

Paragon Studios Ltd
(A company limited by guarantee, not having a share capital)
Report and Unaudited Financial Statements
for the year ended 31 May 2017

Muldoon & Co
16 Mount Charles
Belfast
BT7 1NZ

Company Number: NI029491
Charity Number: NI102460

Paragon Studios Ltd
(A company limited by guarantee, not having a share capital)
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Paragon Studios Ltd

(A company limited by guarantee, not having a share capital)

REFERENCE AND ADMINISTRATIVE INFORMATION

Directors	Aisling O'Beirn (Appointed 27 November 2016) Odhran Stockman (Appointed 21 September 2016) Simon Bridge Raymond Cashell Bronagh Lawson Paddy McCann Peter Mutschler Bill Saunders
Company Secretary	Bill Saunders
Charity Number in Northern Ireland	NI102460
Company Number	NI029491
Principal Address	11 North Street Belfast BT1 1NA
Accountants	Muldoon & Co 16 Mount Charles Belfast BT7 1NZ
Bankers	The Co-Operative Bank plc Skelmerdale England WN8 6WT

Paragon Studios Ltd

(A company limited by guarantee, not having a share capital)

DIRECTORS' ANNUAL REPORT

for the year ended 31 May 2017

The directors present their Directors' Annual Report prepared in accordance with Charities SORP (effective January 2015) and the unaudited financial statements for the year ended 31 May 2017 also prepared in accordance with the aforementioned Statement of Recommended Practice and FRS 102.

The directors, who are also the trustees of the charity, at the date of this report and those who served during the financial year together with the dates of any changes are set out on page 3 and are listed below.

The company is limited by guarantee not having a share capital.

The most imminent need for PS² is to find new studios and a project space to be able to continue our work. Ideally this will be again in the city centre and in a location which has a shop like ground floor for projects and studios above. We want the arts programme to continue and develop to address our objectives: to find fresh and new ways of art production, display and dissemination; to offer a platform and framework for cultural workers for innovative, experimental, risk taking projects and to aim for high artistic quality combined with creative social engagement and impact.

To realise this we need to secure the necessary funds on a broader basis and possibly on longer terms. With the forced move to a new location, this might also be a chance to review our curatorial position, the organisation of the project space and the structure of our Board. A shift to either a new and bigger team of artist/curators running the arts programme on a volunteer bases or with a paid position could be a possibility.

Directors

The directors who served during the year are as follows:

Aisling O'Beirn
Odhran Stockman
Simon Bridge
Raymond Cashell
Bronagh Lawson
Paddy McCann
Peter Mutschler
Bill Saunders

In accordance with the Articles of Association, the directors retire by rotation and, being eligible, offer themselves for re-election.

Paragon Studios Ltd
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DIRECTORS' ANNUAL REPORT
for the year ended 31 May 2017

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 for artists
2. to invite artists and cultural practitioners to produce and show individual or collaborative new work either inside our project space or at outside locations with the inclusion of local communities.

With a strong belief in the relevance of art and its function in society, we aim to find new and surprising ways to facilitate art production and make it accessible. This constant process of connecting art and people is tried out in different ways: through long term projects with communities; relevant subjects, participation; openness and inclusion.

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

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.

Achievements and Performance

The arts programme contained 27 projects, 8 of which were community centred. Ranging from one-off events, talks and performances to comprehensive presentations by individual artists and long term projects with communities, in particular the rural community in Ballykinlar and neighbourhoods in North Belfast in the PeasPark project.

Apart from community-art events in this park, we organised a free summer art school, July 2016, for children and adults in a close-by former laundrette, workshops which tried to balance experiment and pedagogical innovation with fun.

-The on-going work with community groups, a pensioner group and 'Army wives', resident at the military camp in the rural village of Ballykinlar, Co Down, was represented in an exhibition and publication in the Contemporary Art Gallery in Leipzig, Germany, December 2016. This was a great recognition of the contribution by the involved participants and artists, working in an unusual, non-urban, art-deprived context.

- Glop, January 2017, an outreach educational project with an Irish language primary school was devised by catalyst arts in partnership with PS², demonstrated, how art education could be alternatively organised.

-Let's Have A Show, April- May 2017, invited artists with different skills and abilities to showcase their work in a collaborative group exhibition. Creating a space for self-expression and conversation through art making, the exhibition provided an encouraging platform to celebrate the value of art in the lives of people living with disability. As much as it stressed the social and wellbeing function of art-making, it also revealed great quality and a diversity which attracted many first-time visitors.

- PS²'s curator in residence, Mirjami Schuppert, curated 2 projects by individual artists, Dorothy Hunter, who developed a site specific installation and Iliu Susiraja; two powerful presentations of autonomous work.

Waterworks, October/November 2016, by Japanese artist Takafumi Sakanata, artist in residence at Flax Studios, created an installation of a very large, internal pond to mark our move to the new premises, a former fishing tackle shop. Individual projects and the curatorial work of PS² were frequently mentioned in BBC's arts extra, The Visual Artist's News Sheet, NVTV, blogs, PHD research, articles, book contributions and conferences.

The move from our old address in 18 Donegal Street to new premises in 11 North Street, the former Braddell's shop, was an exhausting process, more so, as we had to renovate much of the new building to make it useable. But we managed to complete it and now have good studio spaces for 3 more artists (7 in total) and a much larger project space on the ground floor, opening many more possibilities for projects, workshops and research.

Financial Review

The Statement of Financial Activities and Balance Sheet on pages 9 and 11 detail the Charity's financial performance for the year.

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.

Paragon Studios Ltd

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DIRECTORS' ANNUAL REPORT

for the year ended 31 May 2017

Plans for future periods

We aim to secure our new premises for a longer-term period. We want the current mix of art projects, community/participatory projects, research and educational programmes to continue and develop. In doing so we want to address our objectives: to find fresh and new ways of art production, display and dissemination; to offer a platform and framework for cultural workers for innovative, experimental, risk taking projects; to aim for high artistic quality combined with creative social engagement and impact and to expand research and professional development projects.

To realise our ambitions, especially within the potentials of a larger space, PS² needs to establish a paid position for a full-time curator/curatorial team, covering all necessary jobs: from programming and funding applications to maintenance and installation, currently covered on a voluntary basis by Peter Mutschler. To make this possible, the Board will look for the necessary funding sources and policies for an initial 2 year period of employment.

Special provisions relating to small companies

The above report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

By order of the Board



Bill Saunders
Director

Date: 2 November 2017

Paragon Studios Ltd

(A company limited by guarantee, not having a share capital)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

for the year ended 31 May 2017

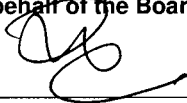
The directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

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 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 of the charity and of the net income or expenditure of the charity 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;
- state whether the Charities SORP (effective January 2015) in accordance with FRS 102 has been followed;
- 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 to enable them to ensure that the financial statements comply with, and all Regulations to be construed as one with that Act. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the Board



Paddy McCann
Director

Date: 2 November 2017

Paragon Studios Ltd

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INDEPENDENT EXAMINER'S REPORT TO THE BOARD OF DIRECTORS OF PARAGON STUDIOS LTD

I have examined the financial statements of the Charity for the year ended 31 May 2017, which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement, the Accounting Policies and the related notes. These financial statements have been prepared under the accounting policies set out therein. The financial statements were not required to be audited in accordance with Part 16 of the Companies Act 2006.

This report is made solely to the company directors, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the company's Board of Directors that we have done so, and state those matters that we have agreed to state to them in this 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 company and the company's Board of Directors, as a body, for our work, or for this report.

Respective responsibilities of directors and examiner

As explained more fully in the Statement of Directors' Responsibilities, the directors, who are also the trustees of the company, are responsible for the preparation of the Directors' Annual report and the financial statements in accordance with applicable law and Accounting Standards (UK and Ireland). The company directors consider an audit is not required for this year under Chapter 3 of Part 16 of the Companies Act 2006 but that an independent examination is required under that Act.

It is my responsibility to:

- examine the financial statements under Chapter 3 of Part 16 of the Companies Act 2006 and the Regulations thereunder;
- follow the procedures laid down by the regulatory authorities; and
- state the facts if it has come to my attention in the course of my examination work that any:
 - (i) material expenditure or action appears not to be in accordance with the company's trusts;
 - (ii) information or explanation I am entitled to under the Regulations has not been afforded to me;
 - (iii) information contained in the financial statements is materially inconsistent with the Directors' Annual report for the year.

Basis of independent examiner's report

My examination work was undertaken in accordance with the general directions given by the regulatory authorities. Such an examination includes a review of the accounting records kept by the company and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements and seeking explanations from yourselves as the company directors concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently I do not express an audit opinion on the view given by the financial statements.

Independent examiner's statement

In connection with my examination work, no matter has come to my attention:

- which gives me reasonable cause to believe that in any material respect the requirements to keep proper accounting records and to prepare accounts which accord with the accounting records and are in accordance with the methods and principles set out in the Charities SORP and which comply with the requirements of section 396 of the Companies Act 2006 other than the requirement to give a true and fair view have not been met; or
- to which, in my opinion, attention should be drawn to enable a proper understanding of the financial statements to be reached.

Mr Robert Barr
MULDOON & CO
16 Mount Charles
Belfast
BT7 1NZ

Date: 2 November 2017

Paragon Studios Ltd

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STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 May 2017

	Unrestricted Funds 2017 £	Restricted Funds 2017 £	Total 2017 £	Total 2016 £
Incoming Resources				
Generated funds:				
Charitable activities:				
Income from Charitable Activities	489	25,147	25,636	24,431
Other incoming resources	2,125	-	2,125	961
Total incoming resources	2,614	25,147	27,761	25,392
Resources Expended				
Resources Expended on Charitable Activities				
Cost of Charitable Activities	275	22,472	22,747	23,259
Total Resources Expended	3 275	22,472	22,747	23,259
Gross transfers between funds	(820)	820	-	-
Prior year adjustment	-	-	-	(1,358)
Net movement in funds for the year	1,519	3,495	5,014	775
Reconciliation of funds				
Balances brought forward at 1 June 2016	1,154	5,513	6,667	5,891
Balances carried forward at 31 May 2017	2,673	9,008	11,681	6,666

Paragon Studios Ltd

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SUMMARY INCOME AND EXPENDITURE ACCOUNT

for the year ended 31 May 2017

	Statement of Financial Activities	2017 £	2016 £
Gross income	Unrestricted funds	2,614	
	Restricted funds	25,147	
		<hr/>	
		27,761	25,392
		<hr/>	<hr/>
Total income		27,761	25,392
Total expenditure		(22,747)	(23,257)
		<hr/>	<hr/>
Net income/(expenditure)		5,014	2,135
		<hr/> <hr/>	<hr/> <hr/>

Paragon Studios Ltd

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Company Number: NI029491

BALANCE SHEET

as at 31 May 2017


	Notes	2017 £	2016 £
Current Assets			
Debtors	7	1,019	1,019
Cash and cash equivalents		15,107	10,094
		<u>16,126</u>	<u>11,113</u>
Creditors: Amounts falling due within one year	8	<u>(4,445)</u>	<u>(4,445)</u>
Net Current Assets		<u>11,681</u>	<u>6,668</u>
Total Assets less Current Liabilities		<u>11,681</u>	<u>6,668</u>
Funds			
Restricted trust funds		9,008	5,513
General fund (unrestricted)		2,673	1,155
Total funds	9	<u>11,681</u>	<u>6,668</u>

These financial statements have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

For the financial year ended 31 May 2017 the company was entitled to exemption from audit under Section 477 of the Companies Act 2006; and no notice has been deposited under Section 476.

The directors acknowledge their responsibility for ensuring that the company keeps accounting records which comply with Section 386 and for 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 and loss for the financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

Approved by the board and authorised for issue on 2 November 2017 and signed on its behalf by



Paddy McCann
Director

Paragon Studios Ltd
CASH FLOW STATEMENT
for the year ended 31 May 2017

	Notes	2017 £	2016 £
Cash flows from operating activities			
Net movement in funds		5,013	776
Adjustments for:			
Depreciation		-	122
Prior year adjustment		-	1,358
		<u>5,013</u>	<u>2,256</u>
Movements in working capital:			
Movement in debtors		-	1,018
		<u>5,013</u>	<u>3,274</u>
Cash generated from operations		<u>5,013</u>	<u>3,274</u>
Cash flows from investing activities			
Interest received		-	1
		<u>5,013</u>	<u>3,275</u>
Net increase in cash and cash equivalents		10,094	6,819
Cash and cash equivalents at 1 June 2016		<u>10,094</u>	<u>6,819</u>
Cash and cash equivalents at 31 May 2017	11	<u><u>15,107</u></u>	<u><u>10,094</u></u>

Paragon Studios Ltd

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ACCOUNTING POLICIES

for the year ended 31 May 2017

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 and Part 8 of the Charities Act (Northern Ireland) 2008. They also comply with the Statement of Recommended Practice SORP (FRS102) and with the financial reporting standards. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Incoming Resources

Voluntary income or capital is included in the Statement of Financial Activities when the company is legally entitled to it, its financial value can be quantified with reasonable certainty and there is reasonable certainty of its ultimate receipt. Entitlement to legacies is considered established when the company has been notified of a distribution to be made by the executors. Income received in advance of due performance under a contract is accounted for as deferred income until earned. Grants for activities are recognised as income when the related conditions for legal entitlement have been met. All other income is accounted for on an accruals basis.

Resources Expended

All resources expended are accounted for on an accruals basis. Charitable activities include costs of services and grants, support costs and depreciation on related assets. Costs of generating funds similarly include fundraising activities. Non-staff costs not attributed to one category of activity are allocated or apportioned pro-rata to the staffing of the relevant service. Finance, HR, IT and administrative staff costs are directly attributable to individual activities by objective. Governance costs are those associated with constitutional and statutory requirements.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or at valuation, less accumulated depreciation. The charge to depreciation is calculated to write off the original cost or valuation of tangible fixed assets, less their estimated residual value, over their expected useful lives as follows:

Fixtures, fittings and equipment	-	25% Straight line
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Paragon Studios Ltd

(A company limited by guarantee, not having a share capital)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2017

1. NET INCOMING RESOURCES		2017	2016
		£	£
Net Incoming Resources are stated after charging/(crediting):			
Depreciation of tangible assets		-	122
		<u> </u>	<u> </u>
2. INVESTMENT AND OTHER INCOME		2017	2016
		£	£
Bank interest		-	1
		<u> </u>	<u> </u>
3. ANALYSIS OF RESOURCES EXPENDED			
	Cost of	Total	Total
	Charitable		
	Activities		
	2017	2017	2016
	£	£	£
Other costs			
Depreciation	-	-	122
Cost of raising funds	14,596	14,596	16,705
	<u> </u>	<u> </u>	<u> </u>
	14,596	14,596	16,827
Support costs:	6,428	6,428	5,382
Governance Costs:	1,723	1,723	1,050
	<u> </u>	<u> </u>	<u> </u>
Totals	22,747	22,747	23,259
	<u> </u>	<u> </u>	<u> </u>
4. ANALYSIS OF RESOURCES EXPENDED AND RELATED INCOME FOR CHARITABLE ACTIVITIES			
	Cost of	Total	Total
	Charitable		
	Activities		
	2017	2017	2016
	£	£	£
Charitable activities:			
Direct and other costs			
Costs	(22,747)	(22,747)	(23,259)
	<u> </u>	<u> </u>	<u> </u>
5. ANALYSIS OF SUPPORT AND GOVERNANCE COSTS			
	Support	Basis of	
	2017	Apportionment	
	£		
General office	6,428		
	<u> </u>		
	Governance		
	2017		
	£		
Accountancy services	1,050	Governance	
Legal and professional	673	Governance	
	<u> </u>		
	1,723		
Total	8,151		
	<u> </u>		

Paragon Studios Ltd

(A company limited by guarantee, not having a share capital)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2017

continued

6. TANGIBLE FIXED ASSETS

	Fixtures, fittings and equipment £	Total £
Cost		
At 31 May 2016	485	485
At 31 May 2017	485	485
Depreciation		
At 1 June 2016	485	485
At 31 May 2017	485	485
Net book value		
At 31 May 2017	-	-
At 31 May 2016	-	-

7. DEBTORS

	2017 £	2016 £
Prepayments and accrued income	1,019	1,019

8. CREDITORS**Amounts falling due within one year**

Accruals and deferred income	4,445	4,445
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9. ANALYSIS OF MOVEMENTS ON FUNDS

	Balance 1 June 2016 £	Incoming resources £	Resources expended £	Inter-fund transfers £	Balance 31 May 2017 £
Restricted income					
Arts Council NI	5,102	20,370	(18,686)	-	6,786
Belfast City Council	411	1,774	(3,005)	820	-
Frame Fund	-	1,503	(781)	-	722
NI Screen	-	1,500	-	-	1,500
	5,513	25,147	(22,472)	820	9,008
Unrestricted income					
UnRestricted	1,154	2,614	(275)	(820)	2,673
Total funds	6,667	27,761	22,747	-	11,681

10. STATUS

The company is limited by guarantee not having a share capital.

The liability of the members is limited.

Every member of the company undertakes to contribute to the assets of the company in the event of its being wound up while they are members, or within one year thereafter, for the payment of the debts and liabilities of the company contracted before they ceased to be members, and the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributors among themselves, such amount as may be required, not exceeding £ 1.

Paragon Studios Ltd

(A company limited by guarantee, not having a share capital)

NOTES TO THE FINANCIAL STATEMENTS

continued

for the year ended 31 May 2017

11. CASH AND CASH EQUIVALENTS	2017	2016
	£	£
Cash and bank balances	<u>15,107</u>	<u>10,094</u>

12. POST-BALANCE SHEET EVENTS

There have been no significant events affecting the Charity since the year-end.

PARAGON STUDIOS LTD
(A company limited by guarantee, not having a share capital)

SUPPLEMENTARY INFORMATION

RELATING TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2017

Paragon Studios Ltd

(A company limited by guarantee, not having a share capital)

SUPPLEMENTARY INFORMATION RELATING TO THE FINANCIAL STATEMENTS

Operating Statement

for the year ended 31 May 2017

	2017 £	2016 £
Income		
Donations	35	-
Curator Fee	300	-
Studio Fees	1,790	960
Arts Council	20,370	20,370
Belfast City Council	1,774	3,961
Visual Arts Ireland	-	100
NI Screen Project	1,500	-
Photo Festival	1,503	-
Village Works Exhibition	489	-
	<u>27,761</u>	<u>25,391</u>
Expenses		
Artist Fee's	8,114	9,745
Catering	65	167
Freelance General Fees	2,741	3,250
Materials	3,101	3,236
Rent payable	396	1,585
Insurance	824	756
Light and heat	664	1,329
Repairs and maintenance	2,594	119
Printing, postage and stationery	139	99
Advertising	872	698
Telephone	706	513
Travelling and subsistence	577	306
Legal and professional	673	-
Accountancy	1,050	1,050
Bank charges	(17)	21
General expenses	(1)	261
Subscriptions	250	-
Depreciation	-	122
	<u>22,748</u>	<u>23,257</u>
Miscellaneous income		
Bank interest	-	1
Net surplus	<u>5,013</u>	<u>2,135</u>