

Company registration number: 03589539

Charity registration number: 1076251

BALTIC FLOUR MILLS VISUAL ARTS TRUST

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 March 2022

Baltic Flour Mills Visual Arts Trust

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Baltic Flour Mills Visual Arts Trust

Reference and Administrative Details

Trustees	S Bryson S Corbridge A W Donaldson C Donovan J Feeley J G Gamble T Gharavi (resigned 23 May 2022) L Hunter K Lang R Mullen M Saravanamuttu C Sexton M A Sealy T R Stirling Love K C Wexford Campbell L Wilson
Key Management Personnel	S Munro, Director I Aristizabal, Head of Curatorial and Public Practice
Registered Office	Baltic Centre For Contemporary Art Gateshead Quays South Shore Road Gateshead Tyne & Wear NE8 3BA The charity is incorporated in England and Wales.
Company Registration Number	03589539
Charity Registration Number	1076251
Auditor	Azets Audit Services Chartered Accountants & Statutory Auditor Bulman House Regent Centre Gosforth Newcastle upon Tyne NE3 3LS
Bankers	Yorkshire Bank/Virgin Money Northumberland Street 132-134 Northumberland Street Newcastle upon Tyne NE1 7DG

Baltic Flour Mills Visual Arts Trust

Trustees' Report

The Trustees present their strategic review for the year ended 31 March 2022.

Objectives and Activities

Objects of the Trust

The Trust's general objects are:

- The advancement of contemporary visual arts and the education of the public in the understanding and appreciation of the arts in general
- The provision and maintenance of the Baltic Flour Mills buildings in Gateshead as a base for the production and presentation of contemporary visual art and the arts in general and as a fully accessible centre in which the public may explore, understand and enjoy them.

Aims of the Trust

The Charity's principal aim is to enrich people's lives with a programme that deepens knowledge, understanding and the appreciation of contemporary visual art. This is captured in the mission statement:

"BALTIC will create greater understanding of the world through outstanding, experimental and inspiring visual art which has power, relevance and meaning for individuals and communities."

Activities

BALTIC has spent the year delivering on our purpose and objectives, being guided by our values as we manoeuvre the most challenging period the cultural sector has ever experienced. BALTIC provided a free inclusive public space, a beacon which inspired and connected our communities and audiences through the best contemporary art and creativity, welcoming both Locals & Visitors. We focused on reducing our costs and making difficult decisions to support our mid-term future including reducing our 7 days a week opening, in place for 18 years, down to 5 days a week.

Audience Highlights

From 19 May 2021 to 31 March 2022 BALTIC welcomed 261k visits, representing a 39% decline on 2019/20 when the venue opened from 1 April 2019 to 16 March 2020. This real-term fall of 165k visits should be understood in the context of Covid recovery, the shift to opening only 5 days a week, and the changing culture and leisure habits of people across the UK. The number of visits increased significantly by 221k on 2020/21, when the gallery opened only from August to November 2020.

Organisational Highlights

- 2022 BALTIC became the first Gallery of Sanctuary in England, awarded by City of Sanctuary UK. City of Sanctuary Awards recognise and celebrate organisations that go above and beyond to welcome people seeking sanctuary. This recognises our Neighbourly programme which supports the social, communal, faith, language, and vocational lives of newly arrived communities across the borough. We share the resources and facilities available at our organisation, working collaboratively with artists in creative processes that bring people together. Our community co-produces a programme that includes an annual Open Iftar, Holi and Nowruz celebration, monthly Language Cafés and Creative Sessions, a weekly International Art Club and regular volunteer and employment opportunities. In 21/22, 708 people participated in Neighbourly including 25 people who took up volunteering opportunities.

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- BxNU Secured our leading partnership in teaching and learning with Northumbria University, securing a new 3-year agreement with enhanced focus on Research and supporting students coming out of the pandemic.
- Completed Poverty Proofing our organisation with Children North East. The first Visual Arts organisation to do so ever. Enabled the implementation of our Front Room, pay what you feel café and kind conversation space which handed out over 60,000 cups of free hot drinks over the year.

Programme Highlights

In light of the impact of the pandemic, BALTIC's exhibitions programme was slowed down. In 2021-22 we presented eight exhibitions in our main galleries and the last exhibition at BALTIC 39.

These included three group shows and five solo exhibitions by emerging or under-represented artists of national and international significance and mid-career surveys for national and international artists. Our aim is to give artists a supportive platform for the development of their practice, often producing new commissions, introducing international artists to UK audiences for the first time and offering a significant national and international platform.

- BALTIC Open (19 May – 5 September 2021), a major open-call exhibition involving over 150 artists and makers based in the North East of England. BALTIC received over 540 submissions through an open-call application process announced in the summer 2020, whilst the gallery was closed during lockdown. The exhibition celebrated creativity in the North East. It was a great success with our audiences and received 54,090 visits.
- BALTIC Open Out, bringing 43 works included in the exhibition to locations in the public space across Gateshead, Newcastle and Tyne and Weir area.
- Pakui Hardware's first solo exhibition in the UK was titled Virtual Care (19 May – 3 October 2021). The Lithuanian duo (artists Neringa Cerniauskaite and Ugnius Gelguda) presented a new commission.
- Sutapa Biswas' first major survey in BALTIC's Level 3 gallery (26 June 2021 – 20 March 2022) received an exceptional number of visitors with 93,351 visits.
- Argentinian artist Ad Minoliti's first solo show in the UK and largest European exhibition to date. The exhibition toured to Tate St Ives from May to October 2022.
- Phyllis Christopher's Contacts (23 October – 20 March 2022) offered an intimate glimpse at lesbian community in San Francisco in the '90s through the artist's archive. The exhibition received 65,258 visits.
- Podcast series Climate Frequencies, launched November 2021, five-part series, presented by musician and artist Natalie Sharp. The series explores the climate emergency and its reverberations, with contributions from the worlds of contemporary art, science, literature and climate research.

Learning & Civic Engagement Highlights

BALTIC's learning programmes provide opportunities for all visitors to discover new ways of seeing, thinking and learning through contemporary art. Beyond our gallery, targeted community programmes seek to expand and exchange creative participation, increase community and civic engagement, and create new social connections. Overall 362,547 people engaged with BALTIC's Learning and Civic Engagement initiatives including independent or facilitated sessions, visiting Learning Lounge or Sensory Space and engaging in BALTIC's play-led exhibitions.

- 22,585 children and families took part in our free family learning programme engaging with artist workshops, toddler tours, accessible sessions, and gallery resources.
- 14,098 people used BALTIC's library or archive independently.

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- 12,332 children and young people engaged through their school or college taking part in artist workshops, talks or tours, talent development opportunities, online facilitator led sessions and/or self-led visits. 28% of these children were from Gateshead schools. 409 teachers participated in bespoke teacher training with BALTIC.
- 1,395 young people took part outside of school in BALTIC's young people's programme; participating in artists workshops, summers schools, trips and tours.
- 1,759 people took part in tours led by our Crew team. This includes Exhibition Spotlight.
- 95,697 people engaged with BALTIC's original video content including filmed talks and tours and workshops via various digital platforms.
- 20 Babies programme for 20 families from Newcastle and Gateshead who had a baby during the first Covid-19 lockdown in 2020 (March – July 2020). The families attended weekly creative workshops that gave the caregivers a chance to explore their experience of the pandemic. Research with Newcastle University supports this project and will be published in 2022.
- Equal Play by Albert Potrony explored themes of non-gendered and non-prescriptive play, to specifically consider the role of men and childcare in relation to feminism. As part of the exhibition a group of young fathers from the North East Young Dads & Lads Project met weekly with Potrony to explore the materials from the show and consider their own experiences of fatherhood and produced two publications.

Covid 19 Recovery period

The coronavirus pandemic has badly impacted the UK cultural sector. Exhibitions, participation in person and trading have all been effected. BALTIC has seen revenues from trading fall dramatically. According to the Office for National Statistics, the arts and entertainment industry saw a 44.5% reduction in monthly gross domestic product output in the three months up to June 2020 compared with the three months earlier, making it one of the sectors worst hit by the pandemic.

BALTIC's trading turnover dropped from £1,223m financial year ending March 2020 to £685m financial year ending March 2022. After re-opening our doors in May 2021 (albeit at five days per week) audiences and turnover are building back steadily. A Covid Recovery designated fund of £300k was established financial year ending March 2021. Building back from the pandemic while keeping all services open will be a challenge and is anticipated to take place over the coming years supported by a new income generation plan and a trading and development strategy.

BALTIC established Front Room with free hot drinks in order to support audiences to make the decision to return to the building and support informal education and threshold crossing.

Our Audiences as they returned

Following the second national Covid lockdown, BALTIC re-opened on 19 May 2021. While visit figures were significantly lower than in 2019/2020, there were strong signs of recovery and the venue did particularly well in attracting engaged adults and people from outside the North East.

There were also major shifts in the audience profile as the year progressed. Social motivations became more prevalent, the proportion of incidental visits increased, and trips to see a specific exhibition or part of the gallery became less likely.

This year saw a significant increase in the proportion of intentional visits compared to 2019/20. While the pandemic has led more people to plan visits, it is also worth noting that there was a greater proportion of intentional visits in 2018/19. Intentional visits also declined throughout the year, perhaps a sign that people's habits are returning to normal.

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Footfall increased throughout the summer months and in August 2021 39k visits were recorded, only 12% down on August 2019. This month saw the highest proportion of visits (52%) from the Rest of UK outside of the North East, suggesting that more people made trips within the UK rather than going abroad.

There was strong agreement with BALTIC's brand statements, showing that the gallery is still succeeding in its ambition to be inclusive, accessible and relevant. There was a significant increase in the proportion who strongly agreed that BALTIC meets the needs of visitors regardless of their gender, age, race, disability, income or sexual orientation, rising from 76% in 2019/20 to 83% this year. This figure increased throughout the year, ranging from 71% in Q1 to 86% in Q4. Few people disagreed with this statement, with visitors on 96% of visits selecting either the agree slightly or agree strongly categories.

In 2021/22, BALTIC put several measures in place to ensure the safety of staff and visitors in relation to the pandemic. The success of these measures is shown by the fact that visitors on 83% of visits felt very safe and a further 14% felt quite safe. Only 1% said they felt quite unsafe and no respondents felt very unsafe during their visit to BALTIC. There was a strong correlation between visitor safety and satisfaction, with very satisfied visitors on 86% of visits and quite satisfied visitors on 78% of visits stating that they felt very safe today.

Press/Media

BALTIC has secured a high volume of quality press coverage article for its exhibitions and projects. This has spanned Albert Potrony, Ad Minoliti, Phyllis Christopher and Sutapa Biswas exhibitions with both exhibition review coverage and insightful artist interviews. The Phyllis Christopher exhibition was named one of The Top Ten 2021 UK Shows by Frieze magazine.

Trading Company

Income generation plan

As part of BALTIC's Covid Recovery plan the Director of Enterprise and Public Value was tasked with developing an income generation plan to secure business sustainability over the medium term. The resulting plan proposes taking more trading in house in order to have more control and capture more profit from the operations including Baltic Kitchen and develop the vision and aims for the Development and Enterprise department.

Trading will bring the BALTIC brand and vision to life through food and beverage, products and services, encouraging customers to enjoy spending more money in new and creative ways. Customers will see us as exciting, innovative, collaborative and responsive. Meanwhile, our staff will work in an environment that is supportive, engaging and challenging and is valued by the trust because it contributes to BALTIC's success and values.

BALTIC Trading new plan developed based around:

- Customer focused – prioritising and advocating for the needs of the customer.
- Enterprising – building on the strengths of BALTIC and championing social and cultural enterprise.
- Glocal – supporting the local and connecting with the international art world.
- Sustainable – building on current assets, looking to the long term and demonstrating environmental and operational responsibility.
- Open – to new ideas and perspectives; to calculated risk; encouraging exchange and collaboration.

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Trustees' Report

Environment and Wellbeing

Health and Safety, environmental sustainability and wellbeing at work have been brought together within a new Environment and Wellbeing Committee which includes the Health and Safety Manager role alongside representatives from all departments including Visitor Experience, Programme Production, Human Resources and Health and Safety. The main developments to date include;

- A comprehensive training programme focussing on Health and Safety at work for all levels and departments.
- A carbon reduction plan with reductions on the monthly production of carbon, down by 24 tonnes year on year, and 131 tonnes down on the 2018 base line figure. We are committed to doing all we can to be carbon neutral over the coming years.
- A road to ISO14001 accreditation is underway with an action plan and audits being undertaken.

Risk Management

BALTIC has adopted a risk management strategy. The risk management strategy forms part of BALTIC's overall internal control structure and corporate governance arrangements. The strategy provides definitions of relevant terminology and details responsibility and accountability within BALTIC. The strategy also describes the management process, including the identification and measurement of risk and the main reporting arrangements.

Risk Appetite is the term used to determine the amount of risk that is appropriate for BALTIC. Risks are considered on an individual basis using a risk model to determine the impact and likelihood of a potential risk and the appropriate response to the outcome of measuring each risk.

The Risk Register is reported to the Trust and Audit Committee as appropriate.

The significant risks identified are:

- Loss of stakeholder income – as Arts Council England's largest visual arts National Portfolio Organisation BALTIC is particularly exposed to changes in government policy for arts funding. Whilst BALTIC has been successful in minimising the impact of possible reductions in stakeholder funding, it remains a significant risk.
- The general economic climate remains a risk to BALTIC in terms of achieving appropriate and adequate levels of earned income, through its subsidiary Baltic Contemporary Visual Arts Trading Limited, to deliver planned levels of charitable activity.

Financial Review

The financial statements for the year to 31 March 2022 show net income of £392,984 (2021 - net income £396,836). This is after reflecting a £349,000 gain (2021: £183,000 loss) in relation to the defined benefit pension scheme.

Principal funding sources

BALTIC meets its funding needs from the following principal sources: Arts Council England, Gateshead Council, charitable donations from individuals and trusts and foundations, and from earned income including sponsorship, corporate membership, retailing, catering, facility hire and car parking fees.

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Trustees' Report

Policy on reserves

The Trustees have considered the Reserves policy they wish to follow with regard to BALTIC (inclusive of its subsidiary BALTIC Trading Company Ltd), in compliance with relevant legal, regulatory, tax and accounting rules e.g. in regard to use of endowments or other restricted funds. Generally, BALTIC also recognises that funds can be used only for the specific or broad purposes indicated at the time of fundraising. BALTIC expects to receive gifts, donations, legacies and bequests from philanthropists, trusts and the general public in addition to regular funding from Arts Council of England and Gateshead Council. Typically, receipts will be in cash but where a donation or gift is in another form, such as shares, property or artworks, BALTIC may choose to donate or liquidate rather than hold the asset, subject to any conditions of the donor. The funds thus held and accumulated by BALTIC are represented in its balance sheet as reserves. BALTIC may pool, for banking or investment purposes, any or all monies held in reserves, whether restricted or unrestricted reserves. Any investment income or capital gains/losses, whether realised or unrealised, will be apportioned pro-rata across all the reserves within the pooled investment. In the case of capital endowments, income and capital elements will be accounted for separately. Where a capital endowment has been depleted due to investment losses, there is assumed to be no obligation to reinstate the original capital balance.

Categories of “reserves”

BALTIC will hold both restricted and unrestricted reserves. Restricted reserves are subject to conditions and limitations on the use of the funds, usually due to specific conditions imposed by the donor/grant giver or general expectations set in fundraising campaigns. Unrestricted reserves are receipts that are unencumbered by conditions and may be utilised as BALTIC sees fit, in line with its Objects. BALTIC may choose to designate (and un-designate) portions of its unrestricted reserves for particular purposes, creating “unrestricted designated reserves” as opposed to “unrestricted general reserves”. BALTIC determines the correct categorisation of funds at the time of receipt or designation.

Minimum “unrestricted general reserves”

In order to provide cover for unforeseen emergencies, including unexpected expenditure or loss of income or unforeseen winding up of the organisation the Trustees consider that they should hold in the balance sheet an unencumbered minimum cash reserve equal to three months of the normal operating cost base (exclusive of programme/marketing costs) plus any liabilities to pension and/or bond and/or deposits or a minimum of £750,000. It is accepted that this level may fluctuate and temporarily drop when the reserve is utilised. The target level of reserves will be calculated annually based on the year's budgeted expenditure.

Capital Project designated reserve

A Capital Plan will be developed to ensure the maintenance and improvement of the building for the benefit of the public, environmental sustainability and income generation. Specific contingency amounts (usually 10% of project value) will be provided in project budgets in addition to the unrestricted general reserves.

Review of Policy

The Board of Trustees is ultimately responsible for the management of reserves and will review the reserves policy annually.

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Trustees' Report

Financial risk management policy

The Trust's principal financial instruments comprise cash and cash equivalents. Other financial assets and liabilities, such as trade creditors and trade debtors, arise directly from the Trust's operating activities.

The main risks associated with the Trust's financial assets and liabilities are set out below. The Trust does not undertake any hedging activity and any significant financial risks are addressed on a case-by-case basis.

Interest rate risk

The Trust invests surplus cash in floating rate interest yielding bank accounts, therefore financial assets, interest income and cash flows can be affected by movements in interest rates. However, the Trustees do not consider there to be any significant exposure. The Trust has no bank borrowings.

Price risk

There is no significant exposure to changes in the carrying value of financial liabilities.

Credit risk

The Trust's policy is aimed at minimising such losses. Individual exposures and overdue debts are monitored with customers to ensure that the Trust's exposure to bad debts is not significant.

Liquidity risk

The Trust aims to mitigate liquidity risk by managing cash generated by its operations. Flexibility is maintained by retaining surplus cash in readily accessible bank deposit accounts. Limits on spending authority are in place.

Foreign currency risk

There are minimal transactions in foreign currency. As a result, no hedging activity is undertaken to mitigate this risk.

Investment policy

The Trust ensures that any investment strategy it adopts does not put at adverse risk any of the assets it is responsible for.

Funds are placed on deposit at the highest possible interest rates, consistent with cash flow requirements.

Strategic Objectives

Strategic Objective 1: Develop and enhance BALTIC's reputation as an outstanding international art space, commissioning producing and presenting innovative new work by a diverse range of artists that is conceptually rigorous, inspired by new perspectives and practices, has relevance and meaning for a wide range of audiences, and has the power to inspire ways of understanding the world.

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Strategic Objective 2: Deepen engagement, appreciation and enjoyment of international contemporary art, continuing to develop BALTIC's position as an international leader not only in contemporary art production and presentation, but in creating innovative approaches that deepen engagement with diverse audiences and communities across all of our activities.

Strategic Objective 3: Increase BALTIC's resilience and deliver positive financial results.

Strategic Objective 4: Advance BALTIC's sectoral leadership through sustainable and dynamic networks, partnerships and collaborations that embrace innovation, diversity and excellence.

Strategic Objective 5: Enhance the capacity for children and young people from diverse backgrounds to engage with and affect their world through their involvement with BALTIC's programmes.

The Trust's strategy for achieving the strategic objectives

- Deliver and monitor the organisational Business Plan in line with Arts Council England's National Portfolio funding agreement
- Maintain open and regular communication with Gateshead Council, Arts Council England and Northumbria University as a basis for ensuring mutually supportive and beneficial relationships
- Further strengthen the artistic programme by working with significant and internationally acclaimed artists and by establishing relationships with major international institutions
- Ensure that financial resources are used as effectively as possible and strive for greater efficiency across the organisation
- Maximise self-generated income across trading activities, trusts and foundations, individual giving and corporate and strategic partnerships thereby making the organisation more resilient to fluctuations in public funding
- Develop the Environmental Action Plan to ensure that the organisation's impact on the environment is monitored and minimised
- Continue to promote and prioritise equality and diversity across all areas of BALTIC's activities and operations by implementing and monitoring effective action plans
- Continue to deliver learning and engagement programmes that create demonstrable impact with individuals and communities
- Continue to build intelligence on audience motivations, expectations and needs to inform the implementation of BALTIC's audience development strategy
- Provide a consistent and excellent service for all visitors and users of BALTIC

Fundraising

The charity is required to report how it deals with fundraising from the public. The charity does not use a professional fundraiser or commercial participator to raise funds. Any monies raised direct from the public follows all guidelines set out by the Charity Commission and UK law in every respect. We respect the privacy and contact preferences of all public donors.

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Trustees' Report

Structure, governance and management

Governing document

The Trust is a charitable company limited by guarantee and was incorporated on 29 June 1998. It is governed by Memorandum and Articles of Association as amended and adopted on 15 July 2013.

Recruitment and appointment of new Trustees

From time to time it is necessary for the Trust to recruit new Trustees to replace those that have either resigned during their term of office, or by way of anticipating planned retirements after the completion of either a single term of three years, or a maximum period of six years, being two terms of three years.

It is the Trust's normal practice to place regional and national advertisements which invite interested and suitably experienced people to apply to be a Trustee, alongside making informal approaches to individuals who are already known to the Trust and who appear to have the necessary qualities and interest in what we do. Although not strictly a *public appointment*, when setting out the essential requirements of potential Trustees, the Trust chooses to make it known that it expects appointees to follow the seven principles of public life as defined by the Committee on Standards in Public Life.

Short-listed applicants are interviewed and assessed by a panel of existing Trustees chaired by the Chair of the Board. Appointments are subsequently recommended to the Board and approved by members of the company at the next General Meeting.

Induction and training of Trustees

The induction and training of Trustees is the responsibility of the Chair and is arranged on an individual or collective basis as appropriate. The Board of Trustees has introduced formal training sessions for the Board as a whole as and when appropriate.

All Trustees, as well as certain senior staff and the directors of the trading company, are required to declare, and maintain as continuing to be accurate, a declaration of interests. The Audit Committee review the Register of Interests on an annual basis.

Arrangements for setting key management personnel remuneration

The board, who give their time freely and no trustees received remuneration in the year, have considered who the Key Management Personnel (KMP) of the charity are, as noted in the reference and administration section. Together with the board, these KMP are those in charge of directing and controlling, running and operating the activities of the charity on a day to day basis.

The pay of the KMP is reviewed annually and potentially increased in accordance with pay proposals considered by the trustees for the salary structure of the whole organisation. The trustees benchmark against pay levels of other charities and similar organisations within the sector and the region. Pay levels are set using this information together with budget and forecast information, ensuring that the charity can afford any proposed increases. The board then agree any uplift to remuneration.

Organisational structure

BALTIC is governed by a Board of Trustees. The Chair of the Board is selected and elected by the Board, provided always that he/she shall be a director nominated by BALTIC's stakeholders; being Gateshead Council and Arts Council England. In determining its organisational structure, BALTIC has distinct duties for the Chair, Board of Trustees, and Director (who is the Chief Executive).

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The Board meets four times a year, or as is required to deal with any specific issues. Issues concerning finance, including financial regulations, premises, asset management, the letting of significant contracts are scrutinized and overseen by the Finance and Audit Committee which meets three times a year or more frequently as required. The Finance and Audit Committee is chaired by a co-opted member, independent from the Board of Trustees. The Finance and Audit Committee membership is required, as set out in the terms of reference, to be made up of a combination of the Board of Trustees, and members independent of management of the Trust and any subsidiaries. Trustee members however will always remain in the majority of this Committee.

BALTIC has a wholly owned trading subsidiary, independent of the Board of Trustees to oversee and scrutinize the management of commercial enterprises.

Relationships with related parties

The Trust has a wholly owned subsidiary company, Baltic Contemporary Visual Arts Trading Limited, the principal activity of which is the provision of catering, retail, corporate sponsorship and room hire services. The surplus generated by the company is gifted to the Trust (see note 25 to the financial statements).

Going concern

The charity's forecasts and projections for the next twelve months show that the charity should be able to continue in operational existence for that period, taking into account reasonable possible changes in trading performance. This also considers the effectiveness of available measures to assist in mitigating the impact. The charity and its trading subsidiaries have strong positive cash balances and is forecasting for this to continue to be the case. The trustees have stress tested their forecasts, taking into account various scenarios, and remain confident that the uncertainties do not cast significant doubt on the company's ability to continue as a going concern.

Statement of Trustees' Responsibilities

The trustees (who are also the directors of Baltic Flour Mills Visual Arts Trust for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees 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 charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- 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 business.

Baltic Flour Mills Visual Arts Trust

Trustees' Report

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Reappointment of auditor

Azets Audit Services Limited, trading as Azets Audit Services, were appointed auditor to the company following their acquisition of the trade of Tait Walker LLP, trading as MHA Tait Walker, on 1 May 2022.

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Azets Audit Services as auditors of the charity is to be proposed at the forthcoming Annual General Meeting.

The annual report was approved by the trustees of the charity on 13/12/2022.... and signed on its behalf by:

K Lang

Kirsty Lang 13 Dec 2022 16:53:47 GMT (UTC +0)

.....
K Lang
Chair and Trustee

Baltic Flour Mills Visual Arts Trust

Independent Auditor's Report to the Members of Baltic Flour Mills Visual Arts Trust

Opinion

We have audited the financial statements of Baltic Flour Mills Visual Arts Trust (the 'charitable parent company') and its subsidiary (the 'group') for the year ended 31 March 2022, which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 31 March 2022 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements were authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

Baltic Flour Mills Visual Arts Trust

Independent Auditor's Report to the Members of Baltic Flour Mills Visual Arts Trust

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the financial statements and Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the financial statements and Trustee's Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the financial statements and the Trustee's Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 11), the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- enquiries with management about any known or suspected instances of non-compliance with laws and regulations and fraud;

Baltic Flour Mills Visual Arts Trust

Independent Auditor's Report to the Members of Baltic Flour Mills Visual Arts Trust

- reviewing board minutes;
- challenging assumptions and judgements made by management in their significant accounting estimates;
- review financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations; and
- auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

Because of the field in which the client operates, we identified the following areas as those most likely to have a material impact on the financial statements: Health and Safety; employment law (including the Working Time Directive); and compliance with the UK Companies Act and Charities Act.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable parent company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the group's trustees those matters we are required to state to them in an auditor's 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 charitable parent company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Simon Brown BA ACA DChA (Senior Statutory Auditor)
For and on behalf of Azets Audit Services
Chartered Accountants
Statutory Auditor
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Date: 14/12/2022

Azets Audit Services is a trading name of Azets Audit Services Limited.

Baltic Flour Mills Visual Arts Trust

Consolidated Statement of Financial Activities for the Year Ended 31 March 2022

(Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted £	Restricted £	Total 2022 £	Total 2021 £
Income and Endowments from:					
Donations and legacies	3	3,416,182	135,303	3,551,485	3,911,990
Charitable activities	4	175,783	-	175,783	83,359
Other trading activities	5	917,150	-	917,150	540,962
Investment income	6	3,423	-	3,423	4,135
Other income		126,609	-	126,609	103,868
Total Income		<u>4,639,147</u>	<u>135,303</u>	<u>4,774,450</u>	<u>4,644,314</u>
Expenditure on:					
Raising funds		(641,813)	-	(641,813)	(480,420)
Charitable activities	7	<u>(3,902,014)</u>	<u>(186,639)</u>	<u>(4,088,653)</u>	<u>(3,584,058)</u>
Total Expenditure		<u>(4,543,827)</u>	<u>(186,639)</u>	<u>(4,730,466)</u>	<u>(4,064,478)</u>
Net income/(expenditure)		95,320	(51,336)	43,984	579,836
Transfers between funds		(745,863)	745,863	-	-
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes		<u>349,000</u>	<u>-</u>	<u>349,000</u>	<u>(183,000)</u>
Net movement in funds		(301,543)	694,527	392,984	396,836
Reconciliation of funds					
Total funds brought forward		<u>3,015,357</u>	<u>28,645</u>	<u>3,044,002</u>	<u>2,647,166</u>
Total funds carried forward	22	<u><u>2,713,814</u></u>	<u><u>723,172</u></u>	<u><u>3,436,986</u></u>	<u><u>3,044,002</u></u>

All of the group's activities derive from continuing operations during the above two periods.

The funds breakdown for 2021 is shown in note 22.

Baltic Flour Mills Visual Arts Trust

Comparative Consolidated Statement of Financial Activities for the Year Ended 31 March 2021

(Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted £	Restricted £	Total 2021 £
Income and Endowments from:				
Donations and legacies	3	3,890,193	21,797	3,911,990
Charitable activities	4	83,359	-	83,359
Other trading activities	5	540,962	-	540,962
Investment income	6	4,135	-	4,135
Other income		103,868	-	103,868
Total income		<u>4,622,517</u>	<u>21,797</u>	<u>4,644,314</u>
Expenditure on:				
Raising funds		(480,420)	-	(480,420)
Charitable activities	7	<u>(3,554,771)</u>	<u>(29,287)</u>	<u>(3,584,058)</u>
Total expenditure		<u>(4,035,191)</u>	<u>(29,287)</u>	<u>(4,064,478)</u>
Net income/(expenditure)		587,326	(7,490)	579,836
Other recognised gains and losses				
Actuarial gains on defined benefit pension schemes		<u>(183,000)</u>	<u>-</u>	<u>(183,000)</u>
Net movement in funds		404,326	(7,490)	396,836
Reconciliation of funds				
Total funds brought forward		<u>2,611,031</u>	<u>36,135</u>	<u>2,647,166</u>
Total funds carried forward	22	<u><u>3,015,357</u></u>	<u><u>28,645</u></u>	<u><u>3,044,002</u></u>

Baltic Flour Mills Visual Arts Trust

(Registration number: 03589539)

Consolidated Balance Sheet as at 31 March 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	14	1,064,825	1,111,650
Current assets			
Stocks	16	104,945	114,833
Debtors	17	482,908	460,353
Cash at bank and in hand		<u>2,617,655</u>	<u>2,137,552</u>
		3,205,508	2,712,738
Creditors: Amounts falling due within one year	18	<u>(885,347)</u>	<u>(483,386)</u>
Net current assets		<u>2,320,161</u>	<u>2,229,352</u>
Net assets excluding pension liability		3,384,986	3,341,002
Pension scheme liability	20	<u>52,000</u>	<u>(297,000)</u>
Net assets including pension liability		<u><u>3,436,986</u></u>	<u><u>3,044,002</u></u>
Funds of the group:			
Restricted income funds			
Restricted funds	22	723,172	28,645
Unrestricted income funds			
Unrestricted funds		<u>2,713,814</u>	<u>3,015,357</u>
Total funds	22	<u><u>3,436,986</u></u>	<u><u>3,044,002</u></u>

The financial statements on pages 16 to 42 were approved by the trustees, and authorised for issue on 13/12/2022..... and signed on their behalf by:

K Lang

Kirsty Lang 13 Dec 2022 16:53:47 GMT (UTC +0)

K Lang

Chair and Trustee

Baltic Flour Mills Visual Arts Trust

(Registration number: 03589539)
Balance Sheet as at 31 March 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	14	742,105	768,410
Investments		<u>2</u>	<u>2</u>
		<u>742,107</u>	<u>768,412</u>
Current assets			
Debtors	17	784,473	836,589
Cash at bank and in hand		<u>2,398,572</u>	<u>2,064,231</u>
		3,183,045	2,900,820
Creditors: Amounts falling due within one year	18	<u>(758,194)</u>	<u>(382,817)</u>
Net current assets		<u>2,424,851</u>	<u>2,518,003</u>
Net assets excluding pension liability		3,166,958	3,286,415
Pension scheme liability	20	<u>52,000</u>	<u>(297,000)</u>
Net assets including pension liability		<u><u>3,218,958</u></u>	<u><u>2,989,415</u></u>
Funds of the charity:			
Restricted income funds			
Restricted funds	22	723,172	28,645
Unrestricted income funds			
Unrestricted funds		<u>2,495,786</u>	<u>2,960,770</u>
Total funds	22	<u><u>3,218,958</u></u>	<u><u>2,989,415</u></u>

The financial statements on pages 16 to 42 were approved by the trustees, and authorised for issue on 13/12/2022..... and signed on their behalf by:

K Lang

Kirsty Lang 13 Dec 2022 16:53:47 GMT (UTC +0)

.....
K Lang
Chair and Trustee

Baltic Flour Mills Visual Arts Trust

Consolidated Statement of Cash Flows for the Year Ended 31 March 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash income		392,984	396,836
Adjustments to cash flows from non-cash items			
Depreciation		91,882	82,868
Investment income	6	(3,423)	(4,135)
Loss on disposal of tangible fixed assets		23,753	-
		<u>505,196</u>	<u>475,569</u>
Working capital adjustments			
Decrease in stocks	16	9,888	12,005
(Increase)/decrease in debtors	17	(22,555)	129,312
Increase in creditors	18	401,961	11,909
Increase/(decrease) in retirement benefit obligation net of actuarial changes	20	<u>(349,000)</u>	<u>182,000</u>
Net cash flows from operating activities		<u>545,490</u>	<u>810,795</u>
Cash flows from investing activities			
Interest receivable and similar income	6	3,423	4,135
Purchase of tangible fixed assets	14	<u>(68,810)</u>	<u>(150,534)</u>
Net cash flows from investing activities		<u>(65,387)</u>	<u>(146,399)</u>
Net increase in cash and cash equivalents		480,103	664,396
Cash and cash equivalents at 1 April		<u>2,137,552</u>	<u>1,473,156</u>
Cash and cash equivalents at 31 March		<u><u>2,617,655</u></u>	<u><u>2,137,552</u></u>

All of the cash flows are derived from continuing operations during the above two periods.

Baltic Flour Mills Visual Arts Trust

Notes to the Financial Statements for the Year Ended 31 March 2022

1 Charity status

The charity is limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £Nil towards the assets of the charity in the event of liquidation.

The address of its registered office is: Baltic Centre For Contemporary Art, Gateshead Quays, South Shore Road, Gateshead, Tyne & Wear, NE8 3BA

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

Basis of preparation

Baltic Flour Mills Visual Arts Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The financial statements are prepared in sterling which is the functional currency of the entity.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the charity and its subsidiary undertakings drawn up to 31 March 2022.

No statement of financial activities is presented for the charity as permitted by section 408 of the Companies Act 2006. The charity made a surplus after tax for the financial year of £229,543 (2021-surplus of £962,045).

Baltic Flour Mills Visual Arts Trust

Notes to the Financial Statements for the Year Ended 31 March 2022

Going concern

The charity's forecasts and projections for the next twelve months show that the charity should be able to continue in operational existence for that period, taking into account reasonable possible changes in trading performance. This also considers the effectiveness of available measures to assist in mitigating the impact. The charity and its trading subsidiary have strong positive cash balances and is forecasting for this to continue to be the case. The trustees have stress tested their forecasts, taking into account various scenarios, and remain confident that the uncertainties do not cast significant doubt on the company's ability to continue as a going concern.

Estimation uncertainty and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported.

There are considered to be no significant judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies which effect the amounts recognised in the financial statements.

Income and endowments

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Grants receivable

Grants are recognised when the group has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Other trading activities

Income from trading activities is accounted for when earned.

Investment income

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Charitable activities

Income from Charitable activities is accounted for when earned.

Baltic Flour Mills Visual Arts Trust

Notes to the Financial Statements for the Year Ended 31 March 2022

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Charitable activities

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

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustee meetings and reimbursed expenses.

Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grant will be received.

Government grants relating to turnover are recognised as income over the periods when the related costs are incurred. Grants relating to an asset are recognised in income systematically over the asset's expected useful life. If part of such a grant is deferred it is recognised as deferred income rather than being deducted from the asset's carrying amount.

Government grants included within other operating income includes the UK Government assistance provided through Coronavirus Job Retention Scheme during the Covid-19 pandemic.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charity for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Individual fixed assets costing £5,000.00 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Baltic Flour Mills Visual Arts Trust

Notes to the Financial Statements for the Year Ended 31 March 2022

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Fixtures & Fittings	over 5 to 10 years straight line
Computer Equipment	3 years straight line
Leasehold Property Improvements	over the life of the lease

Impairment of fixed assets

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Stock

Stocks are stated at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less any further costs to be incurred on disposal.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the group.

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the trustees.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Baltic Flour Mills Visual Arts Trust

Notes to the Financial Statements for the Year Ended 31 March 2022

Operating leases

Pensions and other post retirement obligations

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided.

Defined Benefit Pension Plan

The company recognises a defined net benefit pension asset or liability in the statement of financial position as the net total of the present value of its obligations and the fair value of plan assets out of which the obligations are to be settled.

Changes in the net defined benefit asset or liability arising from employee service are recognised in income or expenditure as a current service cost where it relates to services in the current period and as a past service cost where it relates to services in prior periods. Costs relating to plan introductions, benefit changes, curtailments and settlements are recognised in income or expenditure in the period in which they occur.

Financial instruments

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

3 Income from donations and legacies

	Unrestricted funds General £	Restricted funds £	Total 2022 £
Donations and legacies;			
Donations	47,994	-	47,994
Grants, including capital grants;			
Grants	3,300,681	135,303	3,435,984
Grants - CJRS	67,507	-	67,507
	<u>3,416,182</u>	<u>135,303</u>	<u>3,551,485</u>

Baltic Flour Mills Visual Arts Trust

Notes to the Financial Statements for the Year Ended 31 March 2022

	Unrestricted funds General £	Restricted funds £	Total 2021 £
Donations and legacies;			
Donations	17,889	-	17,889
Grants, including capital grants;			
Grants - CJRS	414,388	-	414,388
Grants	3,457,916	21,797	3,479,713
	<u>3,890,193</u>	<u>21,797</u>	<u>3,911,990</u>

4 Income from charitable activities

	Unrestricted funds General £	Total 2022 £
Charitable activity income	<u>175,783</u>	<u>175,783</u>
	Unrestricted funds General £	Total 2021 £
Charitable activity income	<u>83,359</u>	<u>83,359</u>

5 Income from other trading activities

	Unrestricted funds General £	Total 2022 £
Trading income;		
Sales of goods and services	684,278	684,278
Sponsorship income	190,047	190,047
Other income from other trading activities	42,825	42,825
	<u>917,150</u>	<u>917,150</u>
	Unrestricted funds General £	Total 2021 £
Trading income;		
Sales of goods and services	348,221	348,221
Sponsorship income	178,640	178,640
Other income from other trading activities	14,101	14,101
	<u>540,962</u>	<u>540,962</u>

Baltic Flour Mills Visual Arts Trust

Notes to the Financial Statements for the Year Ended 31 March 2022

6 Investment income

	Unrestricted funds General £	Total 2022 £
Interest receivable and similar income;		
Interest receivable on bank deposits	3,423	3,423
	<u>3,423</u>	<u>3,423</u>
	Unrestricted funds General £	Total 2021 £
Interest receivable and similar income;		
Interest receivable on bank deposits	4,135	4,135
	<u>4,135</u>	<u>4,135</u>

7 Expenditure on charitable activities

	Unrestricted funds		Restricted funds	Total 2022
	Designated	General		
	£	£	£	£
Arts Programme	-	831,659	152,591	984,250
Learning Programme	-	806,649	11,865	818,514
Support costs	47,907	2,215,799	22,183	2,285,889
	<u>47,907</u>	<u>3,854,107</u>	<u>186,639</u>	<u>4,088,653</u>
	Unrestricted funds		Restricted funds	Total 2021
	Designated	General		
	£	£	£	£
Arts Programme	-	750,031	5,194	755,225
Learning Programme	-	828,137	16,583	844,720
Support costs	23,707	1,952,896	7,510	1,984,113
	<u>23,707</u>	<u>3,531,064</u>	<u>29,287</u>	<u>3,584,058</u>
		Activity undertaken directly	Activity support costs	2022
		£	£	£
Arts Programme		984,250	1,241,247	2,225,497
Learning Programme		818,514	1,032,237	1,850,751
Governance costs		-	12,405	12,405
		<u>1,802,764</u>	<u>2,285,889</u>	<u>4,088,653</u>

Baltic Flour Mills Visual Arts Trust

Notes to the Financial Statements for the Year Ended 31 March 2022

	Activity undertaken directly £	Activity support costs £	2021 £
Arts Programme	755,225	930,175	1,685,400
Learning Programme	844,720	1,040,402	1,885,122
Governance costs	-	13,536	13,536
	<u>1,599,945</u>	<u>1,984,113</u>	<u>3,584,058</u>

8 Analysis of governance and support costs

Support costs allocated to charitable activities

	Governance costs £	Arts Programme £	Learning Programme £	Total 2022 £
Finance costs	-	363	302	665
Information technology	-	26,847	22,327	49,174
Staff costs	-	440,931	366,684	807,615
Premises costs including depreciation	-	514,492	427,858	942,350
Other support costs	12,405	258,613	215,067	486,085
	<u>12,405</u>	<u>1,241,246</u>	<u>1,032,238</u>	<u>2,285,889</u>
	Governance costs £	Arts Programme £	Learning Programme £	Total 2021 £
Finance costs	-	413	461	874
Information technology	-	20,196	22,590	42,786
Staff costs	-	420,027	469,801	889,828
Premises costs including depreciation	-	301,363	337,074	638,437
Other support costs	13,536	188,176	210,476	412,188
	<u>13,536</u>	<u>930,175</u>	<u>1,040,402</u>	<u>1,984,113</u>

9 Net incoming/outgoing resources

Net (outgoing)/incoming resources for the year include:

	2022 £	2021 £
Audit fees	13,750	10,250
Loss on disposal of tangible fixed assets	23,753	-
Depreciation of fixed assets	<u>91,882</u>	<u>82,868</u>

Baltic Flour Mills Visual Arts Trust

Notes to the Financial Statements for the Year Ended 31 March 2022

10 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the group during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

11 Staff costs

The aggregate payroll costs were as follows:

	2022 £	2021 £
Staff costs during the year were:		
Wages and salaries	1,908,186	1,982,928
Social security costs	145,955	139,230
Pension costs	108,354	121,549
	<u>2,162,495</u>	<u>2,243,707</u>

The monthly average number of persons (including senior management team) employed by the group during the year was as follows:

	2022 No	2021 No
Administrative staff	<u>78</u>	<u>79</u>

The number of employees whose emoluments fell within the following bands was:

	2022 No	2021 No
£70,001 - £80,000	-	1
£90,001 - £100,000	<u>1</u>	<u>1</u>

The total employee benefits of the key management personnel of the group were £190,746 (2021 - £236,515).

The Director, as the highest paid member of staff, received benefits totalling £97,361 (2021 - £97,361).

12 Auditors' remuneration

	2022 £	2021 £
Audit of the financial statements	<u>13,750</u>	<u>10,250</u>
Other fees to auditors		
All other non-audit services	<u>14,320</u>	<u>6,560</u>

Baltic Flour Mills Visual Arts Trust

Notes to the Financial Statements for the Year Ended 31 March 2022

13 Taxation

The group is a registered charity and is therefore potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

14 Tangible fixed assets

Group

	Furniture and equipment £
Cost	
At 1 April 2021	1,588,634
Additions	68,810
Disposals	<u>(228,880)</u>
At 31 March 2022	<u>1,428,564</u>
Depreciation	
At 1 April 2021	476,984
Charge for the year	91,882
Eliminated on disposals	<u>(205,127)</u>
At 31 March 2022	<u>363,739</u>
Net book value	
At 31 March 2022	<u>1,064,825</u>
At 31 March 2021	<u>1,111,650</u>

Baltic Flour Mills Visual Arts Trust

Notes to the Financial Statements for the Year Ended 31 March 2022

Charity

	Furniture and equipment £
Cost	
At 1 April 2021	1,178,748
Additions	68,810
Disposals	<u>(228,880)</u>
At 31 March 2022	<u>1,018,678</u>
Depreciation	
At 1 April 2021	410,338
Charge for the year	71,362
Eliminated on disposals	<u>(205,127)</u>
At 31 March 2022	<u>276,573</u>
Net book value	
At 31 March 2022	<u>742,105</u>
At 31 March 2021	<u>768,410</u>

15 Fixed asset investments

Charity

Shares in group undertakings and participating interests

	Subsidiary undertakings £	Total £
Cost		
At 1 April 2021	<u>2</u>	<u>2</u>
At 31 March 2022	<u>2</u>	<u>2</u>
Net book value		
At 31 March 2022	<u>2</u>	<u>2</u>
At 31 March 2021	<u>2</u>	<u>2</u>

Baltic Flour Mills Visual Arts Trust

Notes to the Financial Statements for the Year Ended 31 March 2022

Details of undertakings

Details of the investments in which the charity holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held		Principal activity
			2022	2021	
Subsidiary undertakings					
Baltic Contemporary Visual Arts Trading Limited	England and Wales	Ordinary	100%	100%	The provision of catering, retail, business sponsorship and room hire services

The profit for the financial period of Baltic Contemporary Visual Arts Trading Limited was £209,902 (2021: £30,079) and the aggregate amount of capital and reserves at the end of the period was £218,030 (2021: £54,589)

16 Stock

	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
Finished goods	<u>104,945</u>	<u>114,833</u>	<u>-</u>	<u>-</u>

17 Debtors

	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
Trade debtors	86,381	98,093	7,657	16,246
Due from group undertakings	-	-	364,879	446,683
Prepayments and accrued income	370,269	324,881	385,679	336,281
VAT recoverable	<u>26,258</u>	<u>37,379</u>	<u>26,258</u>	<u>37,379</u>
	<u>482,908</u>	<u>460,353</u>	<u>784,473</u>	<u>836,589</u>

Baltic Flour Mills Visual Arts Trust

Notes to the Financial Statements for the Year Ended 31 March 2022

18 Creditors: amounts falling due within one year

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Trade creditors	433,252	212,822	365,323	172,015
Other taxation and social security	52,986	38,713	36,014	30,111
Accruals and deferred income	399,109	231,851	356,857	180,691
	<u>885,347</u>	<u>483,386</u>	<u>758,194</u>	<u>382,817</u>

Deferred income

Group

	2022	2021
	£	£
Deferred income at 1 April 2021	114,580	98,260
Resources deferred in the period	239,987	114,580
Amounts released from previous periods	<u>(114,580)</u>	<u>(98,260)</u>
Deferred income at year end	<u>239,987</u>	<u>114,580</u>

Charity

	2022	2021
	£	£
Deferred income at 1 April 2021	76,791	50,747
Resources deferred in the period	208,523	76,791
Amounts released from previous periods	<u>(76,791)</u>	<u>(50,747)</u>
Deferred income at year end	<u>208,523</u>	<u>76,791</u>

19 Obligations under leases and hire purchase contracts

Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Other				
Within one year	702	702	702	702
Between one and five years	<u>767</u>	<u>1,404</u>	<u>767</u>	<u>1,404</u>
	<u>1,469</u>	<u>2,106</u>	<u>1,469</u>	<u>2,106</u>

Baltic Flour Mills Visual Arts Trust

Notes to the Financial Statements for the Year Ended 31 March 2022

20 Pension and other schemes

Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £87,354 (2021 - £91,551).

Contributions totalling £12,099 (2021 - £13,509) were payable to the scheme at the end of the year and are included in creditors.

Defined benefit pension schemes

Tyne & Wear Pension Fund

The Tyne & Wear Pension Fund is a funded defined benefit scheme, with the assets held in separate Trustee-administered funds.

The charity is an approved employer of the Tyne & Wear Pension Fund.

The total contribution made for the year ended 31 March 2022 was £23,000 (2021 - £36,000) of which employer's contributions totalled £21,000 (2021 - £31,000) and employees' contributions totalled £2,000 (2021 - £5,000).

The date of the most recent comprehensive actuarial valuation was 31 March 2019. A full actuarial valuation of the Tyne and Wear Pension Fund was carried out at 31 March 2019 by a qualified actuary. An actuarial valuation report as at 31 March 2022 has been prepared exclusively for the charity. The pension charges in the accounts reflect the advice given in the actuarial report as at 31 March 2022.

Reconciliation of scheme assets and liabilities to assets and liabilities recognised

The amounts recognised in the statement of financial position are as follows:

	2022 £	2021 £
Fair value of scheme assets	2,589,000	2,397,000
Present value of defined benefit obligation	<u>(2,537,000)</u>	<u>(2,694,000)</u>
Defined benefit pension scheme surplus/(deficit)	<u>52,000</u>	<u>(297,000)</u>

Defined benefit obligation

Changes in the defined benefit obligation are as follows:

	2022 £
Present value at start of year	2,694,000
Current service cost	14,000
Interest cost	57,000
Actuarial gains and losses	(222,000)
Benefits paid	(8,000)
Contributions by scheme participants	<u>2,000</u>
Present value at end of year	<u>2,537,000</u>

Baltic Flour Mills Visual Arts Trust

Notes to the Financial Statements for the Year Ended 31 March 2022

Fair value of scheme assets

Changes in the fair value of scheme assets are as follows:

	2022 £
Fair value at start of year	2,397,000
Interest income	50,000
Actuarial gains and losses	127,000
Employer contributions	21,000
Contributions by scheme participants	2,000
Benefits paid	<u>(8,000)</u>
Fair value at end of year	<u><u>2,589,000</u></u>

Analysis of assets

The major categories of scheme assets are as follows:

	2022 £	2021 £
Equities	1,475,730	1,330,335
Property	217,476	189,363
Government bonds	51,780	52,734
Corporate bonds	486,732	474,606
Cash	46,602	95,880
Other	<u>310,680</u>	<u>254,082</u>
	<u><u>2,589,000</u></u>	<u><u>2,397,000</u></u>

Return on scheme assets

	2022 £	2021 £
Return on scheme assets	<u>177,000</u>	<u>387,000</u>

The pension scheme has not invested in any of the group's own financial instruments or in properties or other assets used by the group.

Principal actuarial assumptions

The principal actuarial assumptions at the statement of financial position date are as follows:

	2022 %	2021 %
Discount rate	2.70	2.10
CPI inflation	2.90	2.60
Pension increases	2.90	2.60
Pension accounts revaluation rate	2.90	2.60
Salary increases	<u>4.40</u>	<u>4.10</u>

Baltic Flour Mills Visual Arts Trust

Notes to the Financial Statements for the Year Ended 31 March 2022

Post retirement mortality assumptions

	2022 Years	2021 Years
Current UK pensioners at retirement age - male	22.00	22.00
Current UK pensioners at retirement age - female	25.00	25.00
Future UK pensioners at retirement age - male	24.00	24.00
Future UK pensioners at retirement age - female	<u>27.00</u>	<u>27.00</u>

These are assumptions used purely for the calculations of the pension deficit and do not reflect the actuality of historical pay rises. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of the pension over employees' working lives with the company. A qualified actuary, on the basis of triennial valuations, using the projected unit method, determines the contributions.

In addition, as many unrelated employers participate in the Tyne and Wear Pension Fund there is an orphan liability risk where employers leave the Fund but with insufficient assets to cover their pension obligations so that the difference may fall on the remaining employers.

All the risks above may also benefit the employer e.g. higher than expected investment returns or employers leaving the Fund with excess assets which eventually get inherited by the remaining employers.

21 Contingent liabilities

Charity

During the year, the charity was subject to an investigation by Environmental Health in regards to the breach of Health and Safety regulations. Following conclusion of this investigation, it is anticipated that Gateshead Council will intend to bring criminal proceedings against the charity. The result of criminal proceedings being brought, if found guilty would be that of a fine plus court proceedings. Any liability is therefore depending on the outcome of a future court case.

Baltic Flour Mills Visual Arts Trust

Notes to the Financial Statements for the Year Ended 31 March 2022

22 Funds

Group

	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 March 2022 £
Unrestricted funds						
<i>General</i>						
General fund	1,896,383	4,639,147	(4,495,920)	25,565	-	2,065,175
<i>Designated</i>						
Capital replacement and renewal	1,115,974	-	(47,907)	(471,428)	-	596,639
Tyne & Wear Pension Fund	(297,000)	-	-	-	349,000	52,000
COVID Recovery	<u>300,000</u>	<u>-</u>	<u>-</u>	<u>(300,000)</u>	<u>-</u>	<u>-</u>
	<u>1,118,974</u>	<u>-</u>	<u>(47,907)</u>	<u>(771,428)</u>	<u>349,000</u>	<u>648,639</u>
Total unrestricted funds	<u>3,015,357</u>	<u>4,639,147</u>	<u>(4,543,827)</u>	<u>(745,863)</u>	<u>349,000</u>	<u>2,713,814</u>
Restricted funds						
Capital expenditure	28,625	-	(8,091)	-	-	20,534
The Virgin Money Foundation Big Lottery Fund #iwill fund Grant	-	23,878	(23,878)	-	-	-
B.Local Birtley	-	10,385	(11,865)	1,480	-	-
Neighbourly Project: Anonymous Trust	20	8,535	(8,535)	-	-	20
Language Cafe	-	3,327	(3,327)	-	-	-
20 Babies	-	8,804	(8,804)	-	-	-
Inspired by	-	460	(460)	-	-	-
CVAN	-	62,587	(107,587)	45,000	-	-
Kickstart Scheme	-	17,327	(14,092)	(3,235)	-	-
Capital Repair Reserves Account	<u>-</u>	<u>-</u>	<u>-</u>	<u>702,618</u>	<u>-</u>	<u>702,618</u>
Total restricted funds	<u>28,645</u>	<u>135,303</u>	<u>(186,639)</u>	<u>745,863</u>	<u>-</u>	<u>723,172</u>
Total funds	<u>3,044,002</u>	<u>4,774,450</u>	<u>(4,730,466)</u>	<u>-</u>	<u>349,000</u>	<u>3,436,986</u>

Baltic Flour Mills Visual Arts Trust

Notes to the Financial Statements for the Year Ended 31 March 2022

Charity

	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 March 2022 £
Unrestricted funds						
General						
General fund	1,841,796	3,833,893	(3,854,107)	25,565	-	1,847,147
Designated						
Capital replacement and renewal	1,115,974	-	(47,907)	(471,428)	-	596,639
Tyne & Wear Pension Fund	(297,000)	-	-	-	349,000	52,000
COVID Recovery	300,000	-	-	(300,000)	-	-
	<u>1,118,974</u>	<u>-</u>	<u>(47,907)</u>	<u>(771,428)</u>	<u>349,000</u>	<u>648,639</u>
Total unrestricted funds	<u>2,960,770</u>	<u>3,833,893</u>	<u>(3,902,014)</u>	<u>(745,863)</u>	<u>349,000</u>	<u>2,495,786</u>
Restricted funds						
Capital expenditure	28,625	-	(8,091)	-	-	20,534
The Virgin Money Foundation Big Lottery Fund #iwill fund Grant	-	23,878	(23,878)	-	-	-
B.Local Birtley	-	10,385	(11,865)	1,480	-	-
Neighbourly Project: Anonymous Trust	20	8,535	(8,535)	-	-	20
Language Cafe	-	3,327	(3,327)	-	-	-
20 Babies	-	8,804	(8,804)	-	-	-
Inspired by	-	460	(460)	-	-	-
CVAN	-	62,587	(107,587)	45,000	-	-
Kickstart Scheme	-	17,327	(14,092)	(3,235)	-	-
Capital Repair Reserves Account	<u>-</u>	<u>-</u>	<u>-</u>	<u>702,618</u>	<u>-</u>	<u>702,618</u>
Total restricted funds	<u>28,645</u>	<u>135,303</u>	<u>(186,639)</u>	<u>745,863</u>	<u>-</u>	<u>723,172</u>
Total funds	<u>2,989,415</u>	<u>3,969,196</u>	<u>(4,088,653)</u>	<u>-</u>	<u>349,000</u>	<u>3,218,958</u>

Baltic Flour Mills Visual Arts Trust

Notes to the Financial Statements for the Year Ended 31 March 2022

The specific purposes for which the funds are to be applied are as follows:

Capital replacement and renewal

The trustees have designated £596,639 of general reserves for the purpose of maintaining the fabric of the BALTIC building.

Capital expenditure

This fund represents the element of funding received from the Arts Council that is restricted for capital expenditure.

The Virgin Money Foundation Big Lottery Fund #Iwill fund grant supports a three year programme called Creating Change. Creating Change embeds a culture of social action in three Gateshead Secondary Schools; Cardinal Hume, Grace College (formerly Joseph Swan Academy) and Heworth Grange School. The grant has paid predominantly for artists to deliver workshops and ongoing residencies, a freelance Producer to oversee the delivery of the project, programme materials; everything from football kit through to cameras and food.

B.Local Birtley relates to the funding received for the Art Lab programme which launched in May 2019 which is an ongoing holiday programme offering artist led activities, trips and lunches for families. The offer is developed with and for families living in Birtley and particularly families who usually access free school meals during term time. Following the success of Art Lab's adaption during lockdown, where holiday fun and support was brought to the door of families living in Birtley in the form of creative packs and supermarket vouchers/ food deliveries, Art Lab August 2020 took a blended approach to offer activities and meals for three weeks of the School summer holidays. This approach was developed after listening to local families, our partners at the Birtley Hub Resource Centre, and other service providers and finding there was an appetite for in person activities. Birtley families were offered COVID-19 safe artist led workshops in person, take away activities and lunches as well as delivered creativity packs for those unable to attend in person.

Neighbourly Project: Anonymous Trust supports the communal, faith, language, and vocational lives of newly arrived communities across the borough. It engages refugees and people seeking asylum, taking steps to understand people's priorities, address their concerns and support their ideas through a series of onsite and offsite programmes, collaborations and events. Programming includes hosting an annual Open Iftar, ESOL at BALTIC, digital conversation sessions, a monthly Language Café, International Art Clubs in two local schools and skills-matched volunteer and employment opportunities. The structure, aims and values of Neighbourly have been developed to explore the ways in which BALTIC can create long-term and sustainable relationships with refugee and asylum seeking communities, ensuring they have equitable access to BALTIC's resources. A guiding question for Neighbourly is how can BALTIC be a 'good Neighbour' and how can we best support people to feel happy, settled and at home in the North East? Partners include Gateshead Council Resettlement Team, Best of Bensham, WERS, JET, the Angelou Centre, Comfrey Project and Ramadan Tent Project.

Baltic Flour Mills Visual Arts Trust

Notes to the Financial Statements for the Year Ended 31 March 2022

Language Café relates to funding received for the Language Café which at BALTIC happens the first Saturday of each month in BALTIC Front Room. This is a free, fun, friendly and informal opportunity to meet new people and practice English speaking and listening. Drop-in from 2.30pm until 5pm. Free tea, coffee, soft drinks and snacks will be provided. Sessions are family friendly and include artist-led creative sessions for adults and children to keep us busy while we chat. We will also have special guests to meet and chat with to cover topics like community resources that might be useful, skills, opportunities and employability. We welcome and encourage participation from people with refugee and asylum seeking backgrounds as well as confident and native English speakers.

20 Babies relates to funding received for the '20 Babies' project. As a response to the lockdown experiences triggered by the COVID-19 pandemic, the '20 babies' project was formed. 20 babies has been designed and facilitated by BALTIC Centre for Contemporary Art and funded by Mayborn Group with research undertaken by Newcastle University. Starting in September 2021, the project worked with 20 families from Newcastle and Gateshead who had a baby during the first Covid-19 lockdown in 2020 (March - July 2020). The families attended weekly creative workshops that gave the caregivers a chance to explore their experience of the pandemic.

Inspired by relates to funding received for the Inspired project. The Inspired by project is led by BALTIC and a Freelance Artist. We applied to work with Hawthorn Primary on a project that would develop staff CPD in sculpture and inspire the pupils to get involved with creating a permanent sculpture in their school grounds. The Artist has led 5 sessions with the school's art ambassadors: a mixed group of pupils from Reception to Year 6. In these sessions, they explored different types of sculpture, developed their vocabulary around it and tested some different ways of making. The AA's designed two ideas for final piece and the school voted on what they would like to see in place. The final piece will see the entrance to the school come to life with an installation of rainbows, butterflies and mirrored stars suspended from the trees and stretching across to the school building as a way of welcoming visitors to school and sharing the school's core values. The piece will be installed in August for a return to school unveiling in early September. On 15th July the Freelance Artist(s) will lead a whole school sculpture day for pupils and their parents which will see them creating elements of the final installation and experience making sculptures together.

CVAN relates to funding received from the Arts Council England and the Art Fund, for a national art programme titled Fair and Equitable, led by CVAN Contemporary Visual Arts Network, to bring colleagues together across the country to develop a dynamic network and invest in organisational development. CVAN is part of the Baltic and is a national network for contemporary art that supports and advocates for the sector.

Capital Repair Reserves Account relates to funding agreed from Gateshead Council in respect of capital expenditure. These monies are represented by monies which are included in the charity's bank balance and shown on the balance sheet but are held by Gateshead Council on behalf of the charity. Refer to Note 24 - Analysis of Net Funds and Note 22 - Restricted Funds.

Baltic Flour Mills Visual Arts Trust

Notes to the Financial Statements for the Year Ended 31 March 2022

23 Analysis of net assets between funds

Group

	Unrestricted		Restricted	Total funds
	General	Designated		
	£	£	£	£
Tangible fixed assets	652,956	391,992	19,877	1,064,825
Net current assets/(liabilities)	1,412,219	204,647	703,295	2,320,161
Pension scheme liability	-	52,000	-	52,000
Total net assets	<u>2,065,175</u>	<u>648,639</u>	<u>723,172</u>	<u>3,436,986</u>

	Unrestricted			Total funds at 31 March 2021
	General	Designated	Restricted	
	£	£	£	£
Tangible fixed assets	733,148	350,534	27,968	1,111,650
Net current assets/(liabilities)	1,163,235	1,065,440	677	2,229,352
Pension scheme liability	-	(297,000)	-	(297,000)
Total net assets	<u>1,896,383</u>	<u>1,118,974</u>	<u>28,645</u>	<u>3,044,002</u>

24 Analysis of net funds

	At 1 April 2021	Financing cash flows	At 31 March 2022
	£	£	£
Cash at bank and in hand	1,434,934	480,103	1,915,037
Liquid resources	<u>702,618</u>	<u>-</u>	<u>702,618</u>
	<u>2,137,552</u>	<u>480,103</u>	<u>2,617,655</u>
Net funds	<u>2,137,552</u>	<u>480,103</u>	<u>2,617,655</u>

Liquid resources represents a balance deposited with Gateshead Council and held within restricted funds for capital expenditure.

Baltic Flour Mills Visual Arts Trust

Notes to the Financial Statements for the Year Ended 31 March 2022

	At 1 April 2020 £	Financing cash flows £	At 31 March 2021 £
Cash at bank and in hand	770,538	664,396	1,434,934
Liquid resources	702,618	-	702,618
	<u>1,473,156</u>	<u>664,396</u>	<u>2,137,552</u>
Net funds	<u>1,473,156</u>	<u>664,396</u>	<u>2,137,552</u>

25 Related party transactions

Group

During the year the group made the following related party transactions:

Baltic Contemporary Visual Arts Trading Limited

(Subsidiary)

During the year, the charity made sales relating to management fees of £23,327 (2021 - £16,362) and received a gift aid distribution of £46,461 (2021 - £595,288). The charity also made purchases relating to shop stock of £430 (2021 - £972). At the balance sheet date the amount due from Baltic Contemporary Visual Arts Trading Limited was £364,880 (2021 - £446,683).

K C Wexford Campbell

(Trustee)

During the year, the group was charged £150 (2021 - £1,000) in relation to talking fees. At the balance sheet date the amount due to/from K C Wexford Campbell was £Nil (2021 - £1,000).

Newcastle NE1 Limited

(Directors in common)

During the year, the group received a refund in relation the Business Improvement District Levy of £367 (2021: £Nil). At the balance sheet date the amount due to Newcastle NE1 Limited was £367 (2021 - £Nil).

Ward Hadaway

(Directors in common)

During the year, the group received donations of £5,000 (2021 - £Nil). The charity also made purchases relating to legal advice of £5,254 (2021 - £Nil). At the balance sheet date the amount due to Ward Hadaway was £400 (2021 - £Nil).