

Charity number: NI00028

Company number: NI029491

Paragon Studios Ltd

Trustees' report and financial statements

for the year ended 31 May 2015

Paragon Studios Ltd

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Charity number	NI00028
Company registration number	NI029491
Registered office	18 Donegall Street Belfast BT1 2GP
Trustees	Paddy McCann Peter Mutschler Bill Saunders Raymond Cashell Sharon Kelly Laura Graham (Retired 30/10/2014) Simon Bridge Bronagh Lawson (Appointed 25/02/2015)
Secretary	Bill Saunders
Accountants	Muldoon & Co 16 Mount Charles Belfast BT7 1NZ
Bankers	The Co-Operative Bank plc Skelmerdale England WN8 6WT

Paragon Studios Ltd

Report of the trustees (incorporating the directors' report) for the year ended 31 May 2015

The trustees present their report and the financial statements for the year ended 31 May 2015. The trustees, who are also directors of Paragon Studios Ltd for the purposes of company law and who served during the year and up to the date of this report are set out on page 1.

Structure, governance and management

Paragon Studios (PS²) is a registered charity and a company limited by guarantee. A voluntary Board of Directors oversees the company's work and establishes policy and strategy.

Trustees

In October 2014, Laura Graham stepped down as director. Bronagh Lawson was elected in February 2015 to fill this vacancy. As part of the on-going training sessions with Arts & Business, the structure and selection of the Board are reviewed and various models in terms of numbers and proportion of studio members to external members of the Board examined.

The Directors are:

Paddy McCann (Chair)
Peter Mutschler
Bill Saunders
Ray Cashell
Sharon Kelly
Simon Bridge
Bronagh Lawson

All administration and the delivery of projects and activities are carried out by studio members on a voluntary basis. To support and guide them, the company has a range of policies relating to child protection, equality, voluntary contracts and health and safety which are reviewed regularly by the board.

Throughout the year, the work of PS² was greatly supported by the Board and the commitment and dedication of the invited artists and external volunteers. Without the annual core and programme funding by the Arts Council of Northern Ireland, this would not be possible.

Objectives and activities

The key objective of Paragon Studios is 'to advance the education of the public in the knowledge, understanding and appreciation of the visual arts.'

This is achieved in two ways:

1. To provide good, affordable and longer-term studio spaces
2. To invite artists and cultural practitioners to produce and show new work either inside our project space, at outside locations or with the inclusion of neighbourhoods.

With a strong belief in the relevance of art and its function in society, we aim to find profound and surprising ways to make art as open and accessible as we can imagine. This constant process of connecting art and people is tried out in different ways: through workshops; long term projects with communities; relevant subjects; anti-elitism and stirring curiosity.

We describe our voluntary-run arts organisation as artist led, self-organised and restlessly committed to art and its function to delight, question and transform. We support artists whose work is exciting, original and makes art relevant for many.

Paragon Studios Ltd

Report of the trustees (incorporating the directors' report) for the year ended 31 May 2015

We see our position as a colourful building step for artists between the start of and midway through their working career. We provide an unrestricted and uncommercial playground for creative people and an experimental field for socially engaged art with communities. It is the artistic freedom and the drive to push for new forms and displays of art which often adds great value to artists and their progression into galleries and exhibitions with more capacity and reach. The same energy allows neighbourhoods to take part in art and creative actions which change their environment and understanding.

The key activities in addressing these objectives are:

- Programming and curating of art projects in Paragon Studios project space and at outside locations with artists, cultural workers, architects and multidisciplinary groups.
- Working towards an open and experimental platform for contemporary, experimental and site specific art practice, ranging from installations to projects with communities, classes, talks, curatorial residencies and research.
- Providing adequate and permanent studio space for member artists and temporary, project based workspace for artists/ cultural workers.
- Collaborating with local and trans-local arts and cultural organisations.
- Enabling and widening access to visual arts for a broad audience through workshops and participatory projects, often at off-site locations close to communities.

Achievements and performance

As ever, this was a very productive and packed year, with 25 events, from individual artists' projects, initiatives with communities (Ballykinler and North Belfast), to fairs, talks and contributions to conferences publications. In addition and with the Household Collective as 'curator in residence', two of their projects could be realised with the organisational support of PS², acting as agency for their funding applications.

Our funding by the Arts Council of Northern Ireland remained the same, a fortunate situation considering the still on-going general cuts of the arts sector.

Within the overall high standard of creative quality of the projects, some stand out and exemplify our aim of an experimental and edgy programme:

- *round buttons square tones* (June 2014) was a 5 day festival of contemporary sound practices, curated by 2 sound artists with daily performances and workshops attended by a large audience in and outside PS²;
- *Mouseum* (September 2014), a series of workshops with young children how to make a gallery for kids;
- *Disobedient objects/ curating conflicts* (November 2014), talk by Ruth Morrow and Anne-Marie Dillon at the V&A Museum, London, presenting case studies about the socially engaged and activist work of PS²;
- the involvement in 2 *garden fairs* (PEAS PARK ,September 2014/ Alexandra Park, March 2015) to curate artist's interventions and collaborate with the neighbourhood;
- Alissa Kleist's as external curator of two projects: *Robert Anderson* (February/March 2015) and *What Cures the Quiet Unease* (March 2015);
- *community as artist*, an on-going series of 7 longer term projects with participants from different spectrums of 'communities' and related organisations, from members of a gay/transgender group (QueerSpace), animal lovers (Upper Springfield Trust) to residents of hostels (Prison Arts Foundation).

Paragon Studios Ltd

Report of the trustees (incorporating the directors' report) for the year ended 31 May 2015

PS² collaborated with New Lodge Arts; Skegoneill-Glandore Common Purpose; Household Collective; Sonic Arts and Research Centre (SARC); Ballykinler Art Group; Prison Arts Foundation; QueerSpace and Upper Springfield Trust. We worked with over 60 artists and over 100 participants. More than 4,500 counted visitors came to PS², very much helped by *Late Night Art* events and *Culture Night*. and many more who window-viewed as passers-by, saw the billboard displays at PEAS PARK or attended community events.

Individual projects and the curatorial work of PS² are frequently mentioned in BBC's *arts extra*, *The Visual Artist's News Sheet*, blogs, PHD research, articles, book contributions and conferences.

These projects exemplify our aim to work in and with a wide range of audiences and participants, who would normally not go to galleries or whose social context would not be subject of creative exploration. They also demonstrate the continuous search for new forms of artistic practice, forms of engagement and dissemination.

We would like to thank Laura Graham for her commitment as a Board member.

We are also thankful to the Arts Council of Northern Ireland for their continued funding support.

Financial review

The Statement of Financial Activities and Balance Sheet on pages 7 to 9 detail the Charity's financial performance for the year.

For the first time ever, PS² had to take up a small overdraft from our bank to bridge a negative bank balance for a short period in April 2015. This deficit was mainly caused by a delay in funding allocation. Steps were taken by the Board to set aside enough reserves in the future and to avoid any overspend.

Plans for future periods

PS² intends to continue to address its objectives: to find fresh and new ways of art production and dissemination; to offer a platform and framework for cultural workers for innovative, experimental projects and to aim for high artistic quality and creative social engagement and impact. To do this we need to continue to secure the necessary funds on a broader basis and possibly on longer terms.

If PS², together with the support of the Board, is to deliver a continuous, exciting and high quality arts programme, it needs to find new organisational structures to be sustainable. If that is desired, it should be the aim to find funding for a paid position in organisation and invigilation, without losing our ethos as artist-led arts organisation.

We are currently reviewing our Governance procedures to identify shortcomings and make changes where necessary. The Board is proactive in this process and is assisted by members of Arts & Business. The application to the Charity Commission (26.02.2015) progressed and clarified our understanding of our organisation and helped in this review. Issues raised so far are the proportion of the Board between studio members and external Board members; the need to build up reserves and planning new premises in the future.

Paragon Studios Ltd

Report of the trustees (incorporating the directors' report) for the year ended 31 May 2015

Statement of trustees' responsibilities

The trustees (who are also directors of Paragon Studios Ltd for the purpose of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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

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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and which enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

On behalf of the board

Bill Saunders
Secretary

30 September 2015

Paragon Studios Ltd

Accountants' report on the unaudited financial statements to the trustees of

Paragon Studios Ltd

As described on the balance sheet you are responsible for the preparation of the financial statements for the year ended 31 May 2015 set out on pages 7 to 14 and you consider that the company is exempt from an audit and a report under Article 257A(2) of the Companies (Northern Ireland) Order 1986. In accordance with your instructions we have compiled these unaudited accounts, in order to assist you to fulfil your statutory responsibilities, from the accounting records and information and explanations supplied to us.

Muldoon & Co
Chartered Accountants & Registered Auditors
16 Mount Charles
Belfast
BT7 1NZ

30 September 2015

Paragon Studios Ltd

Statement of financial activities (incorporating the income and expenditure account)

For the year ended 31 May 2015

		Unrestricted	Restricted	2015	2014
		funds	funds	Total	Total
Incoming resources	Notes	£	£	£	£
Incoming resources from generating funds:					
Investment income	2	9	-	9	15
Incoming resources from charitable activities	3	61	19,092	19,153	35,262
Other incoming resources	4	-	-	-	390
Total incoming resources		<u>70</u>	<u>19,092</u>	<u>19,162</u>	<u>35,667</u>
Resources expended					
Charitable activities		70	24,613	24,683	34,050
Governance costs	6	-	1,050	1,050	1,050
Total resources expended		<u>70</u>	<u>25,663</u>	<u>25,733</u>	<u>35,100</u>
Net (outgoing)/incoming resources for the year		-	(6,571)	(6,571)	567
Total funds brought forward		115	12,348	12,463	11,896
Total funds carried forward		<u>115</u>	<u>5,777</u>	<u>5,892</u>	<u>12,463</u>

The statement of financial activities includes all gains and losses in the year and therefore a separate statement of total recognised gains and losses has not been prepared.

All of the above amounts relate to continuing activities.

The notes on pages 10 to 14 form an integral part of these financial statements.

Paragon Studios Ltd

Balance sheet

as at 31 May 2015

		2015		2014	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	11		122		243
Current assets					
Cash at bank and in hand		6,820		13,270	
		<u>6,820</u>		<u>13,270</u>	
Creditors: amounts falling due within one year	12	(1,050)		(1,050)	
Net current assets			<u>5,770</u>		<u>12,220</u>
Net assets			<u>5,892</u>		<u>12,463</u>
Funds					
	13				
Restricted income funds			5,777		12,348
Unrestricted income funds			115		115
Total funds			<u>5,892</u>		<u>12,463</u>

The Balance Sheet continues on the following page.

The notes on pages 10 to 14 form an integral part of these financial statements.

Paragon Studios Ltd

Balance sheet (continued)

Trustees statements required by the Companies Act 2006 for the year ended 31 May 2015

In approving these financial statements as trustees of the company we hereby confirm:

(a) that for the year stated above the company was entitled to the exemption conferred by Article 257A(1) of the Companies (Northern Ireland) Order 1986;

(b) that no notice has been deposited at the registered office of the company pursuant to Article 257B(2) of the Companies (Northern Ireland) Order 1986 requesting that an audit be conducted for the year ended 31 May 2014.

(c) that we acknowledge our responsibilities for:

(1) ensuring that the company keeps proper accounting records which comply with section 386 of the Companies Act 2006, and

(2) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the year then ended in accordance with the requirements of sections 394 and 395, and which otherwise comply with the provisions of the Companies Act relating to financial statements, so far as applicable to the company.

The financial statements were approved by the board on **30** September 2015 and signed on its behalf by

Paddy McCann
Director

Company number: NI029491

The notes on pages 10 to 14 form an integral part of these financial statements.

Paragon Studios Ltd

Notes to financial statements for the year ended 31 May 2015

1. Accounting policies

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and the preceding year.

1.1. Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities' issued in March 2005 (SORP 2005) and the Companies Act 2006.

1.2. Cashflow

The charity has taken advantage of the exemption in FRS1 from the requirement to produce a cashflow statement because it is a small charity.

1.3. Incoming resources

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Voluntary income is received by way of grants, donations and gifts and is included in full in the statement of financial activities when receivable. Grants where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included. Gifts donated for resale are included as incoming resources within activities for generating funds when they are sold.

Grants, including grants for the purchase of fixed assets, are recognised in full in the statement of financial activities in the year in which they are receivable.

Income from investments is included in the year in which it is receivable.

1.4. Resources expended

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes. Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management.

Paragon Studios Ltd

Notes to financial statements for the year ended 31 May 2015

1.5. Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Fixtures, fittings and equipment -25% straight line

2. Investment income

	Unrestricted funds £	2015 Total £	2014 Total £
Bank interest receivable	9	9	15
	<u>9</u>	<u>9</u>	<u>15</u>
	<u><u>9</u></u>	<u><u>9</u></u>	<u><u>15</u></u>

3. Incoming resources from charitable activities

	Unrestricted funds £	Restricted funds £	2015 Total £	2014 Total £
Arts Council NI	-	14,852	14,852	30,720
Belfast City Council	-	4,240	4,240	300
Enagage Art Studios	-	-	-	984
New Lodge Arts	-	-	-	2,158
Skegoneil GCP	-	-	-	1,000
Visual Arts Ireland	61	-	61	100
	<u>61</u>	<u>19,092</u>	<u>19,153</u>	<u>35,262</u>
	<u><u>61</u></u>	<u><u>19,092</u></u>	<u><u>19,153</u></u>	<u><u>35,262</u></u>

4. Other incoming resources

	Restricted funds £	2015 Total £	2014 Total £
Other income	-	-	390
	<u>-</u>	<u>-</u>	<u>390</u>
	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>390</u></u>

Paragon Studios Ltd

Notes to financial statements for the year ended 31 May 2015

5. Costs of charitable activities

	Activities undertaken directly £	Support costs £	2015 Total £	2014 Total £
Charitable Activities	18,822	5,861	24,683	34,050
	<u>18,822</u>	<u>5,862</u>	<u>24,684</u>	<u>34,050</u>

6. Governance costs

	Restricted funds £	2015 Total £	2014 Total £
Accountancy fees	1,050	1,050	1,050
	<u>1,050</u>	<u>1,050</u>	<u>1,050</u>

7. Analysis of support costs

	2015 Total £	2014 Total £
Rent	1,585	1,585
Light and heat	1,076	319
Repairs and maintenance	113	1,123
Insurance	720	964
Publicity	1,259	2,034
Communication and information technology	622	570
Other office expenses	365	1,022
Depreciation and impairment	121	121
	<u>5,861</u>	<u>7,738</u>

Paragon Studios Ltd

Notes to financial statements for the year ended 31 May 2015

8. Net incoming resources for the year

	2015 £	2014 £
Net incoming resources is stated after charging:		
Depreciation and other amounts written off tangible fixed assets	121	121
	<u>121</u>	<u>121</u>

9. Employees

Employment costs

No salaries or wages have been paid to employees or the trustees, during the year.

10. Taxation

The charity's activities fall within the exemptions afforded by the provisions of the Income and Corporation Taxes Act 1988. Accordingly, there is no taxation charge in these accounts.

11. Tangible fixed assets

	Fixtures, fittings and equipment £	Total £
Cost		
At 1 June 2014 and At 31 May 2015	485	485
	<u>485</u>	<u>485</u>
Depreciation		
At 1 June 2014	242	242
Charge for the year	121	121
	<u>363</u>	<u>363</u>
At 31 May 2015	363	363
	<u>363</u>	<u>363</u>
Net book values		
At 31 May 2015	122	122
	<u>122</u>	<u>122</u>
At 31 May 2014	243	243
	<u>243</u>	<u>243</u>

12. Creditors: amounts falling due within one year

	2015 £	2014 £
Accruals and deferred income	1,050	1,050
	<u>1,050</u>	<u>1,050</u>

Paragon Studios Ltd

**Notes to financial statements
for the year ended 31 May 2015**

13. Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total funds £
Fund balances at 31 May 2015 as represented by:			
Tangible fixed assets	-	122	122
Current assets	115	6,705	6,820
Current liabilities	-	(1,050)	(1,050)
	<u>115</u>	<u>5,777</u>	<u>5,892</u>

14. Unrestricted funds

	At 1 June 2014 £	Incoming resources £	Outgoing resources £	At 31 May 2015 £
Unrestricted Funds	115	70	(70)	115
	<u>115</u>	<u>70</u>	<u>(70)</u>	<u>115</u>

15. Restricted funds

	At 1 June 2014 £	Incoming resources £	Outgoing resources £	At 31 May 2015 £
Arts Council	12,348	14,852	(21,423)	5,777
Belfast City Council	-	4,240	(4,240)	-
	<u>12,348</u>	<u>19,092</u>	<u>(25,663)</u>	<u>5,777</u>

Paragon Studios Ltd

The following pages do not form part of the statutory accounts.

Paragon Studios Ltd

Detailed statement of financial activities

For the year ended 31 May 2015

	£	2015	£	2014	£
Incoming resources					
Incoming resources from generating funds:					
<i>Investment income</i>					
Bank interest receivable			9		15
			<u>9</u>		<u>15</u>
Total incoming resources from generating funds			<u>9</u>		<u>15</u>
Incoming resources from charitable activities					
Arts Council NI		14,852		30,720	
Belfast City Council		4,240		300	
Enagage Art Studios		-		984	
New Lodge Arts		-		2,158	
Skegoneil GCP		-		1,000	
Visual Arts Ireland		61		100	
		<u>19,153</u>		<u>35,262</u>	
Other incoming resources					
Other income		-		390	
		<u>-</u>		<u>390</u>	
Total incoming resources		<u>19,162</u>		<u>35,667</u>	

Paragon Studios Ltd

Detailed statement of financial activities

For the year ended 31 May 2015

	2015 £	2014 £
Resources expended		
Charitable activities		
<i>Activities undertaken directly</i>		
Artist fees	12,248	14,183
Artist fees - Open Access	-	27
Freelance general fees	2,626	-
Volunteer expenses	-	3,156
Travel, accommodation and subsistence	350	1,670
Transport costs	157	924
Materials and production costs	2,911	5,844
Catering costs	530	508
	<hr/>	<hr/>
	18,822	26,312
<i>Support costs</i>		
Rent	1,585	1,585
Light and heat	1,076	319
Repairs and maintenance	113	1,123
Insurance	720	964
Publicity	1,259	2,034
Telephone	622	570
Printing, postage and stationery	207	871
General Expenses	158	151
Depreciation	121	121
	<hr/>	<hr/>
	5,861	7,738
Total charitable activity expenditure	<hr/> 24,683	<hr/> 34,050
Governance costs		
Accountancy fees	1,050	1,050
	<hr/>	<hr/>
	1,050	1,050
	<hr/>	<hr/>
Net (outgoing) / incoming resources for the year	<hr/> (6,571)	<hr/> 567