

**STUDIO SOUK  
(A COMPANY LIMITED BY GUARANTEE)**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2017**

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**REGISTERED NUMBER: NI623171**

## LEGAL AND ADMINISTRATIVE INFORMATION

### Directors

Fraser Brice  
Mark Graham (appointed 20 March 2017)  
Lorna Kennedy (resigned 20 March 2017)  
Claire Patterson  
Linzi Rooney (resigned 20 March 2017)

### Registered Office

60-62 Ann Street  
Belfast  
BT1 4EG

### Independent Examiners

Harbinson Mulholland  
Centrepont  
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, who are also the Trustees, present their report and the audited accounts for the year ended 31 March 2017.

### 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

In 2015 it was evident that the demand for artist support and incubation space was greater than our capacity. We decided to expand into a new premises and convert three floors of the building to accommodate more artist studios as well as offering more space to facilitate large scale art and community projects.

This year we were awarded Belfast City Council CMAF to further our engagement with the public and promote the arts to a wider audience.

We have designed and tailored a Creative Launchpad programme for new and emerging artists. We feel it is important to respond to feedback from our resident artists and colleges/schools, so that we can create the most beneficial support programmes as we enter into an uncertain future with many arts organisations closing due to budget cuts.

We have continued to host engaging and family friendly workshops with the public that have a fun twist such as Painting with Tea and Water Pistol Painting.

We have been shortlisted as the 'Top 8 Creative Co-working spaces in the UK' and Awarded for our 'Commitment to the Environment' by BFW. We are also Top Choice for Arts and Crafts in Belfast, awarded by Lonely Planet. We feel this is great recognition for our work with local artists, our promotion of using recycled products within their craft and our continued engagement with the public.

### Financial Review

In the year to 31 March 2017 there was net expenditure of £24,067 (2016: £26,004 net income) attributable to unrestricted reserves which now stand at £3,470 (2016: £27,537). In addition there was net expenditure of £Nil (2016: £8,000) attributable to restricted reserves which brought restricted reserves to £Nil (2016: £Nil).

### 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.

## DIRECTORS' REPORT (CONT'D)

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.

### Tax Status

Under Section 505(i) (a) and (c) of the Income and Corporation Taxes Act 1988, Studio Souk is entitled to charity tax exemption.

### 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 29/01/2018

## 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 year ended 31 March 2017 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 pages 7 to 9.

### 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.

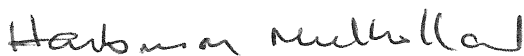
### Basis of Independent Examiner's Statement

Our examination was carried out in accordance with the general directions given by the Charity's 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**  
**Chartered Accountants**  
Centrepoint  
24 Ormeau Avenue  
Belfast  
BT2 8HS

Date: 29/01/2018

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

	Notes	2017			2016		
		Unrestricted Funds £	Restricted Funds £	Total £	Unrestricted Funds £	Restricted Funds £	Total £
<b>Income</b>							
Charitable activities	2	162,268	9,500	171,768	101,142	5,626	106,768
<b>Total</b>		162,268	9,500	171,768	101,142	5,626	106,768
<b>Expenditure on:</b>							
Charitable activities	3	186,335	9,500	195,835	75,138	13,626	88,764
<b>Total</b>		186,335	9,500	195,835	75,138	13,626	88,764
<b>Net income/(expenditure)</b>		(24,067)	-	(24,067)	26,004	(8,000)	18,004
<b>Reconciliation of funds</b>							
Total funds brought forward	9	27,537	-	27,537	1,533	8,000	9,532
<b>Total funds carried forward</b>	<b>9</b>	<b>3,470</b>	<b>-</b>	<b>3,470</b>	<b>27,537</b>	<b>-</b>	<b>27,537</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 12 form part of these accounts.

**BALANCE SHEET**

	Notes	2017	2016
		£	£
<b>FIXED ASSETS</b>			
Tangible assets	6	28,198	4,728
<b>CURRENT ASSETS</b>			
Debtors		-	-
Cash at bank and in hand		18,148	50,287
		18,148	50,287
<b>LIABILITIES</b>			
Creditors: amounts falling due within one year	7	(42,876)	(27,478)
<b>NET CURRENT ASSETS</b>		<b>(24,728)</b>	<b>22,809</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>3,470</b>	<b>27,537</b>
<b>THE FUNDS OF THE CHARITY</b>			
Unrestricted funds		3,470	27,537
Restricted funds	8	-	-
		3,470	27,537

These accounts have been prepared in accordance with the provisions available to companies subject to the small companies regime within Part 15 of the Companies Act 2006, and the Statement of Recommended Practice (SORP) ('Accounting and Reporting by Charities') 2015.

For the financial year ended 31 March 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476.

The financial statements were approved by the board of directors and authorised for issue on ...

*29/01/2018*

DIRECTORS:

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

The notes on pages 7 to 12 form part of these accounts

Registered in Northern Ireland: NI623171

## NOTES TO THE ACCOUNTS

### 1 ACCOUNTING POLICIES

#### (a) Basis of accounting

These financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards, the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" effective January 2015 and FRS 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland", and the Companies Act 2006. The principal accounting policies, judgments and key sources of estimation uncertainty are set out below.

This has been adopted by the company for the first time in these financial statements. The date of transition was 1 April 2015 and no adjustments were necessary to the prior year statements as a result of that change. The principal accounting policies, judgements and key sources of estimation uncertainty are set out below.

The directors consider that these accounting policies are suitable, have been consistently applied and are supported by reasonable and prudent judgment and estimates.

The charity meets the definition of a public benefit entity under FRS 102. The financial statements are prepared in accordance with the historical cost convention.

#### (b) Preparation of the accounts on a going concern basis

The charity reported net expenditure of £24,067 for the year. The directors have considered the circumstances outlined above, and are of the view that they have secured sufficient funding to ensure that the company can continue to trade for the next 12 months. For this reason they continue to adopt the going concern basis in preparing the financial statements.

#### (c) 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.

#### (d) Income

All income is included on the Statement of Financial Activities 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.

#### (e) 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.

## NOTES TO THE ACCOUNTS (CONT'D)

### (f) 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.

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

### (g) Impairment of fixed assets

At each balance sheet date, the carrying amounts of tangible and intangible assets are 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.

### (h) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

### (a) Cash at bank and in hand

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

### (b) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

### (c) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

### (d) Taxation

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

### (e) Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis.

## NOTES TO THE ACCOUNTS (CONT'D)

### *Tangible fixed assets*

Tangible assets are depreciated over their useful lives taking into account residual values where appropriate. The actual lives of the assets are assessed annually and may vary depending on a number of factors. In reassessing asset lives factors such as maintenance programmes are taken into account. Residual value assessments consider issues such as the remaining live of the asset and the estimated value in use.

## 2 INCOME

	2017	2016
	£	£
Grants	9,500	5,626
Membership	70,018	65,535
Commission	92,250	35,607
	171,768	106,768

The charity earned commission of £92,250 (2016: £35,607) on sales of artists' wares of £491,987 (2016: £417,406).

## 3 BREAKDOWN OF COSTS OF CHARITABLE ACTIVITY

	2017	2016
	£	£
<b>Costs directly allocated to activities:</b>		
Marketing and visual merchandising	7,750	12,025
Volunteer costs	4,993	10,335
Packaging	2,288	1,460
Hospitality and events	3,208	3,312
Employee costs	63,379	16,575
Other shop running costs	16,517	8,273
	98,135	51,980
<b>Support costs allocated to activities:</b>		
Sundry expenses	4,530	2,189
Rent	30,675	3,015
Office supplies	1,055	393
Electricity	26,655	11,525
Maintenance	11,394	6,242
Credit card charges	4,693	380
Motor and travel	1,689	4,200
Depreciation	9,399	1,576
Insurance	1,560	1,668
Rates	273	243
Telecommunications	2,157	4,153
Governance	1,620	1,200
Legal fees	2,000	-
	97,700	36,784
<b>Total</b>	<b>195,835</b>	<b>88,764</b>

NOTES TO THE ACCOUNTS (CONT'D)

**4 DIRECTORS' REMUNERATION**

The Chief Executive Officer, who remained a director until 20 March 2017, received a remuneration of £30,500 (2016: 15,000) and payments for managing projects of £Nil (2016: £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.

The directors remuneration represents the total benefits received by key management. The charity considers its key management to be its Chief Executive Officer.

**5 STAFF COSTS**

The average number of persons employed by the company during the year was	2017	2016
Permanent staff including directors	7	4
The aggregate payroll costs of these persons were as follows:	2017	2016
	£	£
Wages and salaries	61,371	15,000
Employer National Insurance	2,008	1,575
	63,379	16,575

**6 TANGIBLE FIXED ASSETS**

	Furniture & Fittings	Total
	£	£
<b>Cost</b>		
At 31 March 2016	6,877	6,877
Additions	32,869	32,869
At 31 March 2017	39,746	39,746
<b>Depreciation:</b>		
At 31 March 2016	2,149	2,149
Provision for the year	9,399	9,399
Depreciation on disposal	-	-
At 31 March 2017	11,548	11,548
<b>Net book value:</b>		
At 31 March 2017	28,198	28,198
At 31 March 2016	4,728	4,728

NOTES TO THE ACCOUNTS (CONT'D)

7 CREDITORS: amounts falling due within one year

	2017	2016
	£	£
Other creditors	26,968	5,469
Accruals and deferred income	15,908	22,009
	42,876	27,478

8 STATEMENT OF FUNDS

	Balance 31 March 2016	Incoming	Outgoing	Transfers between funds	Balance 31 March 2017
	£	£	£	£	£
<b>Unrestricted funds</b>					
General fund	27,537	162,268	186,335	-	3,470
	27,537	162,268	186,335	-	3,470
<b>Restricted funds</b>					
Core Multi-Annual Funding	-	9,500	9,500	-	-
	-	-	-	-	-
	-	9,500	9,500	-	-
	27,537	171,768	195,835	-	3,470

The unrestricted funds represent the free funds of the charity.

The restricted funds represent a grant from Belfast City Council.

9 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Fixed Assets	Net Current Assets	Total
	£	£	£
Unrestricted funds			
Restricted funds	28,198	(24,728)	3,470
	28,198	(24,728)	3,470
	28,198	(24,728)	3,470

## NOTES TO THE ACCOUNTS (CONT'D)

### 10 RELATED PARTIES

During the period the company made payments to Linzi Rooney, a director, of £Nil (2016: £2,933) in respect of goods sold on her behalf in the Souk and £30,500 (2016: £16,152) as an employee.

During the period, Studio Souk made purchases from director Fraser Brice for £1,098. Fraser Brice also loaned the company £25,350.

### 11 FINANCIAL COMMITMENTS

There were no financial commitments at the year end.

Ref: 92593