

Company number: 03589539 (England and Wales)

Charity number: 1076251

Baltic Flour Mills Visual Arts Trust
(A Company Limited by Guarantee)

Report and Financial Statements

For the Year Ended 31 March 2024

Baltic Flour Mills Visual Arts Trust
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Charity number: 1076251
Company number: 03589539
Registered office: Baltic Centre for Contemporary Art, Gateshead Quays, South Shore Road, Gateshead, Tyne & Wear, NE8 3BA

Advisors

Auditors CLA Evelyn Partners Ltd 17 Queens Lane, Newcastle upon Tyne, NE1 1RN
Bankers Virgin Money Northumberland Street, 132-134 Northumberland Street, Newcastle upon Tyne, NE1 7DG

Trustees: S Bryson (Resigned 19 October 2023)
A W Donaldson
C Donovan
J G Gamble
K Lang
C Sexton
M A Sealy
T R Stirling Love
K C Wexford Campbell
P C Gentry
T J Gray
J Cibic
N J Catterall
C S L Staehr
V J Barron (Appointed 1 November 2023)
J P Beer (Appointed 1 November 2023)
K J Fernandes (Appointed 1 November 2023)

Key Management Personnel:

S Munro – Director
I Aristizabel – Head of Curatorial and Public Practice
K Gray – Director of Enterprise and Public Value

Baltic Flour Mills Visual Arts Trust
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**TRUSTEES' REPORT INCLUDING THE STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2024**

The Trustees (who are also the Directors of the charity for the purposes of company law) present their annual report and audited financial statements of Baltic Flour Mills Visual Arts Trust for the year ended 31 March 2024.

ORGANISATIONAL HIGHLIGHTS 23/2024

Baltic continues to be the UK's largest independent contemporary art institution and in 2023 was the most visited free attraction in the North East of England, with 43% of visitors under 35 and 34% from deprived areas.

We presented a diverse programme of exhibitions, events, education, artists residencies, and community programmes alongside new social entrepreneurial approaches to building our resilience including launching a new Weddings business and securing over 300k from the National Lottery Community Fund in collaboration with our resident community organization North East Young Dads and Lads.

Our exhibition programme of internationally facing contemporary art exploring global issues including social justice, inequalities and the climate emergency was underpinned by a strong socially driven mission. Baltic provided important milestone opportunities for artists' development, including showcasing and commissioning artists at all career stages.

Baltic's wide-ranging Learning & Engagement programme continued to include a strong engagement of local audiences, particularly CYP and families and underrepresented communities in Gateshead, with initiatives such Big Days Out, Neighbourly and the Front Room. Visits by C2DE, BIPOC and, most notably, family visits make up 40% of audiences annually.

For every £1 invested by the council, we generated £43, bringing £6.3m to the region in 2023/24. 40% of audiences are from people from lower socio economic backgrounds, ethnically diverse and families.

20 years on from conversion, the building costs remain our most significant challenge taking increasing resource and capacity to maintain impacting on exhibition and learning programmes.

We are grateful to the support of Arts Council England for their annual award of £3.8m and to Gateshead Council for £141k funding and Northumbria University who remain key partners. BALTIC generated £1.4m in earned income with a strong range of commercial events, hires and catering making up an increasing proportion of our core funds.

Baltic continued to play a key sector leadership role through co-chairing the national Contemporary Visual Arts Network (CVAN) and hosting the regional CVAN network (Artist Network North East). CVAN played a key role over 2022/23 in leading the Fair & Equitable Plan which has successfully galvanised the visual arts sector around addressing the social and economic circumstances of individual practitioners, in collaboration with among others UCL, the Visual Arts Alliance and Plus Tate.

We remained at a five-day operational model to ensure long-term financial sustainability and have seen average daily attendances return to 87% of what they were before the pandemic.

TRUSTEES' REPORT INCLUDING THE STRATEGIC REPORT (Continued)
FOR THE YEAR ENDED 31 MARCH 2024

Financial Review

The financial statements for the year to 31 March 2024 report a surplus of £70,879 (2023 - £599,099). This is after adjustments to reflect a zero position in relation to the defined benefit pension scheme, which is now in surplus.

Principle funding sources

BALTIC meets its funding needs from the following principle sources: Arts Council England, Gateshead Council. Earned income from sponsorship, hospitality, retail, catering and facilities hire as well as car parking fees alongside charitable donations from individuals and trusts and foundations.

From April 2023 to March 2024, BALTIC welcomed 375,230 visits during gallery hours, and 414,088 overall, representing a 5% increase on the previous year (18k in real terms). Visits have increased year-on-year following the pandemic but are still below the figure of 426k recorded in 2019/20. Following the shift to a five-day week, visits per day are now higher than before the pandemic. Overall, Baltic has an 87% recovery rate compared with pre-pandemic 2019/20 visit figures. Notably, for the 2023 calendar year, Baltic has been confirmed as being the most visited free attraction in 2023 in the North East in Visit Britain's annual published report.

In 23/24, Baltic's visitors were most likely to be 45-64 at 31%, followed by 25-44 (30%) whilst 11% were 16-24 and 18% were under 16 and 10% were 65+. The age profile over the past three years is also broadly in line with 2019/20, providing evidence that it has settled into a 'normal' pattern following the pandemic.

While the visit origin profile remained proportionally stable, there has been year-on-year growth in visits from Tyne and Wear following the pandemic. Lapsed visits from Tyne and Wear increased significantly from 13% to 20%, a real-terms uplift of 30k visits. This year saw a significant increase in lapsed visits across Q1-Q3. At 41%, Families are the largest visitor type at Baltic, with this group significantly more likely than average to come from the North East. The diversity of visitors recorded that the proportion of BAME visits remained in line with last year at 9%, equating to a real-terms increase of 2k from 31k to 33k.

All exhibitions were rated highly, but Chris Killip: retrospective received the highest proportion of 'very good' ratings at 66%, plus a further 29% good rating. In August 2023, visitors on 14% of visits said that seeing this exhibition was their main reason for visiting the gallery, the highest monthly figure for any exhibition shown during 2023/24. Michael Rakowitz: The Waiting Gardens of the North, commissioned in partnership with Imperial War Museums, received positive ratings, with 87% of those who visited saying it was innovative and thought provoking.

This year saw a significant increase - from 71 to 85% - of visitors who would go onto positively recommend Baltic to others, with the uplift most prominent among first-time visitors.

Baltic Directors Report

Our teams started to explore Radical Hospitality and Kindness as a Visitor Experience practice. An improvised response to a financial challenge that has led to innovative new practice and leadership for BALTIC across the wider sector. Front Room with its donation refreshments, fruit & social programme has handed out over 60,000 cups of free hot drinks over the year, provided free breakfast for over 1,000 visitors throughout school holidays. Front Room provides free Swap&Share events & a festive Pop-up Pantry, offering opportunities for communities to access free clothes, food/care items & literacy through regular free book swaps (every 6 weeks).

The visitor experience team delivered a dedicated selection of exhibition tours with a total of 5773 visitor takers. With additional, specific interactions with visitors serving tea & grinding spices which achieved a total of 5646 visitor takers in the Michael Rakowitz exhibition this year.

TRUSTEES' REPORT INCLUDING THE STRATEGIC REPORT *(Continued)*
FOR THE YEAR ENDED 31 MARCH 2024

Health and Safety Comprehensive Training Programme – 23-24

Established an organisational wide, top to bottom, approach to ensuring best practice in Health and Safety on accredited 3 day courses - IOSH Leading Safely Training (2 Employees); IOSH Managing Safely Training (15 Employees); IOSH Working Safely Training (20 Employees).

Display Screen Equipment Training (54 employees); Health & Safety Basics & Essential (all users); Fire Awareness Training (all users).

Programme Highlights 23-24

Throughout this year, we continued to build back from the impacts of the pandemic, inflation and post Brexit challenges by extending the duration of our exhibitions as a key strategy to reduce resources, whilst focusing on the international quality and local relevance of our Artistic Programme, presenting nine exhibitions in the year across our 4 main galleries.

These included two group shows and seven 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.

Hew Locke: *The Procession*, (18 February 2023 – 11 June 2023) commissioned by Tate and originally presented at Tate Britain in 2022, *The Procession* takes as its starting point the history and character of Tate Britain's building and its original benefactor, the sugar refining magnate Henry Tate. More broadly, Locke invites visitors to 'reflect on the cycles of history, and the ebb and flow of cultures, people, finance and power'. The figures travel through space but also through time. They carry historical and cultural baggage: the evidence of global financial and violent colonial control embellishes their clothes and banners. Images of the colonial architecture of Locke's childhood Guyana emblazon the flag and their bearers, its flooded fields and rotten wooden walls vanishing under the rising sea level. Presented in Baltic's Level 4 gallery space, the exhibition was hugely popular and attracted 52,924 visitors.

Chris Killip: *Retrospective*, (1 April 2023 – 3 September 2023) was a full career retrospective by one of the UK's most important and influential post-war documentary photographers, Chris Killip (1946–2020). The exhibition served as the most comprehensive survey of the photographer's work, with his images from the North East of England at the core. Grounded in sustained immersion into the communities he photographed, Chris Killip's photographs of those affected by economic shifts throughout the 1970s and 80s in the North of England remain without parallel. Whilst marking a moment of de-industrialisation, Killip's stark yet tender observation moves beyond the urgency to record such circumstances, to affirm the value of lives he grew close to – lives that, as he once described, 'had history done to them'. The exhibition was curated by Ken Grant & Tracy Marshall-Grant and produced in collaboration with The Photographers' Gallery, London. The exhibition was hugely popular, especially with local audiences, and attracted 92,751 visitors.

Larry Achiampong: *Wayfinder*, (20 May 2023 – 29 October 2023) was a major solo exhibition by British-Ghanaian artist Larry Achiampong spanning across the Level 2 and Level 3 galleries. The exhibition included the artist's debut feature-length film *Wayfinder* (2022) commissioned by Turner Contemporary with MK Gallery and Baltic. Working in film, sculpture, installation, sound, collage, music and performance, Achiampong draws on his personal and shared heritage to explore class, gender, the intersection between popular culture and the residues of colonisation. His work examines digital identities and constructions of 'the self', offering multiple perspectives that reveal the deeply entrenched inequalities in our society. Across both floors, this exhibition attracted a combined number of 170,911 visitors.

TRUSTEES' REPORT INCLUDING THE STRATEGIC REPORT *(Continued)*
FOR THE YEAR ENDED 31 MARCH 2024

Michael Rakowitz: The Waiting Gardens of the North (20 May 2023 – 29 October 2023) was developed with Iraqi-American artist Michael Rakowitz and Commissioned by Baltic in partnership with the IWM 14-18 NOW Legacy Fund, this major project presented an evolving indoor garden tended by communities who have experienced forced displacement and are seeking refuge. The IWM 14-18 NOW Legacy Fund is a national partnership programme of over 20 artist commissions dealing with war and conflict. Led by Imperial War Museums, the IWM 14-18 NOW Legacy Fund was created following the success of 14-18 NOW, the official UK arts programme for the First World War centenary. The £2.5 million commissioning programme has been made possible thanks to the success of Peter Jackson's critically acclaimed film *They Shall Not Grow Old*, co-commissioned by IWM and 14-18 NOW. Rakowitz's exhibition was conceived as a garden and continued to grow and develop during its run with Baltic's Level 4 gallery. Alongside newly created artworks, the installation presented a collection of plants at different stages of their growing process.

Born out of collaboration with residents of Gateshead and Newcastle who have experienced forced displacement, Rakowitz's garden amongst ruins acted as a metaphor for the overlapping histories of imperialism, war, displacement, trauma, and adaptation that people, cultural objects, and plants carry with them. Building on Baltic's Gallery of Sanctuary status – awarded in February 2022 – which recognises its efforts in supporting sanctuary seekers, The Waiting Gardens of the North was developed in collaboration with community gardens and organisations that support people seeking sanctuary in the North East of England: The Comfrey Project, the West End Refugee Service (WERS), Scotswood Garden and Dilston Physic Garden. The exhibition attracted 130,962 visitors.

Project Artworks & Baltic Residential Exhibition, (23 September 2023 – 25 February 2024) residential followed a year-long collaborative project of awareness-raising and relationship-building in the North East of England between Project Art Works and Baltic, neurodiverse communities, artists and caregivers. The exhibition in Baltic's Ground Floor gallery presented a new film, and large-scale paintings, drawn from the Project Art Works archive of over five thousand physical works. The installation was used for a series of collaborative events that brought different people, audiences and artists together in creative production. Residential forms part of Explorers, a national programme that increases the visibility and presence of neurodivergent artists in contemporary art. Explorers creates pathways for cultural organisations to deepen their understanding and commit to inviting artists and their carers into their spaces as producers and collaborators. The exhibition attracted 67,380 visitors.

TRUSTEES' REPORT INCLUDING THE STRATEGIC REPORT (*Continued*)
FOR THE YEAR ENDED 31 MARCH 2024

Stepping Softly on the Earth, (18 November 2023 – 14 April 2024) is a group exhibition where through a collaborative research project that investigated land rights and the social and political agency of nature from non-extractivist perspectives. The project had an interdisciplinary approach that focused on practices that reveal worldviews at the intersections between land rights and climate justice, questioning and opposing Euro-capital-centric and dominant narratives. Based on experimentation and collaboration, the project explored formats that challenge the hierarchical structures of production and presentation of knowledge, incorporating the voices of artists, and collaboration and exchange in the development process. The R&D project included an artist residency at La Escocesa, a research grant, two artists' commissions, online events and five Research Labs developed by each partner organisation. Brazilian artist Aline Baiana was invited to spend a month-residency at La Escocesa, Barcelona (October 2022). Colombian writer and cultural producer Beatriz E. Balanta was selected to develop her project Palo: Paila-Liquid Memories that explored how Black people re-imagine concepts such as humanity, nature, life, and death in the face war and environmental disaster in the neighbourhood of Las Dos Aguas, in the town of Puerto Tejada near Cali, Colombia. Cosmovision's on Land and Entangled Futures was a partnership between Baltic Centre for Contemporary Art (UK), Capc Bordeaux (FR), La Escocesa (ES), Más Arte Más Acción (COL) and Pivô (BR). It was funded by the British Council's International Collaboration Grants, which are designed to support UK and overseas organisations to collaborate on international projects. The exhibition attracted 58,713 visitors.

Ayo Akingbade: Show Me the World Mister, (18 November 2023 – 14 April 2024) was comprising of two new film commissions. The Fist and Faluyi (2022), both shot on location in Nigeria, are distinct but interconnected works build upon Akingbade's interest in history, place-making, legacy and power. The Fist is a study of the first Guinness brewery built outside of Ireland and the UK, located on the outskirts of Lagos. Akingbade draws attention to the deep-rooted politics embedded in the production of this popular drink. Faluyi follows the protagonist's life on a journey tracing familial legacy and mysticism in ancestral lands. The two films were presented in the gallery divided by a structure made of aluminium, steel and polycarbonate that resembles the infrastructure of the Guinness factory itself. Both works are co-produced by Chisenhale Gallery, London, and Spike Island, Bristol, and commissioned by Chisenhale Gallery; Spike Island; the Whitworth, The University of Manchester; Baltic Centre for Contemporary Art, Gateshead; and John Hansard Gallery, Southampton. Following the presentation at Baltic, the work was exhibited at the Whitworth, The University of Manchester. The commission and its acquisition by the Whitworth, The University of Manchester collection, are made possible with Art Fund support. With additional support from the Chisenhale Gallery Commissions Fund and WEVAA (West of England Visual Arts Alliance). The exhibition attracted 44,794 visitors.

Baltic Open Submission 2024, (16 March 2024 – 22 September 2024) In association with Fenwick, this exhibition presents over 100 artworks from North East based hobbyists and self-taught creatives, alongside several works by established artists drawn from over 1400 submissions. An exhibition of 107 artworks showcasing painting, sculpture, photography, video and more by artists, makers, self-taught creatives and hobbyists based in North East England, alongside several works by established artists. Artworks were selected from over 1400 submissions by our expert panel; North East musician and lead singer with Máximo Park, Paul Smith; artist Jasmina Cibic; Leo Fenwick, Strategic Partnerships Director, Fenwick; Niomi Fairweather, Baltic Curator, and Rose McMurray, Baltic Assistant Curator. Established artists include Phyllis Christopher, Newcastle-based photographer known for documenting LGBTQ+ sexuality and protest in 1980s/1990s San Francisco; Holly Hendry, London-based sculptor and installation artist who explores what lies beneath the surface, from hidden underground spaces to the interior workings of the body; and British institution, household name and prolific painter Jim Moir (aka Vic Reeves) whose submission is a newly completed, unseen work. So far, this exhibition has attracted 71,751 visitors and the preview received 1004 visitors.

TRUSTEES' REPORT INCLUDING THE STRATEGIC REPORT *(Continued)*
FOR THE YEAR ENDED 31 MARCH 2024

Lightbox commissions by Annabelle Blacket of Foundation Club Residency opened (22 March 2023 – 17 July 2023), local artist Jill Tate opened (19 July – 26 November 2023), and then Yu Have Already Survived a colourful mapping of a celebration of sound, poetry banners, sculptures and photography by local artist gobscore opened (29 November 2023 – 10 March 2024). Lily Senner: Tyneside Dreaming (16 March 2024 – 15 July 2024) co-inside with Baltic Open Submission and was selected through an open call process. The lightbox depicted paintings of otherworldly landscapes and were created through memory and imagination.

Across the year we also hosted and developed numerous public events, like In Conversation: Professor Sonya Boyce, In Conversation: Hew Locke & Larry Achiampong and Terrains of Care with Project Artworks.

BALTIC hosted artist Emma Bentley Fox for the Baltic x Shape Emergent Residency in collaboration with Shape Arts.

As part of the Artists Development Programme, we conceived a new residency opportunity and hosted regional artist Mani Kambo. Throughout her residency, Kambo had access to Baltic's expansive facilities as well as curatorial and technical input. Overall, the residency was devised to provide Kambo with pivotal care that will aid her practice and support the development of new work for her exhibition which will take place in Baltic's Level 2 gallery in December 2024. Baltic's Artist Development Programme was established in 2022 and offers learning and developmental support for artists and curators working across the North East. We also created opportunities for local artists and creatives to receive feedback on their work through a series of photography crits and artist studio visits.

Risk Management

BALTIC has adopted a risk management strategy. The risk management strategy forms part of the 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 risk that is appropriate for BALTIC. Risk 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.

TRUSTEES' REPORT INCLUDING THE STRATEGIC REPORT (Continued)
FOR THE YEAR ENDED 31 MARCH 2024

Reserves Policy

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 only be used 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. 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-rate 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.

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.

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. The accounting policies used in preparing the financial statements are unchanged from the prior year.

Financial Risk and 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.

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FOR THE YEAR ENDED 31 MARCH 2024

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 exposure and overdue debts are monitored with customers to ensure 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 transaction 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 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.

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.

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.

TRUSTEES' REPORT INCLUDING THE STRATEGIC REPORT *(Continued)*
FOR THE YEAR ENDED 31 MARCH 2024

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 be 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 INCLUDING THE STRATEGIC REPORT *(Continued)*
FOR THE YEAR ENDED 31 MARCH 2024

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing documents

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.

Appointment of 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.

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TRUSTEES' REPORT INCLUDING THE STRATEGIC REPORT *(Continued)*
FOR THE YEAR ENDED 31 MARCH 2024

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).

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, considering reasonably 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, considering various scenarios and remain confident that the uncertainties do not cast significant doubt on the company's ability to continue as a going concern.

Auditors

In accordance with the Companies Act 2006 a resolution proposing the appointment of CLA Evelyn Partners Limited as auditor for the year ending 31 March 2025 will be put to the members.

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TRUSTEES' REPORT INCLUDING THE STRATEGIC REPORT *(Continued)*
FOR THE YEAR ENDED 31 MARCH 2024

STATEMENT OF TRUSTEES RESPONSIBILITIES

The Trustees (who are also Directors of Baltic Flour Mills Visual Arts Trust for the purpose of company law) are responsible for preparing the Trustees Report (including the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- 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;
- prepare the financial statements on a going concern basis unless it is inappropriate to assume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and the group and to 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 the group and hence for taking reasonable steps for the prevention and detection of fraud or other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charity's auditors are unaware; and
- the Trustees have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by the Trustees on 23.10.24 and signed on their behalf by:


K Lang

Chair and Trustee

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BALTIC FLOUR MILLS VISUAL ARTS TRUST
FOR THE YEAR ENDED 31 MARCH 2024**

Opinion

We have audited the financial statements of Baltic Flour Mills Visual Arts Trust (the 'charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2024 which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Charitable Company Balance Sheet, the Consolidated Cash Flow Statement 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 applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (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 charitable company's affairs as at 31 March 2024, 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's responsibilities for the audit of the financial statements section of our report. We are independent of the group and charitable company 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 charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are 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 trustees' 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.

Baltic Flour Mills Visual Arts Trust
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BALTIC FLOUR MILLS VISUAL ARTS TRUST
(Continued)
FOR THE YEAR ENDED 31 MARCH 2024

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.

We have nothing to report in this regard.

Opinions 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 trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' 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 parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which 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 financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' 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 trustees' responsibilities statement set out on page 12, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 group's and parent charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Baltic Flour Mills Visual Arts Trust
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BALTIC FLOUR MILLS VISUAL ARTS TRUST
(Continued)
FOR THE YEAR ENDED 31 MARCH 2024

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the companies Act 2006 and we report in accordance with this Act.

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.

We obtained an understanding of the legal and regulatory framework applicable to both the company itself and the industry in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the directors and other management. The most significant were identified as the Charities Act 2011, Companies Act 2006, UK GAAP (FRS102) and relevant tax legislation. We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statements. Our audit procedures included:

- confirming with the trustees and management whether they have any knowledge or suspicion of fraud;
- obtaining an understanding of the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- assessing the risk of management override including identifying and testing a sample of journal entries;
- confirmation received from the banks to verify the balance as on the last day of the accounting year;
- reviewing minutes of meetings of those charged with governance; and

Our audit did not identify any key audit matters relating to the detection of irregularities including fraud. However, despite the audit being planned and conducted in accordance with ISAs (UK) there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularity likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

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

Baltic Flour Mills Visual Arts Trust
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BALTIC FLOUR MILLS VISUAL ARTS TRUST
(Continued)
FOR THE YEAR ENDED 31 MARCH 2024

Use of our report

This report is made solely to the charitable company's members, 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 charitable company's members 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 company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Craig Henderson (Senior Statutory Auditor)
for and on behalf of CLA Evelyn Partners Limited

21 November 2024

Statutory Auditor

17 Queens Lane
Newcastle upon Tyne
NE1 1RN

Baltic Flour Mills Visual Arts Trust
(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (including consolidated income and expenditure account)

FOR THE YEAR ENDED 31 MARCH 2024

		Unrestricted funds	Designated funds	Restricted funds	Total 2024	As restated Total 2023
	Notes	£	£	£	£	£
Income from:						
Donations and legacies	4	3,438,947	-	308,489	3,747,436	4,487,630
Charitable activities	5	63,649	-	-	63,649	63,991
Other trading activities	6	2,069,101	-	-	2,069,101	1,333,079
Investment income	7	-	-	-	-	1,694
Other income	8	395,838	-	-	395,838	225,499
Total income		5,967,535	-	308,489	6,276,024	6,111,893
Expenditure on:						
Costs of raising funds		1,371,856	-	-	1,371,856	751,415
Charitable activities	9	4,208,640	48,500	523,149	4,780,289	4,709,379
Total expenditure		5,580,496	48,500	523,149	6,152,145	5,460,794
Net movement before transfers		387,039	(48,500)	(214,660)	123,879	651,099
Transfers between funds	25	317,719	(328,568)	10,849	-	-
Other comprehensive expenditure						
Actuarial loss on defined benefit pension schemes		(53,000)	-	-	(53,000)	(52,000)
Net movement in funds		651,758	(377,068)	(203,811)	70,879	599,099
Reconciliation of funds						
Total funds brought forward		2,317,433	795,662	922,990	4,036,085	3,436,986
Total funds carried forward		2,969,191	418,594	719,179	4,106,964	4,036,085

All income and expenditure derive from continuing activities.

The Statement of Financial Activities includes all gains and losses recognised in the year.

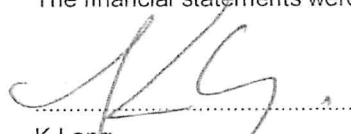
Baltic Flour Mills Visual Arts Trust
(A Company Limited by Guarantee)

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2024

	Notes	£	2024 £	As restated 2023 £
Fixed assets				
Tangible assets	16		1,620,611	1,304,212
			<u>1,620,611</u>	<u>1,304,212</u>
Current assets				
Stock	18	107,718		102,033
Debtors	19	751,385		914,944
Cash at bank and in hand		2,477,681		2,916,350
		<u>3,336,784</u>		<u>3,933,327</u>
Creditors: amounts falling due within one year	20	(850,431)	(1,201,454)	
		<u></u>	<u></u>	
Net current assets			2,486,353	2,731,873
Pension scheme asset/(liability)	23			
Net assets			<u>4,106,964</u>	<u>4,036,085</u>
Funds				
Unrestricted funds			2,969,191	2,317,433
Designated funds			418,594	795,662
Restricted funds			719,179	922,990
	25		<u>4,106,964</u>	<u>4,036,085</u>

The notes on pages 21 to 45 form part of these financial statements.

The financial statements were approved by the Trustees on 23.10.24 and signed on their behalf by:


K Lang
Chair and Trustee

Company Number: 03589539

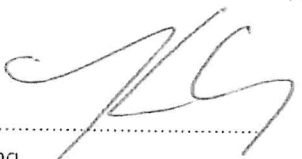
Baltic Flour Mills Visual Arts Trust
(A Company Limited by Guarantee)

CHARITABLE COMPANY BALANCE SHEET
AS AT 31 MARCH 2024

	Notes	£	2024 £	As restated 2023 £
Fixed assets				
Tangible assets	16		1,193,668	1,002,012
Investments	17		2	2
			<u>1,193,670</u>	<u>1,002,014</u>
Current assets				
Debtors	19	1,638,907	1,035,206	
Cash at bank and in hand		1,306,568	2,582,452	
		<u>2,945,475</u>	<u>3,617,658</u>	
Creditors: amounts falling due within one year	20	(626,107)	(1,043,148)	
Net current assets			<u>2,319,368</u>	<u>2,574,510</u>
Net assets			<u>3,513,038</u>	<u>3,576,524</u>
Funds				
Unrestricted funds			2,375,265	1,857,872
Designated funds			418,594	795,662
Restricted funds	25		719,179	922,990
			<u>3,513,038</u>	<u>3,576,524</u>

The notes on pages 21 to 45 form part of these financial statements.

The financial statements were approved by the Trustees on 23.10.24 and signed on their behalf by:


K Lang
Chair and Trustee

Company Number: 03589539

Baltic Flour Mills Visual Arts Trust
(A Company Limited by Guarantee)

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2024

	Note	2024 £	2023 £
<i>Net cash provided by operating activities</i>	29	24,910	631,979
Cash flows from investing activities			
Investment income		-	1,694
Purchase of tangible assets		(463,579)	(341,645)
Sale of tangible fixed assets		-	6,667
<i>Net cash flow from investing activities</i>		(463,579)	(333,284)
Net (decrease)/increase in cash and cash equivalents		(438,669)	298,695
Cash and cash equivalents at the beginning of the year		2,916,350	2,617,655
Cash and cash equivalents at the end of the year		<u>2,477,681</u>	<u>2,916,350</u>
Cash and cash equivalents consist of:			
Cash at bank and in hand		<u>2,477,681</u>	<u>2,916,350</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

1. Accounting policies

1.1 Basis of preparation of financial statements

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) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice.

Baltic Flour Mills Visual Arts Trust meets the definition of a public benefit entity under FRS 102.

The financial statements are prepared under the historical cost convention or transaction value unless otherwise stated in the relevant accounting policy note(s). The financial statements are prepared in Sterling which is the functional currency of the charity and rounded to the nearest £.

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

1.2 Basis of consolidation

The financial statements consolidate the results of Baltic Flour Mills Visual Arts Trust and its wholly owned subsidiaries Baltic Contemporary Visual Arts Trading Limited on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented because Baltic Flour Mills Visual Arts Trust has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

1.3 Going concern

The financial statements have been prepared on a going concern basis. The Trustees have reviewed and considered relevant information, including operating performance of the group, the annual budget, rolling financial forecasts and future cash flows in making their assessment.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
FOR THE YEAR ENDED 31 MARCH 2024

1.4 Funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of Baltic Flour Mills Visual Arts Trust and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors which have been raised by Baltic Flour Mills Visual Arts Trust for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.5 Income

All incoming resources are included in the Statement of Financial Activities when the Group has entitlement to the funds, any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Donations from individuals and charitable Trusts are recognised when notification of payment is received, unless there are specific conditions attached.

No amount is included within the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Trustees Report.

Investment income is earned through holding assets for investment purposes such as cash held on deposit and property. It includes interest and rent. Interest income is recognised when receivable and rental income is recognised as TAP's right to receive payment is established.

1.6 Expenditure and irrecoverable VAT

All expenditure is accounted for on an accruals basis and is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes all costs incurred in the running of the trading subsidiary; and
- Expenditure on charitable activities includes all direct and support costs incurred in the management of the charity.

Irrecoverable VAT is charged as a cost against the expenditure when incurred.

1.7 Support cost allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2024

1.8 Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Fixtures, fittings and equipment - over 5 to 10 years straight line

Individual fixed assets costing £5,000 or more are initially recorded at cost.

1.9 Investments

Investments in subsidiary undertakings are held at cost less impairment.

1.10 Stock

Stock is valued at the lower of cost and net realisable value.

1.11 Debtors

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

1.12 Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.13 Creditors and provisions

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

1.14 Defined benefit pension plan

The company recognised 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 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.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
FOR THE YEAR ENDED 31 MARCH 2024

1.15 Pensions

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

1.16 Financial instruments

Baltic Flour Mills Visual Arts Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.17 Judgements and key sources of estimation uncertainty

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

There are considered to be no significant judgements.

2. Legal status

Baltic Flour Mills Visual Arts Trust is a company limited by guarantee, registered in England and Wales, (number 03589539) and not having a share capital. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

Baltic Flour Mills Visual Arts Trust
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2024

3. Statement of financial activities from the prior year as restated

		Unrestricted funds	Designated funds	Restricted funds	Total 2023	Total 2022
	Notes	£	£	£	£	£
Income from:						
Donations and legacies	4	3,377,336	734,015	376,279	4,487,630	3,551,485
Charitable activities	5	63,991	-	-	63,649	175,783
Other trading activities	6	1,333,079	-	-	1,333,079	917,150
Investment income	7	1,694	-	-	1,694	3,423
Other income	8	225,499	-	-	225,499	126,609
Total income		5,001,599	734,015	376,279	6,111,893	4,774,450
Expenditure on:						
Costs of raising funds		751,415	-	-	751,415	641,813
Charitable activities	9	4,381,977	102,022	225,380	4,709,379	4,088,653
Total expenditure		5,133,392	102,022	225,380	5,460,794	5,460,794
Net movement before transfers		(131,793)	631,993	150,899	651,099	43,984
Transfers between funds	22	384,051	(432,970)	48,919	-	-
Other comprehensive income/(expenditure)						
Actuarial (loss)/gains on defined benefit pension schemes		-	(52,000)	-	(52,000)	349,000
Net movement in funds		252,258	147,023	199,818	599,099	392,984
Reconciliation of funds						
Total funds brought forward		2,065,175	648,639	723,172	3,436,986	3,044,002
Total funds carried forward		2,317,433	795,662	922,990	4,036,085	3,436,986

Baltic Flour Mills Visual Arts Trust
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2024

4.	Income from donations		As restated
		2024	2023
		£	£
	Donations	74,557	182,604
	Grants	3,672,879	4,305,026
		<u>3,747,436</u>	<u>4,487,630</u>
5.	Charitable activity income		
		2024	2023
		£	£
	Charitable activity income	63,649	63,991
		<u>63,649</u>	<u>63,991</u>
6.	Income from other trading activities		
		2024	2023
		£	£
	Sales of goods and services	1,887,924	1,088,300
	Sponsorship income	166,083	160,165
	Other income	15,094	84,614
		<u>2,069,101</u>	<u>1,333,079</u>
7.	Investment income		
		2024	2023
		£	£
	Interest on bank deposits	-	1,694
		<u>-</u>	<u>1,694</u>
8.	Other income		
		2024	2023
		£	£
	MGETR tax relief	395,838	225,499
		<u>395,838</u>	<u>225,499</u>

Baltic Flour Mills Visual Arts Trust
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2024

9. Analysis of expenditure on charitable activities

	Activities undertaken directly £	Support costs £	Total 2024 £	Total 2023 £
Arts Programme	1,044,530	1,618,179	2,662,709	2,701,360
Learning Programme	820,702	1,271,427	2,092,129	1,984,405
Governance	-	25,451	25,451	23,614
	<u>1,865,232</u>	<u>2,915,057</u>	<u>4,780,289</u>	<u>4,709,379</u>

10. Support costs

	Governance costs £	Arts Programme £	Learning Programme £	Total 2024 £
IT costs	-	48,409	38,035	86,444
Staff costs	-	494,570	388,590	883,160
Premises costs	-	811,121	637,309	1,448,430
Depreciation	-	82,441	64,775	147,216
Other support costs	-	181,639	142,717	324,356
Governance	25,451	-	-	25,451
	<u>25,451</u>	<u>1,618,180</u>	<u>1,271,426</u>	<u>2,915,057</u>

11. Governance costs

	2024 £	2023 £
Audit fees	17,500	15,125
Other costs	7,951	8,489
	<u>25,451</u>	<u>23,614</u>

Baltic Flour Mills Visual Arts Trust
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2024

12. Net income for the year

Net income is stated after charging;

	2024	2023
	£	£
Depreciation	147,180	92,425
Operating lease costs	5,370	5,370
Audit fees	17,500	15,125
	<u> </u>	<u> </u>

13. Auditors remuneration

The auditors remuneration amounts to an audit fee of £17,500 (2023 - £15,125) and non-audit fees of £16,450 (2023 - £14,922).

14. Financial performance of the charitable company

The Consolidated Statement of Financial Activities includes the results of the wholly owned subsidiaries.

The summary financial performance of the charity alone is;

	2024	2023
	£	£
Income	4,722,017	5,118,945
Expenditure	(4,732,503)	(4,709,379)
Other comprehensive income/(expenditure)	(53,000)	(52,000)
	<u> </u>	<u> </u>
Net (deficit) / surplus	(63,486)	357,566
	<u> </u>	<u> </u>

Baltic Flour Mills Visual Arts Trust
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2024

15. Analysis of staff costs, Trustee remuneration and expenses, and the cost of key management personnel

The total staff costs and employees benefits were as follows:

	2024	2022
	£	£
Wages and salaries	2,072,348	1,859,681
Social security costs	188,469	165,244
Other pension costs	108,014	106,595
	<u>2,368,831</u>	<u>2,131,520</u>

The average number of employees during the year was as follows:

	2024	2023
Administrative staff	78	78
	<u>78</u>	<u>78</u>

The number of employees who received total employee benefits (excluding employer pension costs) of more than £60,000 is as follows:

	Number 2024	Number 2023
In the band £60,001 - £70,000	1	1
In the band £70,001 - £80,000	-	-
In the band £80,001 - £90,000	-	-
In the band £90,001 - £100,000	1	-
In the band £100,001 - £110,000	-	1
	<u>2</u>	<u>2</u>

Baltic Flour Mills Visual Arts Trust
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NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2024

15. Analysis of staff costs, Trustee remuneration and expenses, and the cost of key management personnel expenses (continued)

The Trustees were not paid or received any other benefits from employment in the year (2023 – £nil). No Trustee received payment for professional or other services supplied to the charity (2023 - £nil).

The key management personnel of the charity are identified in the Reference and Administrative details section of the Trustees Report. The total employee benefits of the key management personnel of the charity were £224,223 (2023 - £234,277).

16. Tangible fixed assets
Consolidated

	Fixtures, fittings and equipment £	Total £
Cost		
At 1 April 2023	1,750,209	1,750,209
Additions	463,579	463,579
Disposals	(3,840)	(3,840)
At 31 March 2024	2,209,948	2,209,948
Depreciation		
At 1 April 2023	445,997	445,997
Charge for the year	147,180	147,180
Elimination on disposal	(3,840)	(3,840)
At 31 March 2024	589,337	589,337
Net book value		
At 31 March 2024	1,620,611	1,620,611
At 31 March 2023	1,304,212	1,304,212

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NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2024

16. Tangible fixed assets (continued)
Charitable company

	Fixtures, fittings and equipment £	Total £
Cost		
At 1 April 2023	1,340,323	1,340,323
Additions	296,321	296,321
At 31 March 2024	1,636,644	1,636,644
Depreciation		
At 1 April 2023	338,311	338,311
Charge for the year	104,665	104,665
At 31 March 2024	442,976	442,976
Net book value		
At 31 March 2024	1,193,668	1,193,668
At 31 March 2023	1,002,012	1,002,012

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NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2024

17. Investments

	Consolidated		Charitable Company	
	2024	2023	2024	2023
	£	£	£	£
Shares in subsidiary undertakings	-	-	2	2
	<u>-</u>	<u>-</u>	<u>2</u>	<u>2</u>
	<u>-</u>	<u>-</u>	<u>2</u>	<u>2</u>

Shares in Subsidiary Undertakings (Charitable Company)

	2024	2023
	£	£
Cost and Net Book Value		
At 1 April 2023	2	2
	<u>2</u>	<u>2</u>
At 31 March 2024	<u>2</u>	<u>2</u>

Baltic Flour Mills Visual Arts Trust
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NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2024

17. Investments (Continued)

Company	Country	Percentage Shareholding	Description
Baltic Contemporary Visual Arts Trading Limited	England and Wales	100%	Ordinary

The provision of catering, retail, business sponsorship and room hire services. The results and summary of assets and liabilities of the company are as follows:

	2024	2023
	£	£
Turnover	2,082,536	1,248,465
Cost of sales	(1,019,186)	(433,730)
Administrative expenses	(428,985)	(349,157)
Profit for the year	634,365	465,578
Distribution to Trust	500,000	224,045
	2024	2023
	£	£
Total assets	1,732,968	885,841
Total liabilities	(1,139,040)	(426,278)
Shareholders' funds	593,928	459,563

18. Stock

	Group 2024	2023	Charitable 2024	Company 2023
	£	£	£	£
Finished goods	107,718	102,033	-	-
	107,718	102,033	-	-

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NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2024

19. Debtors

	Group		Charitable	Company
	2024	2023	2024	2023
	£	£	£	£
Trade debtors	56,731	71,176	39,869	34,960
Prepayments and accrued income	635,513	795,774	625,181	684,280
Recoverable VAT	59,141	47,944	59,141	47,994
Amounts due from group undertakings	-	-	914,716	267,972
	<u>751,385</u>	<u>914,894</u>	<u>1,638,907</u>	<u>1,035,206</u>

20. Creditors: amounts falling due within one year

	Group		Charitable	Company
	2024	2023	2024	2023
	£	£	£	£
Trade creditors	549,884	514,324	446,431	475,968
Social Security and taxes	38,956	52,502	-	-
Accruals and deferred income	245,490	525,068	163,575	637,685
Other creditors	16,101	109,560	16,101	1,431
	<u>850,431</u>	<u>1,201,454</u>	<u>626,107</u>	<u>1,155,765</u>

21. Deferred income

Deferred income comprises fee income relating to future periods:

	£
Balance at 1 April 2023	212,397
Amounts released to income earned from charitable activities	(212,397)
Amounts deferred in the year	109,349
Balance at 31 March 2024	<u>109,349</u>

22. Operating leases

The future minimum lease payments under non-cancellable operating leases are as follows;

	2024	2023
	£	£
Not later than one year	7,898	796
Later than one and not later than five years	14,610	350
	<u>22,508</u>	<u>1,146</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2024

23. 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 for the scheme and amounted to £108,014 (2023 - £106,595).

Contributions totalling £17,468 (2023 - £14,016) 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 contributions made for the year ended 31 March 2024 was £14,000 (2023 - £24,000) of which employers contributions totalled £12,000 (2023 - £22,000) and employees' contributions totalled £2,000 (2023 - £2,000).

Reconciliation of scheme assets and liabilities to assets and liabilities recognised

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

	2024	2023
	£	£
Fair value of scheme assets	2,625,000	2,499,000
Present value of defined benefit obligation	(1,457,000)	(1,482,000)
	<u>1,168,000</u>	<u>1,017,000</u>
Pension asset value not recognised (as per FRS 102 para 28.22)	(1,168,000)	(1,017,000)
Defined benefit pension scheme surplus	<u>-</u>	<u>-</u>

In the year ended 31 March 2024 the actuarial valuation for FRS102 showed a surplus over liabilities at that date of £1,168,000. In accordance with FRS 102 paragraph 28.22, a pension scheme asset is recognised only to the extent that is able to recover the surplus either through reduced contributions in the future or through refunds from the plan. This condition was not met at the balance sheet date and therefore the surplus was not recognised.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2024

Defined benefit obligation

Changes in the defined benefit obligation are as follows:

	2024
	£
Present value at start of year	1,482,000
Current service cost	7,000
Interest cost	67,000
Actuarial gains and losses	(68,000)
Benefits paid	(33,000)
Contributions by scheme participants	2,000
	<u>1,457,000</u>

Fair value of scheme assets

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

	2024
	£
Fair value at start of year	2,499,000
Interest income	115,000
Remeasurement on assets	30,000
Employer contributions	14,000
Benefits paid	(33,000)
	<u>2,625,000</u>

Analysis of assets

The major categories of scheme assets are as follows:

	2024	2023
	£	£
Equities	1,328,000	1,281,000
Property	273,000	262,000
Government bonds	34,000	32,000
Corporate bonds	512,000	487,000
Multi-asset Credit	121,000	112,000
Cash	18,000	45,000
Other	339,000	280,000
	<u>2,625,000</u>	<u>2,499,000</u>

Return on scheme assets

2024	2023
£	£
41,000	43,000

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NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
FOR THE YEAR ENDED 31 MARCH 2024

Principal actuarial assumptions

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

	2024	2023
	%	%
Discount rate	4.80	4.60
CPI inflation	2.60	2.60
Pension increases	2.60	2.60
Pension accounts revaluation rate	2.60	2.60
Salary increases	4.10	4.10

Post retirement mortality assumptions

	2024	2023
	Years	Years
Current UK pensioners at retirement age - male	21.00	22.00
Current UK pensioners at retirement age - female	24.20	25.00
Future UK pensioners at retirement age - male	22.30	23.00
Future UK pensioners at retirement age - female	25.60	26.00

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 charges 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.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2024

24. Prior period adjustment

A prior period adjustment has been made in respect of the recognition of grant income in line with the requirements of the SORP.

Change to the balance sheet

	As previously reported £	Adjustment £	As restated 2023 £
Current liabilities			
Deferred income	323,583	(111,186)	212,397
Funds			
Restricted funds	811,804	111,186	922,990
	<u>811,804</u>	<u>111,186</u>	<u>922,990</u>

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NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2024

25. Fund reconciliation

Year ended 31 March 2024

	Balance at 1 April 2023	Income	Expenditure	Transfers	Gains/ (losses)	Balance at 31 March 2024
Unrestricted funds						
General fund	2,317,433	5,996,064	(5,609,025)	317,719	(53,000)	2,969,191
Designated funds						
Capital replacement & renewal	173,256	-	(48,500)	(124,756)	-	-
Novated funds – income Generation	622,406	-	-	(203,812)	-	418,594
Total restricted funds	<u>3,113,095</u>	<u>5,996,064</u>	<u>(5,657,525)</u>	<u>(10,849)</u>	<u>(53,000)</u>	<u>3,387,785</u>
Restricted funds						
ACE Capital Expenditure	16,129	-	(1,081)	-	-	15,048
The Virgin Money Foundation						
Big Lottery Fund #iwill fund	-	7,267	(6,431)	-	-	836
B.Local Birtley	650	-	-	-	-	650
Neighbourly Project:						
Anonymous Trust	20	8,751	(8,771)	-	-	-
20 Babies	-	7,955	(6,584)	-	-	1,371
Inspired by	147	-	-	-	-	147
ICP	-	25,020	(18,853)	-	-	6,167
IWM Commission	92,240	46,203	(208,119)	69,676	-	-
Bloomberg	111,186	25,000	(137,370)	1,184	-	-
National Lottery Fund	-	82,470	(35,461)	-	-	47,009
National Art Collection CVAN	-	45,000	(286)	-	-	44,714
CVAN	-	23,755	(100,193)	75,000	-	(1,438)
Capital repair reserves account	702,618	37,068	-	(135,011)	-	604,675
Total restricted funds	<u>922,990</u>	<u>308,489</u>	<u>(523,149)</u>	<u>10,849</u>	<u>-</u>	<u>719,179</u>
Total funds	<u>4,036,085</u>	<u>6,304,553</u>	<u>(6,180,674)</u>	<u>-</u>	<u>(53,000)</u>	<u>4,106,964</u>

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NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2024

25. Fund reconciliation (Continued)

Year ended 31 March 2023 as restated

	Balance at 1 April 2022	Income	Expenditure	Transfers	Gains/ (losses)	Balance at 31 March 2023
Unrestricted funds						
General fund	2,065,175	5,001,599	(5,133,392)	384,051	-	2,317,433
Designated funds						
Capital replacement & renewal	596,639	-	(81,738)	(341,645)	-	173,256
Novated funds – income Generation	-	734,015	(20,284)	(91,325)	-	622,406
Tyne & Wear Pension fund	52,000	-	-	-	(52,000)	-
Total restricted funds	2,713,814	5,735,614	(5,235,414)	(48,919)	(52,000)	3,113,095
Restricted funds						
ACE Capital Expenditure	20,534	-	(4,405)	-	-	16,129
Capital Repair Reserves Account	702,618	-	-	-	-	702,618
The Virgin Money Foundation						
Big Lottery #iwill fund	-	30,905	(30,905)	-	-	-
B.Local Birtley	-	5,964	(5,314)	-	-	650
Neighbourly Project:						
Anonymous Trust	20	12,343	(12,343)	-	-	20
Language Café	-	2,673	(4,101)	1,428	-	-
20 Babies	-	9,376	(9,376)	-	-	-
Inspired by	-	4,040	(3,893)	-	-	147
ICP	-	46,870	(46,870)	-	-	-
IWM Commission	-	99,057	(6,817)	-	-	92,240
Bloomberg	-	125,000	(13,814)	-	-	111,186
CVAN	-	40,051	(87,542)	47,491	-	-
Total restricted funds	723,172	376,279	(225,380)	48,919	-	922,990
Total funds	3,436,986	6,111,893	(5,460,794)	-	(52,000)	4,036,085

The transfer from restricted funds relates to capital assets purchased. The restriction lifts when the purchases are made.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2024

25. Fund reconciliation (Continued)

Capital replacement and renewal

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 the capital expenditure.

The Virgin Money Foundation #iwill Take Action Fund

is a joint investment from the Big Lottery Fund and the Virgin Money Foundation. The #iwill Take Action Fund supported a 3-year programme at Baltic called Creating Change. Creating Change ran from 2017-2020 and aimed to embed social action in three Gateshead secondary schools; Cardinal Hume, Heworth Grange and Grace College (Formerly Joseph Swan). The grant was predominantly used to pay for a freelance producer to co-ordinate the project, the delivery of artist workshops, materials, trips, events and public art commissions

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 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, 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 conservation 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.

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 and 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'll 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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2024

20 Babies relates to funding received for the '20 Babies' project. As a response to 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 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 core values. The piece will be installed in August for a return to school unveiling in early September. On the 15th July the Freelance Artists(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.

CAVN 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 Baltic and is 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.

Novated Funds – Income generation

The motivated funds were transferred from Gateshead Council are the remaining sum of the original Arts Council of England funding awarded to BALTIC which was agreed to be an endowment held in Gateshead Council's accounts. These funds were novated from Gateshead Council to BALTIC to support an agreement income generation plan to support the recovery and future resilience of BALTIC in the post COVID-19 recovery. Agreed investments include feasibility studies, new areas of trading and capital investment in spaces, which are income generating (for hospitality) or cost savings. This is an ongoing programme of investments which will be made between 2022 and 2025.

Bloomberg

Baltic successfully received funds of £150,000 from Bloomberg Philanthropies – as Bloomberg Tech Fellow for the next year to 18 months. The project commencing January 2023 includes a newly developed single sign-on for www.baltic.at, development of CRM (salesforce) system and usage across the organisation, a re-development of the inline archive Baltic+ and establishing a new nature/wellbeing user generate platform site to encourage creativity entitled Nature & Nurture. The strategic objectives of this suite of projects include

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
FOR THE YEAR ENDED 31 MARCH 2024

assisting in the sustainability of the organisation by increasing self-generated income and becoming more efficient, to invest in infrastructure and training to optimize insights, and to extend reach and relevance to regional, national and international audiences through building communities of knowledge and engagement. It is anticipated the projects come to conclusion and fruition by November/December 2023.

IWM

The IWM 14-18 NOW Legacy Fund is a national partnership programme of over 20 artist commissions inspired by the heritage of conflict. Led by Imperial War Museums, the IWM 14-18 NOW Legacy Fund was created following the success of 14-18 NOW, the official UK arts programme for the First World War centenary. The £2.5 million commissioning programme has been made possible thanks to the success of Peter Jackson's critically acclaimed film *They Shall Not Grow Old*, co-commissioned by IWM and 14-18 NOW

ICP

The R&D project titled *Cosmovisions on Land and Entangled Futures* proposed to create space and time to build collaboration and in-depth co-creation of ideas relating to the interdependence and de-hierarchisation between human and nature. It offered a platform to connect local, territorial and social struggles with pressing global concerns to imagine other possible realities that respond to more sustainable futures. The project included an artist residency at La Escocesa, Barcelona; a research grant; two artists' commissions; a two-day event in Pivo and Sao Paulo; and four Research Labs to be developed by the partner organisations. *Cosmovisions on Land and Entangled Futures* was a partnership between Baltic Centre for Contemporary Art (UK), Capc Bordeaux (FR), La Escocesa ES), Mas Arte Mas Accion (COL) and Pivo (BR). It was funded by British Council's International Collaboration Grants, Which are designed to support UK and overseas organisations to collaborate on international projects.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2024

26. Analysis of net assets between funds

Year ended 31 March 2024

	Unrestricted Funds	Designated Funds	Restricted Funds	Total 2024
	£	£	£	£
Tangible assets	1,620,611	-	-	1,620,611
Net current assets/(liabilities)	1,348,580	418,594	719,179	2,486,353
Total net assets	2,969,191	418,594	719,179	4,106,964

Year ended 31 March 2023

	Unrestricted Funds	Designated Funds	Restricted Funds	Total 2023
	£	£	£	£
Tangible assets	1,304,212	-	-	1,304,212
Net current assets/(liabilities)	1,013,221	795,662	922,990	2,731,873
Total net assets	2,317,433	795,662	922,990	4,036,085

27. Related Party Transactions

Group:

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

Baltic Contemporary Visual Arts Trading Limited

During the year, the charity made sales relating to management fees of £28,529 (2023 - £31,472) and received a gift aid distribution of £481,838 (2023 - £224,045). At the balance sheet date the amount due from Baltic Contemporary Visual Arts Trading Limited was £914,716 (2023 - £267,972).

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FOR THE YEAR ENDED 31 MARCH 2024

24. Capital Commitments

The total amount contracted for but not provided in the financial statements was £x (2023 - £306,996).

25. Reconciliation of net income to net cash flow from operating activities

	2024	2023
	£	£
Net surplus/(deficit) for the year	70,879	599,099
Interest and received from investments	-	(1,694)
Loss on disposal of tangible fixed assets	-	3,166
Depreciation on tangible assets	147,180	92,425
(Increase)/decrease in debtors	163,559	(432,036)
Increase/(decrease) in creditors	(351,023)	316,107
Decrease/(Increase) in stock	(5,685)	2,912
Increase in retirement benefit obligation net of actuarial changes	-	52,000
Net cash flow from operating activities	24,910	631,979