

COMPANY REGISTRATION NUMBER: 07123227
CHARITY REGISTRATION NUMBER: 1148716

Project Space Leeds
Company Limited by Guarantee
Financial Statements
31st March 2023

Project Space Leeds
Company Limited by Guarantee
Financial Statements
Year ended 31st March 2023

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Project Space Leeds
Company Limited by Guarantee
Trustees' Annual Report
Year ended 31st March 2023

The Trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31st March 2023.

Reference and administrative details

Registered charity name Project Space Leeds

Charity registration number 1148716

Company registration number 07123227

Principal office and registered office
The Tetley
Hunslet Road
Leeds
LS10 1JQ

The Trustees
Mr J D Hill
Mr J M Straight (Resigned 7 September 2022)
Ms J D Cameron (Resigned 7 September 2022)
Mr M D Pattinson (Resigned 16 May 2022)
Miss S Netherwood
Mr A M P L Lovitt
Mr D J Warren
Mr S J Foster
Mr F J Finlay (Chair)
Ms G Pollock
Mr S Barclay
Ms S Cooper (Resigned 6 December 2022)
Ms M J Duxbury
Miss T Ahmed
Ms L Nhuyen
Mrs S L Tyson (Appointed 1 April 2023)

Company secretary Joss Richardson

Auditor
Sagars Accountants Ltd
Chartered accountants & statutory auditor
Gresham House
5-7 St Paul's Street
Leeds
LS1 2JG

Bankers
Lloyds
65-68 Briggate
Leeds
LS1 6LH

Project Space Leeds

Company Limited by Guarantee

Trustees' Annual Report *(continued)*

Year ended 31st March 2023

Chair's report

We have been delighted this year to see audiences returning to The Tetley in far greater numbers, following the disruptions of the pandemic in recent years. These numbers were driven in part by an exceptional programme of exhibitions, that once again put a spotlight on exciting new ideas and artistic talent emerging here in Leeds and West Yorkshire and kick-started Leeds 2023, our year of culture, and continued our dialogue with international artists and partners. We are grateful to all the artists and partners who have contributed to this success.

Artists supported through the Tetley Jerwood Commissions have featured prominently in this exhibition programme and we are recalibrating our artist development programme accordingly for future years. We will build in regular opportunities for supported artists to help showcase their work, including building further opportunities for a first solo exhibition with us. We have seen first-hand the transformational power of an ambitious first show to launch artistic careers, when this is properly supported and promoted. This high profile platform assured for new, local talent will be a regular feature of our future programmes.

Fresh beginnings have been a recurring theme through the year, as our work with young families and very young children (0-5) has thrived – not only within The Tetley but also with community partners across South Leeds. We are excited by the possibilities of extending this early years work, bringing fun, play, learning and greater wellbeing to very young children and their parents and carers through imaginative use of the visual arts.

The sight (and sound) of over 1,000 toddlers, babies and their adults enjoying Baby Week on a single day at The Tetley is not easily forgotten! It is an experience that we wish to repeat and build on.

The year ahead will bring fresh challenges for our teams as we prepare to leave our much-loved base at The Tetley for a new home, in 2024/25. We are however guided by a mission that is clearer than ever and are well equipped to assure a bright future for PSL: after all, the arts are all about transporting us to new places and imagined possibilities, our core business will stand us in good stead.

We are hugely grateful to the many funders and supporters who have once again made our work possible this year and are delighted that Arts Council England will continue to invest in our work as a National Portfolio Organisation, from April 2023 – March 2026.

Our thanks to all – artists, curators, participants, audiences, partners and funders - who have been part of The Tetley through this year. We look forward to our continuing work together.

Frank Finlay, *Chair of Trustees*

Project Space Leeds

Company Limited by Guarantee

Trustees' Annual Report *(continued)*

Year ended 31st March 2023

Structure, governance and management

Governing document

Project Space Leeds (also known as PSL) is the charity that operates The Tetley. The Tetley is a pioneering centre for contemporary art located in the stunning art deco headquarters of the former Tetley Brewery. From the heart of Leeds' South Bank, The Tetley creates a platform for amazing emerging artists, presents breath-taking free exhibitions and helps communities and young people in Leeds find their creative voice.

The charity is a company limited by guarantee. The company gained charitable status on 9 August 2012 and since then it has been governed by its Memorandum and Articles of Association, as amended by special resolution on 9 August 2012. The Articles of Association were amended, and the revised articles adopted on 13 March 2018.

Recruitment and appointment of new Trustees

Directors serve for a fixed term of three years and can serve for a second term by agreement. We are mindful of constantly evolving the breadth of skills and expertise needed to support the charity, when vacancies arise recruitment is undertaken by open call with particular reference to any identified skills or knowledge gaps and to ensure diversity and that the board is representative of our communities.

Induction and training of new Trustees

All new Trustees are sent an induction pack on appointment to provide them with background information on the organisation, its structure, business plan, its policies and its finances. They are issued with the latest government guidance on being a trustee and have individual meetings with the Chair and CEO to ensure they are fully informed and confident about taking on these responsibilities. This forms part of the training of Trustees. Away days and formal training days for Trustees are held from time to time and trustees are encouraged to attend any training relevant to their roles.

Organisational structure

The day-to-day management of the charity is delegated to the executive team. Pay for key management personnel, which is agreed by the Trustees, is set and agreed by reference to budgets and against industry standards.

The trading subsidiary, PSL Enterprises Ltd (PEL), also has an active board of directors, who also report into the main charity board.

Risk management

The Trustees understand their duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. A strategic risk register is in place and is reviewed on a quarterly basis by the Audit Committee and by the board.

Objectives and activities

Objectives and aims

The objects of the charity are:

The advancement of public education in and appreciation of the arts in particular but not exclusively by:

- Fostering and promoting an understanding and appreciation of the arts for the benefit of the public.
- Promoting and advancing the participation and education of the general public in the visual arts.
- Providing and maintaining an art gallery for the exhibition of visual art to the general public.
- Delivering visual arts and education programmes to children, young adults and adult learners.
- Providing artists with advice, assistance and access to non-commercial gallery space for the public benefit.

The charity currently delivers these objects through the operation of The Tetley, a pioneering centre for contemporary art located in the stunning art deco headquarters of the former Tetley Brewery. From the heart of Leeds's South Bank, The Tetley creates a platform for amazing emerging artists, presents breath-taking free exhibitions and helps communities and young people in Leeds find their creative voice.

Project Space Leeds

Company Limited by Guarantee

Trustees' Annual Report *(continued)*

Year ended 31st March 2023

Objectives and aims *(continued)*

These three areas of activity – artist development, exhibition and community engagement – come together to create a dynamic year-round programme that reaches far and deep across our home city, making connections also with a national and international artistic community.

In shaping our objectives for the year and planning our activities, the Trustees have considered the Charity Commission's guidance on public benefit. Our work and programmes are fully aligned with this guidance.

Achievements and performance

Main activities of the year

The Tetley continued to see an encouraging growth in audience numbers, after the disruptions of the pandemic. This year we welcomed 94,426 people through our doors, still well short of pre-Covid numbers but nonetheless a considerable improvement on 2021-22 (57,507). We delivered over 200 participatory workshops, talks and training sessions, linked to all three core areas of activity and spanning themes as far-ranging as witchcraft, public art and food production.

Artist development

The Tetley fulfils a vital role within Leeds and Yorkshire's visual arts ecology, working with artists at a pivotal stage in their development to enable a transformation in their practice and bring a step-change in their careers.

This was an exciting year for this area of our work, with six highly talented artists - Dr Emily Hesse, Samra Mayanja and ROOT-ed Zine (co-founded by artist-curators Amber Akanu and Fauziya Johnson) all receiving dedicated, structured support to develop their first major exhibitions with us, supported by Jerwood Arts. Samra Mayanja's *The Living and The Stale* developed from an extended research period in Uganda; ROOT-ed Zine commissioned artists Hanna Gwynn, whose Atrium work was her first large-scale commission, a courageous scaling up of her previous work creating comic books; Simone Yasmin, a poet and writer, who re-imagined her words as an exhibition, a turning point for her career; alongside painter Linnet Panashe-Rubaya and filmmaker Yasmin Ali. The programme suffered a great loss with the death of Emily Hesse in November 2022; we will remember Emily with gratitude and admiration as an extraordinary artist and a powerful and generous thinker, who made an enormous contribution to this cohort.

For PSL, artist development is about providing opportunity at every possible level. This year we contributed to *Antibodies*, part of the British Council's *UK India Together* Season, sending 4 UK-based artists to Goa, India, to participate in a 24-hour performance marathon which was broadcast online. As part of this project we partnered on a seminar at Tate Modern about performance art in South Asia. We were again a partner on the pioneering DARE project (led by Opera North and the University of Leeds), hosting the ingenious e-waste recycling stations and workshops developed by sculptor Katie Surridge, winner of the DARE Art Prize 2022/23. We commissioned Leeds-based artist Rufus Newell to create a new annual commission for the restaurant.

Over the course of the year we directly paid 59 artists and 29 freelancers, with over £90,000 going direct to these practitioners. We held four Makers Markets, providing a showcasing opportunity and route to market for makers and artists across a wide range of disciplines. Our team provided informal advice and support to many local artists including supporting them with applications to Arts Council England. We estimate that we have supported 140 artists over the year.

Exhibitions

An ambitious and diverse exhibition programme brought an extraordinary breadth of ideas and themes to animate our building and gallery spaces. All were accessible to the public entirely free of charge.

From January to May 2022, Justin Fitzpatrick's *Alpha Salad* explored food through taste, class, transformation and spirituality. Emily Hesse's *The Witches' Institution (W.I.)* (May to Sept 2022) was the artist's first solo show, bringing together Hesse's sculpture, curatorial practice and PhD research at the Belfast School of Art through a process supported by TAAP. Emily's magical materialism was embodied in large-scale, clay-built installations in the atrium, much loved by audiences including young children; the show won critical acclaim in ArtForum's Critic's pick and was highlighted in ArtAgenda, Yorkshire Post and Corridor8.

Project Space Leeds

Company Limited by Guarantee

Trustees' Annual Report *(continued)*

Year ended 31st March 2023

Exhibitions *(continued)*

In May we welcomed Nigerian artist and fashion designer Bubu Ogisi to Leeds to present *I Am Not Myself*, a multifaceted exhibition exploring the spirituality of masquerading.

September saw the exhibition *Hibiscus Rising*, celebrating the forthcoming public sculpture by Yinka Shonibare that will create a lasting imprint of David Oluwale on Leeds's sense of itself and of its future, in collaboration with the David Oluwale Memorial Association and Leeds 2023. Next, ROOT-ed Zine: *Retrospect Reality, Reform* (October 2022 to January 2023) featured the work of 6 early-career artists and curators of colour, participants in TAAP, who created fifteen new works for their first gallery show.

January brought the Margaret Tait Award winner Andrew Black to The Tetley in collaboration with LUX Scotland. *On Clogger Lane* (Jan – Jul 23) focused on the local history of protest in North Yorkshire's Washburn Valley and featured important material from 3 Yorkshire-based archives, usually seen by appointment only.

Community engagement

This is a large and growing element within The Tetley's offer, linking directly to both artist development (the earliest stages of inspiring and enabling new artistic expression) and our exhibition programme.

This year we worked with *The World Reimagined* (a group exploring the history, legacy and future of the Transatlantic Trade in Enslaved Africans through the work of artists) to present World Reimagined Globes made by regional schools.

A 'schools takeover day' saw our galleries packed with schoolchildren at a time when we would usually be closed to the public.

With our partners *Women's Health Matters* (supporting vulnerable and marginalised women and girls in Leeds) we presented *See Me, Hear Me* (May – Aug 2022), an exhibition of photographic backdrops and poetry created by their members. We supported students attending Pinc College (our tenants, a specialist college providing alternative education for neurodivergent young people) to create and present an exhibition on the second floor, *Tinted Pinc* (March to May 2023)

Tiny Tetley Studio, our dedicated play resource for under 5s - designed by artist Stephanie Jefferies in response to a brief co-created with *Women's Health Matters* - went from strength to strength, with over 3000 families signing up for a free Family Pass in this first full year of operation. We are putting an ever stronger focus on Early Years provision and November 2022 saw The Tetley acting as a hub for Leeds-wide Baby Week events, including our own Baby Rave. Meanwhile Tiny Tetley workshops welcomed under 5s and their adults to regular workshops and activities over holiday periods. These family programmes are offered free of charge and on a drop-in basis wherever possible, to reduce barriers to participation.

We developed new outreach activities with partners in the Beeston and Hunslet areas of South Leeds, home to large numbers of young families living in poverty and disadvantage, with very limited access to the arts. The focus of our work here was on creative play inspired by visual arts, building on the approaches developed so successfully in-house through Tiny Tetley Studio and our Early Years programmes. With Hamara Centre (Leeds's largest ethnic minority voluntary organisation, serving communities across South Leeds) we piloted term-time mother-and-baby play sessions lead by artist Beatrice Lee Knowles, delivered alongside their food bank and advice provision. Over the Summer holidays we ran 'make and play' sessions in neighbouring Cross Flatts Park lead by artist Emily Binks, with approximately 1,000 children, parents and carers joining in building fantastical structures, dens and shelters over the 4-week period. Beeston Festival too featured creative building sessions – with real tools – led by our teams. We ran Tiny Tetley play sessions for the Family Fun weekends organised by Rowlands Road Working Men's Club in Beeston, and alongside their Street Party and Car Boot Sale events.

These activities have cemented strong and mutually rewarding relationships with several community groups in this area of Leeds, creating a strong foundation for a long-term collaboration which will offer local families regular, high-quality opportunities to engage with the arts and creativity over the coming years.

Financial review

The Tetley has continued to feel the aftershocks of the pandemic and the resulting changes in visitor behaviours; ongoing construction work to neighbouring Aire Park, with associated disruption to pedestrian access, has further deterred visits. These factors and the pressures of cost-of-living increases have impacted negatively on trading performance in our bar, kitchen and shop. Nevertheless, income increased substantially on the previous year, to £1,507,132 (£1,271,186 in 2021/22).

Project Space Leeds

Company Limited by Guarantee

Trustees' Annual Report *(continued)*

Year ended 31st March 2023

Financial review *(continued)*

Operating expenditure at £1,617,011 was comparable to last year (£1,620,617).

This resulted in an operating deficit of £109,879 for the year, much improved on the previous year's deficit (£349,431) but nonetheless a financial performance that continues to fall short of the surpluses generated year-on-year pre-pandemic.

The confirmation in November 2022 that Project Space Leeds will continue to be an Arts Council England National Portfolio Organisation (NPO) from April 2023 to March 2026 brought welcome reassurance that the charity will continue to benefit from this vital core funding, that enables both the ambition and accessibility of our programmes. Generous support from Leeds City Council, the Jerwood Foundation, Mondriaan Fonds and the British Council, among others, have all contributed significantly to our work this year.

Post year end we have also secured multi-year funding from the National Lottery, with an off-site project *Inside Out* starting in January 2024 and continuing for 3 years. Together with the secured NPO status, this firmly establishes the strong core funding required to deliver on our charitable objectives into the medium term.

Whilst it will be sad to move from our iconic location at The Tetley, we are now in advanced discussions to secure our exciting new home and we plan to announce this in the New Year. We are looking forward to reopening to the public in Autumn 2024 with an ambitious and renewed programme.

However, in October 2023 we took the difficult decision to close the trading subsidiary as our current lease in the Tetley building comes to an end and we work towards a new business model in our new home. A provision of £230,000 has been made in the accounts of the charity against the long-term loan monies due from the subsidiary company as this amount is unlikely to be recovered.

Taking all this into consideration, as stated in note 3 to the financial statements the trustees have made an informed judgement at the time of approving the financial statements that there is a reasonable expectation that the charity has reasonable expectations of income, adequate resources and stakeholder support to continue in operational existence for the foreseeable future.

Reserves policy

The reserves policy is for the charity to aim to have unrestricted (free) group reserve levels sufficient to cover the cost of six months of overheads relating to charitable activities. Future budgets are designed to build up free reserves, although it is acknowledged that the charity may take some time to achieve its desired policy.

Funds in deficit

There are currently no funds in deficit as at 31 March 2023 (2022: £nil).

Future developments

The charity's lease on The Tetley building comes to end in March 2024, but work is well-advanced to secure our future home with plans to open a new gallery space in Autumn 2024. This represents an exciting opportunity to refocus on delivering our core objectives and we have ambitious plans for the years ahead.

During this transition period we remain very active, with a number of impactful off-site community activities already underway and more planned for the future.

Our priorities over the coming year continue to be:

- Provide outstanding support and opportunity for early-career talent in the region
- Provide communities, families and children access to inclusive, inspiring and creative participatory activities
- Adapt our business model to thrive in our new home

Project Space Leeds

Company Limited by Guarantee

Trustees' Annual Report *(continued)*

Year ended 31st March 2023

Trustees' responsibilities statement

The Trustees, who are also directors for the purposes of company law, are responsible for preparing the Trustees' 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 charity Trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, for that period.

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 applicable Charities SORP;
- make judgements and accounting 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 the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

Each of the persons who is a Trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Sagars Accountants Ltd are deemed to be re-appointed as auditors under section 487(2) of the Companies Act 2006.

18-Dec-2023

The Trustees' annual report were approved on and signed on behalf of the board of Trustees by:



Mr F J Finlay
Trustee

Project Space Leeds

Company Limited by Guarantee

Independent Auditor's Report to the Members of Project Space Leeds

Year ended 31st March 2023

Opinion

We have audited the group and parent company financial statements of Project Space Leeds (the 'charity') for the year ended 31st March 2023 which comprise the consolidated statement of financial activities (including income and expenditure account), the group and charity statement of financial position, consolidated statement of cash flows and the related notes, 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 FRS 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 and charitable company's affairs as at 31 March 2023 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;
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011

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

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 this gives rise to a material misstatement in the financial statements themselves. 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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' report has been prepared in accordance with applicable legal requirements.

Project Space Leeds

Company Limited by Guarantee

Independent Auditor's Report to the Members of Project Space Leeds *(continued)*

Year ended 31st March 2023

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' 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, 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 Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 together with the Charities SORP (FRS102) 2019.

We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context were Charities Commission Regulations and Health and Safety and safeguarding considerations.

Project Space Leeds

Company Limited by Guarantee

Independent Auditor's Report to the Members of Project Space Leeds *(continued)*

Year ended 31st March 2023

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be with regards to the timing of recognition of income and the override of controls by management.

Our audit procedures to respond to these risks included:

- enquiries of management and the Trustees about their own identification and assessment of the risks of irregularities,
- sample testing on the posting of journals,
- reviewing accounting estimates for biases,
- reviewing agreements and carrying out detailed substantive testing on the completeness of income,
- reading minutes of meetings of those charged with governance; and
- obtaining confirmation from the Trustees that there was no regulatory correspondence with the Charity Commission or other regulatory bodies.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

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



Susan Seaman

(Senior Statutory Auditor)

For and on behalf of Sagars Accountants Ltd
Chartered accountants & statutory auditor
Gresham House
5-7 St Paul's Street
Leeds
LS1 2JG

18-Dec-2023

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Project Space Leeds

Company Limited by Guarantee

Consolidated Statement of Financial Activities (including income and expenditure account)

Year ended 31st March 2023

		2023				2022
	Note	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds £	Total funds £
Income and endowments						
Donations and legacies	5	483,412	130,550	—	613,962	629,117
Charitable activities	6	60,284	14,307	—	74,591	82,375
Other trading activities	7	784,948	—	—	784,948	544,354
Investment income	8	180	—	—	180	8
Other income	9	33,451	—	—	33,451	15,332
Total income		<u>1,362,275</u>	<u>144,857</u>	<u>—</u>	<u>1,507,132</u>	<u>1,271,186</u>
Expenditure						
Expenditure on:						
Raising funds	10/11	(866,312)	(8,474)	—	(874,786)	(829,538)
Charitable activities	10/11	(559,817)	(163,158)	(19,250)	(742,225)	(791,079)
Total expenditure		<u>(1,426,129)</u>	<u>(171,632)</u>	<u>(19,250)</u>	<u>(1,617,011)</u>	<u>1,620,617</u>
Net income/(expenditure) and net movement in funds		<u>(63,854)</u>	<u>(26,775)</u>	<u>(19,250)</u>	<u>(109,879)</u>	<u>(349,431)</u>
Reconciliation of funds						
Total funds brought forward		249,676	59,348	32,083	341,107	690,538
Total funds carried forward		<u>185,822</u>	<u>32,573</u>	<u>12,833</u>	<u>231,228</u>	<u>341,107</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 14 to 28 form part of these financial statements.

Project Space Leeds

Company Limited by Guarantee

Consolidated and Charity Statement of Financial Position

31st March 2023

		2023		2022	
	Note	£ Group	£ Charity	£ Group	£ Charity
Fixed assets					
Intangible assets	18	19,272	19,272	25,837	25,837
Tangible fixed assets	19	77,623	60,015	139,597	110,994
Investments	20	-	1	-	1
		<u>96,895</u>	<u>79,288</u>	<u>165,434</u>	<u>136,832</u>
Current assets					
Stock	21	15,906	-	12,844	-
Debtors	22	100,670	164,463	129,771	305,531
Cash at bank and in hand		238,969	67,727	370,186	269,246
		<u>355,545</u>	<u>232,190</u>	<u>512,801</u>	<u>574,777</u>
Creditors: amounts falling due within one year	23	<u>(182,904)</u>	<u>(42,949)</u>	<u>(269,618)</u>	<u>(116,074)</u>
Net current assets		<u>172,641</u>	<u>189,241</u>	<u>243,183</u>	<u>458,703</u>
Total assets less current liabilities		<u>269,536</u>	<u>268,529</u>	<u>408,617</u>	<u>595,535</u>
Debtors: amounts falling due after more than one year	24		-		
Creditors: amounts falling due after more than one year	25	<u>(38,308)</u>	<u>-</u>	<u>(67,510)</u>	<u>-</u>
Net assets		<u>231,228</u>	<u>268,529</u>	<u>341,107</u>	<u>595,535</u>
Funds of the charity					
Endowment funds		12,833	12,833	32,083	32,083
Restricted funds		32,573	32,573	59,348	59,348
Unrestricted funds		185,822	223,123	249,676	504,104
Total charity funds	26	<u>231,228</u>	<u>268,529</u>	<u>341,107</u>	<u>595,535</u>

18-Dec-2023

These financial statements were approved by the board of Trustees and authorised for issue on, and are signed on behalf of the board by:



Mr F J Finlay
Trustee

Registered office:
The Tetley
Hunslet Road
Leeds
LS10 1JQ

Company registration number: 07123227
Charity registration number: 1148716

The notes on pages 14 to 28 form part of these financial statements.

Project Space Leeds
Company Limited by Guarantee
Consolidated Statement of Cash Flows
Year ended 31st March 2023

	2023 £	2022 £
Cash flows from operating activities		
Net (expenditure)/income	(109,879)	(349,431)
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	79,183	72,448
Amortisation of intangible assets	6,565	3,256
Interest paid	3,888	4,811
<i>Changes in:</i>		
Trade and other debtors	29,101	(91,648)
Trade and other creditors	(82,666)	96,793
Stocks	(3,062)	(4,376)
Other adjustments	411	369
Cash generated from operations	<u>(76,459)</u>	<u>(267,778)</u>
Cash flows from investing activities		
Purchase of tangible and intangible assets	(17,620)	(54,678)
Proceeds from sale of tangible assets	-	3,247
Net cash used in investing activities	<u>(17,620)</u>	<u>(51,431)</u>
Cash flows from financing activities		
Proceeds from borrowings	-	-
Repayment of borrowings	(33,250)	(28,220)
Interest paid	(3,888)	(4,811)
Net cash used in investing activities	<u>(37,138)</u>	<u>(33,031)</u>
Net (decrease)/increase in cash and cash equivalents	(131,217)	(352,240)
Cash and cash equivalents at beginning of year	370,186	722,426
Cash and cash equivalents at end of year	<u>238,969</u>	<u>370,186</u>

The notes on pages 14 to 28 form part of these financial statements.

Project Space Leeds

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31st March 2023

1. General information

The charity is a public benefit entity as defined by FRS102 and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is The Tetley, Hunslet Road, Leeds, LS10 1JQ.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Companies Act 2006.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in sterling, which is the functional currency of the entity. The financial statements are presented in units of £1.

Going concern

The trustees, having made due and careful enquiry, are of the opinion that the charitable company and group has adequate working capital to execute its operations for at least one year from the date of approval of the accounts.

Forecasts have been prepared, with various scenarios, covering the period to December 2024 which show that the group has sufficient funds to meet liabilities as they fall due, and take account of the cessation of trade of the subsidiary company's bar and kitchen activities in October 2023 (as set out in the financial review on page 6). As reported last year the property lease was due to end in November 2023 but this has been extended to 31 March 2024 and the Trustees are in advanced discussions with another party which would provide a new venue from the autumn of 2024 for the gallery excluding the bar and kitchen. In the interim period the charity will continue its operations remotely to meet the obligations to funders and its charitable objectives,

The trustees, therefore, have made an informed judgement, at the time of approving the financial statements, that there is a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future and so the accounts have been prepared on a going concern basis.

Consolidation

The Consolidated Statement of Financial Activities, Consolidated Cash Flow Statement and Consolidated Balance Sheet include the financial statements of the company and its subsidiary undertaking made up to 31 March 2023. The results of subsidiaries sold or acquired are included in the Statement of Financial Activities up to, or from, the date control passes. Intra-group sales and profits are eliminated fully on consolidation. The entity has taken exemption from presenting its unconsolidated Statement of Financial Activities under section 408 of Companies Act 2006.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Fund accounting

Unrestricted funds are available for use at the discretion of the Trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the Trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Project Space Leeds

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31st March 2023

3. Accounting policies *(continued)*

Incoming resources

All incoming resources are recognised when the group has entitlement to the funds, receipt is probable and the amount can be measured with sufficient reliability. Turnover is derived from the provision of goods and services and is stated after trade discounts, other sales taxes and net of VAT. Further details on specific income streams are provided below.

Grants receivable

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the year is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in restricted or endowment funds.

Grants which are given for specific service provision are included within incoming resources from charitable activities.

Grants where there is no specific service provision are included within donations and legacies. Grants receivable which are capital in nature or are of a general nature are included within donations and legacies.

Donations

Donations are recognised on a receivable basis where receipt is probable and the amount can be reliably measured.

Other income

Other income is recognised in the year it is receivable and to the extent the goods have been provided or on completion of the service.

Rental income

Rental income received under operating leases is credited to income on a straight line basis over the lease term.

Donated services and gifts in kind

The value of donated services and gifts in kind provided to the charity are recognised at their open market value in the year in which they are receivable as incoming resources, where the benefit to the charity can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the charity's policies.

Resources expended

All expenditure is recognised in the period in which there is a legal or constructive obligation to make payment to a third party and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources. Details of the basis of allocation of support costs are given in the notes to the financial statements. All creditors and provisions for liabilities are allocated on the same basis. All resources expended are inclusive of irrecoverable VAT.

Cost of raising funds

Expenditure on raising funds includes all expenditure incurred by a charity to raise funds for its charitable purposes. It includes the costs of all fundraising activities, events and non-charitable trading activities.

Charitable activities

These are costs which directly relate to activities which further the charitable objectives of the charity.

Intangible assets

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses.

Project Space Leeds

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31st March 2023

3. Accounting policies *(continued)*

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Development costs	-	5 years
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If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its residual value, over the useful economic life of that asset as follows:

Short leasehold property	-	over the period of the lease
Fixtures and fittings	-	3 to 10 years

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument. Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Stock

Stock is valued at the lower of cost or net realisable value. Stocks are valued using the first-in, first-out (FIFO) method.

Taxation

The charity is exempt from tax on its charitable activities. The charity is able to claim Museum and Galleries tax relief, this is accounted for on a receipts basis.

Deferred tax is recognised in the subsidiary company and consolidated accounts in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax.

Defined contribution plans

The group operates a defined contribution pension scheme. Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided.

4. Limited by guarantee

The charity is a company limited by guarantee.

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

Project Space Leeds

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31st March 2023

5. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Donations			
Grants receivable	254,600	130,550	385,150
Donated goods and services	220,660	-	220,660
Other donations	8,152	-	8,152
	<u>483,412</u>	<u>130,550</u>	<u>613,962</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Donations			
Grants receivable	335,195	29,917	365,112
Donated goods and services	248,012	-	248,012
Other donations	15,993	-	15,993
	<u>599,200</u>	<u>29,917</u>	<u>629,117</u>

Donated goods and services above includes the following items which have been included at the Trustees best estimates of the amounts they would have to pay to obtain similar goods and services on the open market.

	2023	2022
Rent and rates	220,660	248,012
	<u>220,660</u>	<u>248,012</u>

6. Charitable activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Rental income	52,087	-	52,087
Grants received	-	120	120
Other charitable income	8,197	14,187	22,384
	<u>60,284</u>	<u>14,307</u>	<u>74,591</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Rental income	39,370	-	39,370
Grants received	-	31,000	31,000
Other charitable income	2,005	10,000	12,005
	<u>41,375</u>	<u>41,000</u>	<u>82,375</u>

Project Space Leeds

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31st March 2023

7. Other trading activities

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Sponsorships	41,000	41,000	10,000	10,000
Bar and restaurant sales	743,948	743,948	534,354	534,354
	<u>784,948</u>	<u>784,948</u>	<u>544,354</u>	<u>544,354</u>

8. Investment income

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Other interest receivable	180	180	8	8
	<u>180</u>	<u>180</u>	<u>8</u>	<u>8</u>

9. Other income

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Museum and galleries tax relief	22,918	22,918	15,127	15,127
Other income	10,533	10,533	205	205
	<u>33,451</u>	<u>33,451</u>	<u>15,332</u>	<u>15,332</u>

10. Resources expended

Costs of charitable activities

	Staff costs £	Other direct costs £	Support costs £	Total Funds 2023 £
Costs of charitable activities	188,981	191,975	361,268	742,225
	<u>188,981</u>	<u>191,975</u>	<u>361,268</u>	<u>742,225</u>
	Staff costs £	Other direct costs £	Support costs £	Total Funds 2022 £
Costs of charitable activities	173,588	216,870	400,621	791,079
	<u>173,588</u>	<u>216,870</u>	<u>400,621</u>	<u>791,079</u>

Costs of raising funds

	Staff costs £	Other direct costs £	Support costs £	Total Funds 2023 £
Costs of raising funds	416,245	295,473	163,068	874,786
	<u>416,245</u>	<u>295,473</u>	<u>163,068</u>	<u>874,786</u>
	Staff costs £	Other direct costs £	Support costs £	Total Funds 2022 £
Costs of raising funds	403,306	255,987	170,245	829,538
	<u>403,306</u>	<u>255,987</u>	<u>170,245</u>	<u>829,538</u>

Project Space Leeds

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31st March 2023

11. Expenditure by fund type

Cost of charitable activities- 2023	Unrestricted funds	Restricted funds	Endowment fund	Total Funds 2023
	£	£	£	£
Staff costs	151,540	37,441	-	188,981
Curatorial costs	36,579	86,295	-	122,874
Participation costs	6,587	39,422	-	46,009
Advertising and promotion	21,188	-	-	21,188
Other direct costs	1,905	-	-	1,905
Support costs (see note 12)	342,018	-	19,250	361,268
	<u>559,817</u>	<u>163,158</u>	<u>19,250</u>	<u>742,225</u>

Cost of charitable activities- 2022	Unrestricted funds	Restricted funds	Endowment fund	Total Funds 2022
	£	£	£	£
Staff costs	138,948	34,640	-	173,588
Curatorial costs	42,402	28,802	-	71,204
Participation costs	(19,154)	141,823	-	122,669
Advertising and promotion	15,567	2,593	-	18,160
Other direct costs	4,837	-	-	4,837
Support costs (see note 12)	310,569	70,802	19,250	400,621
	<u>493,169</u>	<u>278,660</u>	<u>19,250</u>	<u>791,079</u>

Cost of raising funds- 2023	Unrestricted funds	Restricted funds	Endowment fund	Total Funds 2023
	£	£	£	£
Staff costs	416,245	-	-	416,245
Other direct costs	295,473	-	-	295,473
Support costs (see note 12)	154,594	8,474	-	163,068
	<u>866,312</u>	<u>8,474</u>	<u>-</u>	<u>874,786</u>

Cost of raising funds- 2022	Unrestricted funds	Restricted funds	Endowment fund	Total Funds 2022
	£	£	£	£
Staff costs	377,306	26,000	-	403,306
Other direct costs	255,987	-	-	255,987
Support costs (see note 12)	170,245	-	-	170,245
	<u>803,538</u>	<u>26,000</u>	<u>-</u>	<u>829,538</u>

Project Space Leeds

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31st March 2023

12. Support costs

	Cost of raising funds	Cost of charitable activities	Total 2023	Total 2022
Administrative expenditure				
Staff costs	5,221	38,289	43,510	79,439
Staff training & expenses	498	3,650	4,148	6,644
Print, postage and stationery	191	1,401	1,592	1,960
IT expenses	991	7,267	8,258	10,342
Bank charges	28	203	231	367
Legal & Professional	1,583	11,607	13,190	18,741
Telephone	31	230	261	478
Amortisation	788	5,777	6,565	1,600
Other administrative expenditure	864	6,333	7,197	6,926
Total administrative expenditure	10,195	74,757	84,952	126,497
Premises costs				
Staff costs	16,051	28,534	44,585	35,472
Rent & Rates	78,013	138,690	216,703	218,012
Heat, light & water	10,116	17,985	28,101	29,176
Insurance	5,460	9,707	15,167	18,208
Cleaning	17,917	31,851	49,768	44,261
Health & Safety	857	1,524	2,381	3,145
Maintenance & Repairs	1,972	3,507	5,479	16,578
Security	281	499	780	1,324
Depreciation	19,554	34,763	54,317	57,744
Total premises costs	150,221	267,060	417,281	423,920
Governance costs				
Staff costs	1,106	8,111	9,217	7,780
Legal and professional	-	-	-	1,469
Audit fees	1,540	11,293	12,833	11,200
Trustees' expenses	6	47	53	-
Total governance costs	2,652	19,451	22,103	20,449
Total support costs	163,068	361,268	524,336	570,866

Support costs are allocated on a basis consistent with the use of resources. The Trustees have determined that the most consistent and reliable basis for the allocation is the use of full-time equivalent staff for administrative expenses and governance and floor area for premises costs. Costs allocated to the charitable company's subsidiary are in line with the agreed recharge basis between the two companies.

13. Taxation

PSL Enterprises Limited has tax losses of £271,955 (2022: £266,075) available to carry forward against future trading profits. A deferred tax asset of £nil (2022: £nil) has been recognised in relation to these amounts and fixed asset timing differences.

Project Space Leeds

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31st March 2023

14. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2023	2022
	£	£
Wages and salaries	641,300	633,538
Social security costs	47,734	49,826
Pensions	12,243	12,150
	<u>701,277</u>	<u>695,514</u>

Where appropriate the charity enters into contracts with self-employed freelance staff for the provision of the charity's services. This provides flexibility for the charity in planning its operations for the year.

The average head count of employees during the year was 36 (2022: 35).

No employee received employee benefits of more than £60,000 during the year (2022: nil).

The group operates a defined contributions pension scheme. The assets of the scheme were held separately from those of the company. At the year end pension contributions of £4,566 (2022: £5,991) were outstanding. Included within this is £2,613 (2022: £3,376) relating to the subsidiary company.

Key Management Personnel

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the charity. The total compensation paid to key management personnel for services provided to the charity was £53,217 (2022: £129,787).

15. Trustee remuneration and expenses

The board of Trustees during the year served on a voluntary basis and received no remuneration for their services to the company (2022: £nil). The charity reimbursed or incurred expenses directly on behalf of 1 (2022: 1) Trustee for expenditure totalling £600 (2022: £1,100). Other related party transactions involving the Trustees are set out in note 27.

16. Net movement in funds

Net movement in funds is stated after charging:

	2023	2022
	£	£
Auditors remuneration- audit services	9,600	8,750
Auditors remuneration- other services	3,650	3,150
Amortisation	6,565	3,256
Depreciation	79,183	72,448

17. Surplus/(deficit) of parent charity

As permitted by Section 408 of the Companies Act 2006 and the concession in paragraph 397 of the Charities SORP, a Statement of Financial Activities and the Income and Expenditure account of the parent charity is not presented as part of these financial statements. The parent charity's gross income for the financial year was £832,835 (2022: £707,670) and deficit for the financial year was £327,006 (2022: 323,897).

Project Space Leeds

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31st March 2023

18. Intangible assets

Charity and Group	Development costs £
Cost	
At 1 st April 2022	32,826
Additions	-
At 31st March 2023	32,826
Amortisation	
At 1 st April 2022	6,989
Charge for the year	6,565
At 31st March 2023	13,554
Carrying amount	
At 31st March 2023	19,272
At 31 st March 2022	25,837

19. Tangible fixed assets

Charity	Short leasehold property £	Fixtures and fittings £	Total £
Cost			
At 1 st April 2022	447,574	66,018	513,592
Additions	-	3,337	3,337
Disposals	-	(7,121)	(7,121)
At 31st March 2023	447,574	62,234	509,808
Depreciation			
At 1 st April 2022	358,759	43,839	402,598
Charge for the year	44,755	9,603	54,358
Disposals	-	(7,163)	(7,163)
At 31st March 2023	403,514	46,279	449,793
Carrying amount			
At 31st March 2023	44,060	15,955	60,015
At 31 st March 2022	88,815	22,179	110,994

Group	Short leasehold property £	Fixtures and fittings £	Total £
Cost			
At 1 st April 2022	447,574	217,579	665,153
Additions	-	17,620	17,620
Disposals	-	(18,234)	(18,234)
At 31st March 2023	447,574	216,964	664,539
Depreciation			
At 1 st April 2022	358,759	166,797	525,556
Charge for the year	44,757	34,426	79,183
Disposals	-	(17,821)	(17,821)
At 31st March 2023	403,514	183,402	586,918
Carrying amount			
At 31st March 2023	44,060	33,562	77,623
At 31 st March 2022	88,815	50,782	139,597

Project Space Leeds

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31st March 2023

20. Investments

Charity	Shares in group undertakings £
Cost	
At 1st April 2022 and 31st March 2023	<u>1</u>
Impairment	
At 1st April 2022 and 31st March 2023	<u>-</u>
Carrying amount	
At 31st March 2023	<u>1</u>
At 31st March 2022	<u>1</u>

The charity owns 100% of the issued share capital in PSL Enterprises Ltd, company number 08246664. The address of its registered office is The Tetley, Hunslet Road, Leeds, LS10 1JQ. During the year the company was used for non-primary purpose trading activities, namely the operation of the bar and kitchen and the organisation of commercial events at The Tetley.

The investment in subsidiary is shown at cost, being issued share capital.

All activities of the subsidiary company have been consolidated on a line by line basis in the consolidated Statement of Financial Activities. Income for the year ended 31 March 2023 amounted to £754,483 (2022: £563,515) with associated expenditure of £763,466 (2022: £584,238), interest payable of £3,888 (2022: £4,811) and a tax charge of £Nil (2022: £Nil). Net liabilities of the company at 31 March 2023 are £267,300 (2022: £254,429).

21. Stock

	2023 £	£	2022 £	£
	Group	Charity	Group	Charity
Bar and kitchen stocks	<u>15,906</u>	<u>-</u>	<u>12,844</u>	<u>-</u>

22. Debtors

	2023 £	£	2022 £	£
	Group	Charity	Group	Charity
Trade debtors	<u>38,607</u>	<u>19,785</u>	<u>37,550</u>	<u>16,926</u>
Amounts owed by group undertakings	-	88,810	-	206,968
Prepayments and accrued income	<u>59,446</u>	<u>55,868</u>	<u>90,335</u>	<u>81,637</u>
Other debtors	<u>2,617</u>	<u>-</u>	<u>1,886</u>	<u>-</u>
	<u>100,670</u>	<u>164,463</u>	<u>129,771</u>	<u>305,531</u>

The monies due to the charity from PSL Enterprises Ltd is unsecured, interest free and repayable on demand.

Project Space Leeds

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31st March 2023

23. Creditors: amounts falling due within one year

	2023		2022	
	£	£	£	£
	Group	Charity	Group	Charity
Loans	32,352	-	36,400	-
Trade creditors	25,875	8,252	51,383	32,282
Accruals and deferred income	74,274	19,799	150,317	72,312
Social security and other taxes	36,248	5,931	21,352	6,611
Other creditors	14,155	8,967	10,166	4,869
	<u>182,904</u>	<u>42,949</u>	<u>269,618</u>	<u>116,074</u>

See comments in note 25 regarding loans due.

24. Debtors: amounts falling due after more than one year

	2023		2022	
	£	£	£	£
	Group	Charity	Group	Charity
Amounts due from group undertakings	-	230,000	-	-
Provision against above balance	-	(230,000)	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The historic intercompany indebtedness has been converted into a formal loan agreement in the year, the loan of £230,000 due from PSL Enterprises Ltd is outstanding in full at 31 March 2023. The loan is repayable on demand and was interest free for the year to 31 March 2023. Interest of 2.5% ABR will be charged from 1 April 2023. This balance is not deemed recoverable in full as PSL Enterprises Ltd will cease to trade in the financial year ending 31 March 2024, and so a full provision has been made against this outstanding loan at 31 March 2023.

25. Creditors: amounts falling due after more than one year

	2023		2022	
	£	£	£	£
	Group	Charity	Group	Charity
Loans	38,308	-	67,510	-

£35,181 of the loan due; split between £26,500 due within 1 year (2022: £26,400) and £8,681 due after 1 year (2022: £35,010) is unsecured, under the agreement in place the loan is due for repayment by July 2024. The interest rate applicable is 4% over the bank's base rate.

An additional loan of £35,479; split between £5,852 due within 1 year (2022: £10,000) and £29,627 due after 1 year (2022: £32,500) is unsecured, under the agreement in place the loan is due for repayment by July 2026 including a 12 month capital repayment holiday. The interest rate applicable is 2.5% over the bank's base rate. Extended terms were agreed in the year and the loan is now repayable by July 2030 under the same terms.

26. Analysis of charitable funds

Group	At 1st April 2022	Incoming Resources	Resources Expended	At 31st March 2023
	£	£	£	£
Restricted funds	59,348	144,857	(171,632)	32,573
Endowment funds	32,083	-	(19,250)	12,833
Unrestricted funds	249,676	1,362,275	(1,426,129)	185,822
Total funds	<u>341,107</u>	<u>1,507,132</u>	<u>(1,617,011)</u>	<u>231,228</u>

Project Space Leeds

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31st March 2023

26. Analysis of charitable funds *(continued)*

Restricted funds- Group and Charity

	At 1st April 2022 £	Incoming Resources £	Resources Expended £	At 31st March 2023 £
LCC Arts Funding	-	26,000	(26,000)	-
LCC Other	-	4,990	(4,990)	-
Garfield Weston	21,455	-	(21,455)	-
PANIC!	19,999	-	(19,999)	-
Jerwood	17,894	-	(17,894)	-
Women's Health Matters	-	1,250	(1,250)	-
Mayor of West Yorkshire	-	5,947	(5,947)	-
The National Lottery				
Community Fund		9,700	(9,700)	-
New Art Exchange	-	14,000	(14,000)	-
Justin Fitzpatrik	-	2,000	(2,000)	-
Mondriaan Fonds	-	22,350	(377)	21,973
Andrew Black	-	2,500	(2,500)	-
British Council - Antibodies	-	54,000	(43,400)	10,600
Other restricted funds	-	2,120	(2,120)	-
	<u>59,348</u>	<u>144,857</u>	<u>(171,632)</u>	<u>32,573</u>

	At 1st April 2021 £	Incoming Resources £	Resources Expended £	At 31st March 2022 £
LCC Arts Funding	-	26,000	(26,000)	-
Garfield Weston	161,650	-	(140,195)	21,455
PANIC!	119,662	10,000	(109,663)	19,999
Jerwood	11,779	31,000	(24,885)	17,894
Other restricted funds	-	3,917	(3,917)	-
	<u>293,091</u>	<u>70,917</u>	<u>(304,660)</u>	<u>59,348</u>

Endowment funds- Group and Charity

	At 1st April 2022 £	Incoming Resources £	Resources Expended £	At 31st March 2023 £
The Tetley capital funding	<u>32,083</u>	<u>-</u>	<u>(19,250)</u>	<u>12,833</u>

	At 1st April 2021 £	Incoming Resources £	Resources Expended £	At 31st March 2022 £
The Tetley capital funding	<u>51,333</u>	<u>-</u>	<u>(19,250)</u>	<u>32,083</u>

Project Space Leeds

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31st March 2023

26. Analysis of charitable funds *(continued)*

Unrestricted funds- Charity

	At 1 st April 2022	Incoming Resources	Resources Expended	At 31 st March 2023
	£	£	£	£
Project Space Leeds	497,034	687,895	(968,877)	216,052
Assets purchased with capital grants	7,071	-	-	7,071
Designated fund	-	-	-	-
	<u>504,104</u>	<u>687,895</u>	<u>(968,877)</u>	<u>223,123</u>

	At 1 st April 2021	Incoming Resources	Resources Expended	At 31 st March 2022
	£	£	£	£
Project Space Leeds	519,009	636,753	(658,728)	497,034
Assets purchased with capital grants	56,000	-	(48,929)	7,071
Designated fund	-	-	-	-
	<u>575,009</u>	<u>636,753</u>	<u>(707,657)</u>	<u>504,104</u>

Unrestricted funds - Group

	At 1 st April 2022	Incoming Resources	Resources Expended	At 31 st March 2023
	£	£	£	£
Unrestricted reserves	242,605	1,362,275	(1,426,129)	178,751
Assets purchased with capital grants	7,071	-	-	7,071
	<u>249,676</u>	<u>1,362,275</u>	<u>(1,426,129)</u>	<u>185,822</u>

	At 1 st April 2021	Incoming Resources	Resources Expended	At 31 st March 2022
	£	£	£	£
Unrestricted reserves	290,114	1,200,269	(1,247,778)	242,605
Assets purchased with capital grants (restated)	56,000	-	(48,929)	7,071
	<u>346,114</u>	<u>1,200,269</u>	<u>(1,296,707)</u>	<u>249,676</u>

Unrestricted fund – represents resources available at the Trustees discretion in meeting the charitable objects of the charity. At the year-end PSL Enterprises Ltd had a deficit on its profit and loss reserves of £267,300 (2022: £254,430).

Assets purchased with capital grants – this designated fund represents the Net Book Value of assets purchased with grants received for capital funding.

Restricted funds - £22,350 was received from Mondriaan Fonds to curate and host the Afra Eisma splashdown tender exhibition in October 23. £54,000 was received from British Council for delivering Antibodies, a collaboration programme with the charities partners in India.

Project Space Leeds

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31st March 2023

27. Analysis of net assets between funds (Group)

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2023 £
Fixed assets	84,062	-	12,833	96,895
Current assets	322,972	32,573	-	355,545
Creditors less than 1 year	(182,904)	-	-	(182,904)
Long term liabilities	(38,308)	-	-	(38,308)
Net assets	185,822	32,573	12,833	231,228

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2022 £
Fixed assets	133,351	-	32,083	165,434
Current assets	453,453	59,348	-	512,801
Creditors less than 1 year	(269,618)	-	-	(269,618)
Long term liabilities	(67,510)	-	-	(67,510)
Net assets	249,676	59,348	32,083	341,107

Analysis of net assets between funds (Charity)

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2023 £
Fixed assets	66,455	-	12,833	79,288
Current assets	199,617	32,573	-	232,190
Long term assets	-	-	-	-
Creditors less than 1 year	(42,949)	-	-	(42,949)
Net assets	223,123	32,573	12,833	268,529

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2022 £
Fixed assets	104,749	-	32,083	136,832
Current assets	515,429	59,348	-	574,777
Creditors less than 1 year	(116,074)	-	-	(116,074)
Net assets	504,104	59,348	32,083	595,535

Project Space Leeds

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31st March 2023

28. Related parties

The company has taken advantage of the exemption in Financial Reporting Standard number 102 from the requirement to disclose the transactions with group companies on the grounds that they are wholly owned.

The group made sales to The University of Leeds which Frank Finlay (Trustee and Chair) and Shelley Tyson (Trustee & Audit Chair) are employed totalling £1,913 (2022: £240). At the year end the outstanding balance was £nil (2022: £120).

Leeds Culture Trust, where both Frank Finlay (trustee) and Taneesha Ahmed (trustee) are trustees, made purchases from the group totalling £2,134 (2022: £2,290). At the year end there was no outstanding balance (2022: £nil).

The group made purchases from Carlsberg, where Mark Pattinson (trustee until 16 May 2022) is a director, totalling £89,727 (2022: £86,807) and paid £29,150 in loan repayments (2022: £22,841). Carlsberg made purchases from the group totalling £nil (2022: £188.80). The charity received donations from Carlsberg totalling £12,000 (2022 - £10,000).

The group paid artist Simon Barclay, who is also a trustee, £600 as part of the PANIC! sessions (2022: £1,100).

The group paid Owen Neary (partner of Samantha Fish) £100 (2022: £500) in exchange for his DJ services.

The group made sales to Luminate Education Group of which David Warren (Trustee) is employed totalling £491 (2022: £nil). At the year end the outstanding balance was £nil (2022: £nil).

The group made sales to Elevated Food for Life of which Jason Show (Trustee) co-owns totalling £1,000 (2022: £nil). At the year end the outstanding balance was £nil (2022: £nil).

The group made sales to Rolling Social of which Samantha Fish (Trustee) is a majority shareholder totalling £1,101 (2022: £nil). At the year end the outstanding balance was £nil (2022: £nil).

Chapter 81 (a company in which Simon Fogal, a trustee, is a director) made sales to the group for £nil (2022: £11,760). At the year end there was £nil due to Chapter81 (2022: £900).

Engage (a company in which Dawn Cameron, a trustee, is the extend programme co-ordinator) made purchases from the group totalling £nil (2022: £1,100). At the year end there was £nil outstanding from Engage (2022: £600).