. The new commission 'After the Crash' will be shown first at Collective before going on to the Taipei Biennial, Chisenhale and Picture This.

Staged

Produced by Collective, *Staged* is an off-site project, sited in the City Observatory on Edinburgh's Calton Hill, by collaborating artists Kim Coleman & Jenny Hogarth. Funded by the Scottish Government's Edinburgh Festivals Expo Fund for the Edinburgh Art Festival 2010.

Unrestricted Funds

General Fund

The General Fund represents the unrestricted funds, which the Directors are free to use in accordance with the charitable objects.

2. Net movement of funds in the year

	2010	2009
	£	£

The net movement of funds in the year represents a deficit of income over expenditure and is stated after charging:

Auditor's remuneration	3,000	2,700
Depreciation	89,635	14,051
Loss on disposal of fixed assets	-	28
	=====	=====

THE ARTISTS' COLLECTIVE GALLERY LIMITED

NOTES to the FINANCIAL STATEMENTS (Cont'd.)

For the year ended 31 March 2010

3. Voluntary income	Unrestricted 2010 £	Unrestricted 2009 £
Scottish Arts Council - Revenue	140,000	120,000
City of Edinburgh Council - Revenue	6,776	6,776
	<u>146,776</u>	<u>126,776</u>
	=====	=====

4. Incoming resources from charitable activities	Unrestricted £	Restricted £	2010 £	2009 £
Scottish Arts Council - Other	-	91,705	91,705	48,095
New Work Scotland Income	-	1,189	1,189	1,474
Other	3,608	-	3,608	4,415
	<u>3,608</u>	<u>92,894</u>	<u>96,502</u>	<u>53,984</u>
	=====	=====	=====	=====

For the year ended 31 March 2010**5. Allocation of support costs and overheads**

The breakdown of support costs and how these were allocated is shown in the table below:

	Cost of Gen Voluntary Income £	Gover- nance Costs £	Core Activity Exhi- bitions £	Capital Funds £	Equip- ment grant £	Alexandra Mir Project £	Square Mile Project £	Hangfeng Chen £	NWSP Residency £	China Project £	Hito Steyerl Festival 2010 £	Staged £	2010 Total £	2009 Total £
Staff costs	20,407	6,740	28,569	-	-	3,052	3,052	4,577	3,491	3,647	2,184	2,184	77,903	64,933
Other staff costs	-	-	-	-	-	-	-	-	-	-	-	-	-	3,736
Property costs	2,044	149	8,985	-	-	147	147	147	147	147	147	147	12,207	9,919
Administration costs	1,639	1,433	3,665	-	-	-	-	-	-	-	-	-	6,737	4,281
Legal and professional fees	-	-	-	-	-	-	-	-	-	-	-	-	-	817
Audit and accountancy fees	-	3,000	-	-	-	-	-	-	-	-	-	-	3,000	2,729
IT costs	-	-	-	-	-	-	-	-	-	-	-	-	-	191
Bank charges	-	274	-	-	-	-	-	-	-	-	-	-	274	138
Depreciation	-	-	-	86,213	3,422	-	-	-	-	-	-	-	89,635	14,051
Loss on disposal of fixed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	28
	24,090	11,596	41,219	86,213	3,422	3,199	3,199	4,724	3,638	3,794	2,331	2,331	189,756	100,823

THE ARTISTS' COLLECTIVE GALLERY LIMITED

NOTES to the FINANCIAL STATEMENTS (Cont'd.)

For the year ended 31 March 2010

6. Fundraising trading: cost of goods sold and other costs	2010 £	2009 £
Cost of goods sold	-	100
Artists commission	2,681	-
Sundry DIY expense	-	27
Sunday workshops	-	47
Gallery shop expenditure	93	-
	<u>2,774</u>	<u>174</u>
	=====	=====

THE ARTISTS' COLLECTIVE GALLERY LIMITED

NOTES to the FINANCIAL STATEMENTS (Cont'd.)

For the year ended 31 March 2010

7. Charitable Activities

	Core Activity	Capital Funds	Alexandra Mir Project	Square Mile Project	Chen Hangfeng Residency	NWSP	China Project	Hito Steyerl Festival 2010	Staged	2010	2009
	Exhibitions	£	£	£	£	£	£	£	£	£	£
Transitional Fund	-	-	-	-	-	-	-	-	-	-	4,020
Audience Development	-	-	-	-	-	-	-	-	-	-	16,378
Alexandra Mir – How Not To Cook	-	-	54,211	-	-	-	-	-	54,211	-	1,436
Vocal Interpretation Project	-	-	-	-	-	-	-	-	-	-	3,434
Square Mile	-	-	-	11,052	-	-	-	-	11,052	-	-
Commonwealth Suite	5,382	-	-	-	-	-	-	-	5,382	-	2,896
Plato's table	-	-	-	-	-	-	-	-	-	-	9,099
Free pre-production costs	-	-	-	-	-	-	-	-	-	-	1,039
Paul Rooney	-	-	-	-	-	-	-	-	-	-	3,041
Golden Record production costs	-	-	-	-	-	-	-	-	-	-	16,527
New Work Scotland	11,082	-	-	-	-	4,662	-	-	15,744	-	13,467
Documentalist	3,427	-	-	-	-	-	-	-	3,427	-	-
Roll it to me	-	-	-	-	-	-	-	-	-	-	2,301
One Mile	-	-	-	-	-	-	-	-	-	-	25,488
Project Scotland	1,545	-	-	-	-	-	-	-	1,545	-	3,465
Collective publication	-	-	-	-	-	-	-	-	-	-	12,373
Advertising/Marketing	6,843	-	-	-	-	-	-	-	6,843	-	227
Equipment	871	-	-	-	-	-	-	-	871	-	994
Design costs	-	-	-	-	-	-	-	-	-	-	3,800
Susan Norrie	1,426	-	-	-	-	-	-	-	1,426	-	-
Refurbishment exhibition spaces	1,306	-	-	-	-	-	-	-	1,306	-	-
Hangfeng Chen Xmas window	-	-	-	-	1,586	-	-	-	1,586	-	-
Support Costs (note 5)	41,219	89,635	3,199	3,199	4,724	3,638	3,794	2,331	2,331	154,070	72,411
	73,101	89,635	57,410	14,251	6,310	8,300	3,794	2,331	2,331	257,463	192,396

The capital fund balance is made up of depreciation charges on the Equipment Reserve Fund and the Capital Grant Reserve Fund.

THE ARTISTS' COLLECTIVE GALLERY LIMITED

NOTES to the FINANCIAL STATEMENTS (Cont'd.)

For the year ended 31 March 2010

8. Staff numbers and costs

	2010 No.	2009 No.
The average monthly number of employees (full time equivalents, including directors) during the year was:	4 =====	3 =====
Total salary costs were as follows:		
Salaries and wages	79,219	72,019
Social security costs	7,149	6,290
	86,368 =====	78,309 =====

The company is indebted to numerous volunteers who have assisted during the year and without whose support the company would not be what it is. The directors estimate that the financial benefit of this support was in the region of £23,641 (2009: £23,355). The directors wish to express their thanks to the volunteers in all our services.

No director received remuneration during the year. Expenses of £79 have been reimbursed to the directors during the year (2009: £54). No employee received emoluments in excess of £60,000.

9. Taxation

The Artists' Collective Gallery Limited has been accorded charitable status for taxation purposes by HM Revenue and Customs. As in the year to 31 March 2009, in the year to 31 March 2010 it is considered that the Collective's activities were within the scope of charitable status and accordingly no provision for taxation is necessary.

10. Tangible fixed assets	Office equipment £	Renovations £	Computers £	Furnishings & fittings £	Total £
Cost					
At 1 April 2009	6,174	285,009	18,506	17,412	327,101
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
At 31 March 2010	6,174 -----	285,009 -----	18,506 -----	17,412 -----	327,101 -----
Aggregate depreciation					
At 1 April 2009	4,762	112,582	17,599	16,309	151,252
Charge for year	1,412	86,213	907	1,103	89,635
Disposals	-	-	-	-	-
At 31 March 2010	6,174 -----	198,795 -----	18,506 -----	17,412 -----	240,887 -----
Net book value					
At 31 March 2010	- =====	86,214 =====	- =====	- =====	86,214 =====
At 31 March 2009	1,412 =====	172,427 =====	907 =====	1,103 =====	175,849 =====

NOTES to the FINANCIAL STATEMENTS (Cont'd.)

For the year ended 31 March 2010

11. Debtors	2010	2009
	£	£
Debtors	766	18,732
Prepayments	7,425	726
	<u>8,191</u>	<u>19,458</u>
	=====	=====

12. Creditors: amounts falling due within one year:	2010	2009
	£	£
Accruals	9,565	23,928
Sundry creditors	20,691	21,635
Tax and social security	2,106	1,793
	<u>32,362</u>	<u>47,356</u>
	=====	=====

13. 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 Board member has guaranteed to contribute £50.

14. 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 projections for the year ended 31 March 2011 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.

15. Financial commitments

At 31 March 2010 the company had annual commitments under non-cancellable operating leases as follows:

	2010		2009	
	Equipment	Land & Buildings	Equipment	Land & Buildings
	£	£	£	£
Expiry date				
Within 1 year	381	10,000	381	10,000
Within two and five years	-	-	-	-
After five years	-	-	-	-
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>

NOTES to the FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 March 2010**16. Capital commitments**

The company had no capital commitments at the year end (2009: £Nil).

17. Funds	Opening Funds £	Incoming Resources £	Outgoing Resources £	Transfers £	Closing Funds £
Unrestricted funds					
General Fund	45,971	156,947	(111,561)	(39,019)	52,338
Restricted Funds					
Capital Grant Reserve Fund	172,427	-	(86,213)	-	86,214
Equipment Reserve Fund	-	-	(3,422)	3,422	-
NWSP Residency	-	10,189	(8,300)	3,637	5,526
Alexsandra Mir Project	-	41,915	(57,410)	15,495	-
Square Mile	-	15,140	(14,251)	3,199	4,088
Hangfeng Chen	-	1,500	(6,310)	4,810	-
China Project	-	10,000	(3,794)	3,794	10,000
Hito Steyerl – Festival 2010	-	8,550	(2,331)	2,331	8,550
Staged	-	5,600	(2,331)	2,331	5,600
Total restricted funds	172,427	92,894	(184,362)	39,019	119,978
Total funds	218,398	249,841	(295,923)	-	172,316

During the year transfers of £39,019 were made from the unrestricted fund to the restricted funds as detailed above to cover support costs and deficits incurred on restricted funds during the year.

18. Analysis of liabilities between funds	Restricted Funds £	Unrestricted Funds £	Total £
Fixed assets	86,214	-	86,214
Net current assets	33,764	52,338	86,102
	119,978	52,338	172,316