

**STUDIO SOUK  
(A COMPANY LIMITED BY GUARANTEE)  
DIRECTORS REPORT AND ACCOUNTS  
FOR THE PERIOD ENDED 31 MARCH 2016**

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**REGISTERED NUMBER: NI623171**

## **LEGAL AND ADMINISTRATIVE INFORMATION**

### **Directors**

Fraser Brice  
Lorna Kennedy (appointed 1 October 2015)  
Claire Patterson  
Linzi Rooney (resigned 20 March 2017)

### **Registered Office**

60-62 Ann Street  
Belfast  
BT1 4EG

### **Independent Examiners**

Harbinson Mulholland  
Centrepoint  
24 Ormeau Avenue  
BELFAST  
BT2 8HS

### **Bankers**

Santander  
6 Donegall Square East  
Belfast  
BT1 5HL

### **Registered with the Charity Commission**

NI100803

### **Company Registration Number**

NI623171

## DIRECTORS' REPORT

The directors present their report and the audited accounts for the year ended 31 March 2016.

### Structure, Governance and Management

Studio Souk was incorporated on 3 March 2014 and commenced operation in December 2014. The directors who served in the year are shown on page one and new directors can be appointed at a properly convened company meeting.

### Objectives and Activities

The company exists to promote arts and creative processes to the public and give heightened confidence, purpose, creative capacity and professional development among new emerging artists.

### Achievements and Performance

During the period under review a commercial outlet was established in Belfast City Centre with creative spaces for artists to promote their work.

### Financial Review

The charity began to operate in December 2014 so the comparative results for the period are for 4 months of activity. In the period there was net income of £26,004 (2015: £1,533) attributable to unrestricted reserves which now stand at £27,537 (2015: £1,533). In addition there was net expenditure of £8,000 (2015: £8,000 income) attributable to restricted reserves which brought restricted reserves to £nil (2015: £8,000).

### Statement of Directors' Responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with the United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements the directors are required to: -

- select suitable accounting policies and 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 adequate accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

## DIRECTORS' REPORT (CONT'D)

### Directors and their Interests

The directors during the year and at the year end are listed on page 1.

This report has been prepared in accordance with the Statement of Recommended Practice ('Accounting and Reporting by Charities') 2015 and in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Signed on behalf of the board



Fraser Brice  
Director

Approved by the board on

31/3/17

## INDEPENDENT EXAMINER'S REPORT TO THE DIRECTORS OF STUDIO SOUK ON THE UNAUDITED FINANCIAL STATEMENTS

We report on the financial statements of Studio Souk for the period ended 31 March 2016 which comprise the statement of financial activities, the balance sheet and the related notes. These financial statements have been prepared under the historical act convention and the accounting policies set out on page 7.

### Respective responsibilities of the management board and the Independent Examiner

As the charity's members you are responsible for the preparation of the Accounts you consider that the audit requirement of Section 65(3) of the Charities Act (NI) 2008 (the Act) does not apply.

It is our responsibility to state whether particular matters have come to our attention as a result of examining the financial statements.

### Basis of Independent Examiner's Statement

Our examination was carried out in accordance with the general directions given by the Charity Commissioners. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts and seeking explanations from you as members concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently we do not express an audit opinion on the view given by the accounts.

### Independent Examiner's Statement

In connection with our examination, no matter has come to our attention:-

- (i) which gives us reasonable cause to believe that, in any material respect, the requirements:
- to keep accounting records in accordance with Section 63 of the Charities Act (Northern Ireland) 2008.
  - to prepare Accounts which accord with the accounting records and to comply with the accounting requirements of the Act
- have not been met; or
- (ii) to which, in our opinion, attention should be drawn in order to enable a proper understanding of the Accounts to be reached.

*Harbinson Mulholland*

**Harbinson Mulholland**  
**Chartered Accountants**  
Centrepoint  
24 Ormeau Avenue  
BELFAST  
BT2 8HS

Date 31 March 2017

**STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)**

	Notes	2016			2015		
		Unrestricted Funds £	Restricted Funds £	Total £	Unrestricted Funds £	Restricted Funds £	Total £
<b>Income</b>							
Charitable activities	2	101,142	5,626	106,768	17,768	8,000	25,768
<b>Total</b>		101,142	5,626	106,768	17,768	8,000	25,768
<b>Expenditure on:</b>							
Charitable activities	3	73,938	13,626	87,564	15,035	-	15,035
Governance costs		1,200	-	1,200	1,200	-	1,200
<b>Total</b>		75,138	13,626	88,764	16,235	-	16,235
<b>Net movements in funds</b>		26,004	(8,000)	18,004	1,533	8,000	9,533
<b>Reconciliation of funds</b>							
Total funds brought forward	9	1,533	8,000	9,532	-	-	-
<b>Total funds carried forward</b>	<b>9</b>	<b>27,537</b>	<b>-</b>	<b>27,537</b>	<b>1,533</b>	<b>8,000</b>	<b>9,533</b>

The statement of financial activities includes all gains and losses recognised in the year.

All incoming resources and resources expended derive from continuing activities.

The notes on pages 7 to 11 form part of these accounts.

**BALANCE SHEET**

	Notes	2016	2015
		£	£
<b>FIXED ASSETS</b>			
Tangible assets	6	4,728	6,304
<b>CURRENT ASSETS</b>			
Debtors	7	-	4,200
Cash at bank and in hand		50,287	13,431
		50,287	17,631
<b>LIABILITIES</b>			
<b>Creditors: amounts falling due within one year</b>	8	(27,478)	(14,402)
<b>NET CURRENT ASSETS</b>		22,809	3,229
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		27,537	9,533
<b>THE FUNDS OF THE CHARITY</b>			
Unrestricted funds		27,537	1,533
Restricted funds	9	-	8,000
		27,537	9,533

For the financial year ended 31 March 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The accounts were approved by the directors on 31/3/17

DIRECTORS:

  
\_\_\_\_\_  
Fraser Brice

The notes on pages 7 to 11 form part of these accounts

Registered in Northern Ireland: NI623171

## NOTES TO THE ACCOUNTS

### 1 ACCOUNTING POLICIES

#### (a) Accounting convention

The accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities and Statement of Recommended Practice (SORP) ('Accounting and Reporting by Charities') 2015.

#### (b) Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the directors in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Investment income is allocated to the appropriate fund.

#### (c) Income

All incoming resources are included in the SOFA when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Donated facilities are included at the value to the charity where this can be quantified and a third party is bearing the cost.

#### (d) Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

#### (e) Fixed Assets

Fixed assets are stated at cost less accumulated depreciation. The costs of minor additions, where the useful life is considered to be less than 2 years, are not capitalised.

At each balance sheet date, the carrying amount of tangible assets is reviewed to determine whether there is an indication that those assets have suffered an impairment loss. Where the carrying value exceeds the estimated recoverable amount (being the greater of fair value less costs to sell and value-in-use), an impairment loss is recognised by writing down the assets cash-generating units to their recoverable amount. An impairment loss is recognised immediately in the profit and loss. Any reversal of a previous impairment loss is similarly recognised immediately in the profit and loss.

Depreciation on the assets of the company is provided on the cost of the assets, calculated at annual rates estimated to write off each asset over the term of its useful life. The rates in use are as follows:-

Furniture and fittings - 25% reducing balance

NOTES TO THE ACCOUNTS (CONT'D)

(f) Taxation

No provision is required for taxation as the company is defined as a charity for taxation purposes.

2 INCOME

	2016	2015
	£	£
Grants	5,626	10,850
Membership	65,535	13,899
Commission	35,607	1,019
	106,768	25,768

The charity earned commission of £35,607 (2015: £1,019) on sales of artists' wares of £417,406 (2015: £51,907).

3 BREAKDOWN OF COSTS OF CHARITABLE ACTIVITY

	2016	2015
	£	£
<b>Charitable activities undertaken</b>		
Sundry expenses	2,189	87
Rent	3,015	1,000
Office supplies	393	1,404
Volunteer costs	10,335	3,921
Marketing and visual merchandising	12,025	1,323
Packaging	1,460	118
Hospitality and events	3,312	1,754
Electricity	11,525	530
Maintenance	6,242	1,155
Employee costs	16,575	-
Other shop running costs	8,273	-
Credit card charges	380	164
Motor and travel	4,200	56
Depreciation	1,576	573
Insurance	1,668	-
Rates	243	-
Telecommunications	4,153	-
Retail contractors	-	2,950
	87,564	15,035
<b>Governance costs</b>	1,200	1,200
	88,764	16,235

The charity's governance costs consist of:

	2016	2015
	£	£
Examiner's fee	1,200	1,200

NOTES TO THE ACCOUNTS (CONT'D)

**4 DIRECTORS' REMUNERATION**

Linzi Rooney, a director, became an employee during the year and received a gross salary of £15,000 and payments for managing projects of £1,152. These payments were for management of operations and not for her role as a director. Other directors neither received nor waived any emoluments during the period.

No expenses were reimbursed to directors during the period.

**5 STAFF COSTS**

The average number of persons employed by the company during the year was	2016	2015
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Permanent staff including directors	4	3
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The aggregate payroll costs of these persons were as follows:	2016	2015
	£	£

Wages and salaries	15,000	-
Employer National Insurance	1,575	-
	16,575	-

**6 TANGIBLE FIXED ASSETS**

	Furniture & Fittings	Total
	£	£
<b>Cost</b>		
At 31 March 2015	6,877	6,877
Additions	-	-
At 31 March 2016	6,877	6,877
<b>Depreciation:</b>		
At 31 March 2015	573	573
Provision for the year	1,576	1,576
Depreciation on disposal	-	-
At 31 March 2016	2,149	2,149
<b>Net book value:</b>		
At 31 March 2016	4,728	4,728
At 31 March 2015	6,304	6,304

NOTES TO THE ACCOUNTS (CONT'D)

**7 DEBTORS**

	2016	2015
	£	£
Prepayments and accrued income	-	4,200
	-	4,200

**8 CREDITORS: amounts falling due within one year**

	2016	2015
	£	£
Other creditors	5,469	2,800
Accruals and deferred income	22,009	11,602
	27,478	14,402

**9 STATEMENT OF FUNDS**

	Balance 31 March 2015	Incoming	Outgoing	Transfers between funds	Balance 31 March 2016
	£	£	£	£	£
<b>Unrestricted funds</b>					
General fund	1,533	101,142	(75,138)	-	27,537
	1,533	101,142	(75,138)	-	27,537
<b>Restricted funds</b>					
Zero waste project grant – bicycle	8,000	-	(8,000)	-	-
Small projects grant – inner piece	-	5,626	(5,626)	-	-
	8,000	5,626	(13,626)	-	-
	9,533	106,768	(88,764)	-	27,537

The unrestricted funds represent the free funds of the charity.

The restricted funds represent two grants from Belfast City Council.

**10 ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Fixed Assets	Net Current Assets	Total
	£	£	£
Unrestricted funds	4,728	22,809	27,537
Restricted funds	-	-	-
	4,728	22,809	27,537

NOTES TO THE ACCOUNTS (CONT'D)

**11 RELATED PARTIES**

During the period the company made payments to Linzi Rooney, a director, of £2,933 (2015: £1,311) in respect of goods sold on her behalf in the Souk and £16,152 (2015: £nil) as an employee. These sales were on the same terms as for the other member artists.

Payments of £970 were made to David Rooney, brother of director Linzi Rooney, for assistance during the Christmas period and inner piece project. After the year end, David Rooney became an employee.

**12 FINANCIAL COMMITMENTS**

There were no financial commitments at the year end.

Ref: 63859