

Charity number: NI00028
Company number: NI029491

Paragon Studios Ltd
Trustees' report and financial statements
for the year ended 31 May 2014

Paragon Studios Ltd

Contents

	Page
Legal and administrative information	1
Trustees' report	2 - 5
Accountants' report to the trustees	6
Statement of financial activities	7
Balance sheet	8 - 9
Notes to the financial statements	10 - 14

Paragon Studios Ltd

Legal and administrative information

Charity number	NI00028
Company registration number	NI029491
Registered office	18 Donegall Street Belfast BT1 2GP
Trustees	Paddy McCann Peter Mutschler Bill Saunders Jill Mckeown (Retired 24/11/2013) Sharon Kelly Laura Graham Simon Bridge Raymond Cashell
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 2014

The trustees present their report and the financial statements for the year ended 31 May 2014. 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 November 2013, Jill McKeown stepped down as director. There were no other changes to the board and the number of members and their capacity is well adequate for the organisation.

The Directors are:

Simon Bridge
Laura Graham
Ray Cashell
Sharon Kelly
Paddy McCann (Chair)
Peter Mutschler
Bill Saunders

All administration and the delivery of projects and activities are carried out by studio members, also 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.

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

Objectives and activities

The objectives of Paragon Studios are:

- (a) To advance the education of the public in the knowledge, understanding and appreciation of the visual arts.
- (b) To arrange and provide for either alone or with others, the holding of exhibitions, meetings, lectures, classes, seminars or training courses.
- (c) To develop an information and support network.
- (d) To provide studio space for artists.

Paragon Studios Ltd

Report of the trustees (incorporating the directors' report) for the year ended 31 May 2014

The key activities in addressing these objectives are:

- Providing adequate and permanent studio space for member artists and temporary, project based workspace for artists/cultural workers.
- 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.
- 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

This was a very productive year, despite a small and sector wide reduction in funding by the Arts Council, with 20 projects, including two large scale projects in Galway and North Belfast and an extensive programme of short term projects (Rehearsal room). The arts programme ranged from artist projects, organisational collaborations, outside projects, talks, workshops, research and contributions to conferences.

The curatorial direction specifically aimed to open PS² towards more outside input through invited guest curators and open calls. This was also underlined by the organisation and its Board to act as agency for funding applications by guest artists and curators, who were able to successfully apply for funding with the support and through PS² (Ursula Burke; Household collective).

With the ongoing activities in Ballykinler and the agri-cultural garden in North Belfast, PS² continued its long-term socially engaged art projects with communities.

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.

PS² collaborated with New Lodge Arts; Skegoneill-Glendora Common Purpose; Household collective; Sonic Arts and Research Centre (SARC); Ballykinler Art Group; Architecture at SPACE, Queen's University; Polish Cultural Society; Media Arts Faculty, Warsaw; Culture Night; Children's Heartbeat Trust and the Prison Arts Foundation.

Visitor numbers increased slightly this year to around 4100 counted people, very much helped by Late Night Art events and Culture Night.

Notable events in 2013/14 were:

- In 5 ways to say your prayers, PS² used an invitation for a large scale project in Galway (June/July 2013), to represent the organisation and the curatorial approach with exemplary work by artists from previous years. Together with few selected Galway artists, the project showed situations and actions of socially engaged art. A reduced version was later shown in Dublin Architecture gallery (September/October 2013).
- Temporary Places, a socially engaged art project, using an empty shop, containers and an interface site as venues for art and workshops with the neighbourhood. Though the project ended in October 2013, two sites- the shop and the community garden are still used for cultural activities.

Paragon Studios Ltd

Report of the trustees (incorporating the directors' report) for the year ended 31 May 2014

- The Free Summer Sketching Sessions (with Board member Sharon Kelly) offered open air drawing classes (August/September 2013). With a high uptake, the project fully realized core aims of access, education and participation of the general public in art.
- The Rehearsal room' projects (October/November 2013, January/February 2014), allowed 17 artists during 13 individual 3 day long sessions, to produce, test and rehearse new work in front of a daily audience, both benefitting the artists and the visitors.
- The still ongoing un-regimented project with army personnel and families in Ballykinler is both notable as a failure and success. Additional project funding had to be given back to the Arts Council, due to delays in the realisation (the closure of the Barracks was announced during the start of the project). However, a much reduced budget and external funding by the involved artists allowed the significant project to take place- if in a scaled down version.

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 Jill Mckeown for her long 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 and 8 detail the Charity's financial performance for the year.

Plans for future periods

PS² intends to continue to address its objectives: to find interesting 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 consistent high quality an ever increasing arts programme, it needs to find new organisational structures. If that is desired, it will be crucial to combine a growth in capacity and administration with our voluntary ethos and artist-led understanding.

Paragon Studios Ltd

Report of the trustees (incorporating the directors' report) for the year ended 31 May 2014

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

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 2014 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

Date:

Paragon Studios Ltd

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

For the year ended 31 May 2014

	Notes	Unrestricted funds £	Restricted funds £	2014 Total £	2013 Total £
Incoming resources					
Incoming resources from generating funds:					
Voluntary income	2	-	-	-	205
Investment income	3	15	-	15	6
Incoming resources from charitable activities	4	100	35,162	35,262	38,160
Other incoming resources	5	-	390	390	254
Total incoming resources		<u>115</u>	<u>35,552</u>	<u>35,667</u>	<u>38,625</u>
Resources expended					
Charitable activities		-	34,050	34,050	32,521
Governance costs	7	-	1,050	1,050	1,050
Total resources expended		<u>-</u>	<u>35,100</u>	<u>35,100</u>	<u>33,571</u>
Net incoming resources for the year / Net income for the year		115	452	567	5,054
Transfers	15	(11,896)	11,896	-	-
Total funds brought forward		<u>11,896</u>	<u>-</u>	<u>11,896</u>	<u>6,842</u>
Total funds carried forward		<u>115</u>	<u>12,348</u>	<u>12,463</u>	<u>11,896</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 2014

	Notes	£	2014 £	£	2013 £
Fixed assets					
Tangible assets	12		243		364
Current assets					
Cash at bank and in hand		13,270		12,582	
		<u>13,270</u>		<u>12,582</u>	
Creditors: amounts falling due within one year	13	(1,050)		(1,050)	
Net current assets			<u>12,220</u>		<u>11,532</u>
Net assets			<u>12,463</u>		<u>11,896</u>
Funds	14				
Restricted income funds			12,348		-
Unrestricted income funds			<u>115</u>		<u>11,896</u>
Total funds			<u>12,463</u>		<u>11,896</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 2014

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 and signed on its behalf by

Paddy McCann
Director

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 2014

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 2014

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. Voluntary income

	2014 Total £	2013 Total £
Donations	-	205
	<u>-</u>	<u>205</u>
	<u>-</u>	<u>205</u>

3. Investment income

	Unrestricted funds £	2014 Total £	2013 Total £
Bank interest receivable	15	15	6
	<u>15</u>	<u>15</u>	<u>6</u>
	<u>15</u>	<u>15</u>	<u>6</u>

4. Incoming resources from charitable activities

	Unrestricted funds £	Restricted funds £	2014 Total £	2013 Total £
Arts Council NI	-	30,720	30,720	20,685
Cathedral Quarter	-	-	-	3,625
Belfast City Council	-	300	300	12,850
Young at Art	-	-	-	1,000
Enagage Art Studios	-	984	984	-
New Lodge Arts	-	2,158	2,158	-
Skegoneil GCP	-	1,000	1,000	-
Visual Arts Ireland	100	-	100	-
	<u>100</u>	<u>35,162</u>	<u>35,262</u>	<u>38,160</u>
	<u>100</u>	<u>35,162</u>	<u>35,262</u>	<u>38,160</u>

Paragon Studios Ltd

**Notes to financial statements
for the year ended 31 May 2014**

5. Other incoming resources

	Restricted funds £	2014 Total £	2013 Total £
Other income	390	390	254
	<u>390</u>	<u>390</u>	<u>254</u>
	<u><u>390</u></u>	<u><u>390</u></u>	<u><u>254</u></u>

6. Costs of charitable activities

	Activities undertaken directly £	Support costs £	2014 Total £	2013 Total £
Charitable Activities	26,312	7,738	34,050	32,521
	<u>26,312</u>	<u>7,738</u>	<u>34,050</u>	<u>32,521</u>
	<u><u>26,312</u></u>	<u><u>7,738</u></u>	<u><u>34,050</u></u>	<u><u>32,521</u></u>

7. Governance costs

	Restricted funds £	2014 Total £	2013 Total £
Accountancy fees	1,050	1,050	1,050
	<u>1,050</u>	<u>1,050</u>	<u>1,050</u>
	<u><u>1,050</u></u>	<u><u>1,050</u></u>	<u><u>1,050</u></u>

8. Analysis of support costs

	2014 Total £	2013 Total £
Rent	1,585	1,585
Light and heat	319	220
Repairs and maintenance	1,123	271
Insurance	964	893
Publicity	2,034	896
Communication and information technology	570	722
Other office expenses	1,022	868
Depreciation and impairment	121	121
	<u>7,738</u>	<u>5,576</u>
	<u><u>7,738</u></u>	<u><u>5,576</u></u>

Paragon Studios Ltd

Notes to financial statements for the year ended 31 May 2014

9. Net incoming resources for the year

	2014	2013
	£	£
Net incoming resources is stated after charging:		
Depreciation and other amounts written off tangible fixed assets	121	121

10. Employees

Employment costs

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

11. 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.

12. Tangible fixed assets

	Fixtures, fittings and equipment £	Total £
Cost		
At 1 June 2013 and At 31 May 2014	485	485
Depreciation		
At 1 June 2013	121	121
Charge for the year	121	121
At 31 May 2014	242	242
Net book values		
At 31 May 2014	243	243
At 31 May 2013	364	364

13. Creditors: amounts falling due within one year

	2014	2013
	£	£
Accruals and deferred income	1,050	1,050

Paragon Studios Ltd

Notes to financial statements for the year ended 31 May 2014

14. Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total funds £
Fund balances at 31 May 2014 as represented by:			
Tangible fixed assets	-	243	243
Current assets	115	13,155	13,270
Current liabilities	-	(1,050)	(1,050)
	<u>115</u>	<u>12,348</u>	<u>12,463</u>

15. Unrestricted funds

	At 1 June 2013 £	Incoming resources £	Transfers £	At 31 May 2014 £
Unrestricted Funds	<u>11,896</u>	<u>115</u>	<u>(11,896)</u>	<u>115</u>

16. Restricted funds

	At 1 June 2013 £	Incoming resources £	Outgoing resources £	Transfers £	At 31 May 2014 £
Arts Council	-	30,720	(30,268)	11,896	12,348
Belfast City Council	-	300	(300)	-	-
Enagage Arts Studios	-	984	(984)	-	-
New Lodge Arts	-	2,158	(2,158)	-	-
Skegoneill GCP	-	1,000	(1,000)	-	-
Other incoming resources	-	390	(390)	-	-
	<u>-</u>	<u>35,552</u>	<u>(35,100)</u>	<u>11,896</u>	<u>12,348</u>

The transfer relates to the Arts Council funding now being required to be shown as restricted funds by the funder.

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 2014

	2014		2013	
	£	£	£	£
Incoming resources				
Incoming resources from generating funds:				
<i>Voluntary income</i>				
Donations		-		205
		<u>-</u>		<u>205</u>
<i>Investment income</i>				
Bank interest receivable		15		6
		<u>15</u>		<u>6</u>
Total incoming resources from generating funds		<u>15</u>		<u>211</u>
Incoming resources from charitable activities				
Arts Council NI		30,720		20,685
Cathedral Quarter		-		3,625
Belfast City Council		300		12,850
Young at Art		-		1,000
Enagage Art Studios		984		-
New Lodge Arts		2,158		-
Skegoneil GCP		1,000		-
Visual Arts Ireland		100		-
		<u>35,262</u>		<u>38,160</u>
Other incoming resources				
Other income		390		254
		<u>390</u>		<u>254</u>
Total incoming resources		<u>35,667</u>		<u>38,625</u>

Paragon Studios Ltd

Detailed statement of financial activities

For the year ended 31 May 2014

	2014 £	2013 £
Resources expended		
Charitable activities		
<i>Activities undertaken directly</i>		
Artist fees	14,183	16,540
Artist fees - Open Access	27	3,412
Volunteer expenses	3,156	-
Travel, accomodation and subsistence	1,670	557
Transport costs	924	-
Materials and production costs	5,844	5,617
Catering costs	508	819
	<hr/>	<hr/>
	26,312	26,945
<i>Support costs</i>		
Rent	1,585	1,585
Light and heat	319	220
Repairs and maintenance	1,123	271
Insurance	964	893
Publicity	2,034	896
Telephone	570	722
Printing, postage and stationery	871	725
General Expenses	151	143
Depreciation	121	121
	<hr/>	<hr/>
	7,738	5,576
Total charitable activity expenditure	<hr/> <u>34,050</u>	<hr/> <u>32,521</u>
Governance costs		
<i>Activities undertaken directly</i>		
Accountancy fees	1,050	1,050
	<hr/>	<hr/>
	1,050	1,050
Total governance costs	<hr/> <u>1,050</u>	<hr/> <u>1,050</u>
Net incoming/(outgoing) resources for the year	<hr/> <u>567</u>	<hr/> <u>5,054</u>