

Kingsgate Workshops Trust
Annual Report and Accounts 2007



Foreword

Two thousand and seven was a year of change and development for Kingsgate Workshops Trust (KWT). We reviewed our strategic aims in relation to local needs, set objectives and recorded our intentions in a three-year Business Plan. We revised our staffing structure and recruited new members of staff. We also advertised for new members and introduced an induction pack for new trustees.

This year we said goodbye to our Director, Bridget Eadie, and to several long-standing trustees. We decided to take stock of our staffing needs and developed a new staffing structure to draw a clearer distinction between the roles of education/development and operations management. We have appointed two new members of staff who are already proving invaluable to the trust. Our first appointment was Adam Holmes-Davies, who took up post as Education and Development Manager in May. The operations management role was staffed by a variety of temporary appointees before Nick Weeks took up his post in July. We are also immensely grateful for the work of our Finance Officer, Pamela Furness, who, in addition to providing us with clear and timely financial information, has been an invaluable source of advice and support to our new members of staff. We continued to develop our procedures for staff management and held a staff meeting to encourage communication between staff and trustees.

In addition to our quarterly meetings and email correspondence, individual trustees were actively involved in pursuing our strategic objectives through membership of staff recruitment panels, line management meetings and membership of standing committees to focus on finance and our education and gallery programme. The formation of a task group on buildings matters (comprising trustees Russell Looker and Andrew Brooker) provided additional support for our Operations Manager in taking forward large-scale building projects.

This year we said goodbye to three long-standing studio-holders (licensees), namely: Stephen Williams, Seamus Hyland, and Brad Butler. We welcomed three new licensees: Sophie Gorton, Vladimir Bohm and Joseph Paxton.

We were very sad to hear of the death of Don Wood, long-standing colleague of licensee Marian Mainstone and good friend of KWT.

In July we suffered a burglary, when thieves broke into three studios adjoining the yard. The resulting damage and loss of property was particularly distressing to the licensees directly affected and of concern to all licensees, trustees and staff. We took immediate action to protect the site and implemented a series of improvements to our security system in an attempt to minimise this ever-present risk.

The development of our organisation continues to pose considerable challenges, but our desire to offer even greater benefit to the public continues to drive us forward.

1. The aims of Kingsgate Workshops Trust

The objects for which the Company is established are:

- a) To promote, maintain, improve and advance the education of the public particularly by the encouragement of the arts with special reference to arts and crafts.
- b) The relief of unemployment for the public benefit in such ways as may be thought fit, including assistance to find employment, in particular by training people in skills relating to arts and crafts, in particular young people.
- c) The conduct of study and research into problems concerning persons who through their social or economic circumstances are in need and unable to gain employment or further their education and to publicise the useful results of such research.
- d) The provision of facilities for the public at large for leisure-time occupation in craft work and the appreciation of the arts and for the teaching of skills associated therewith.

Our charity's current priority is to deliver educational opportunities to the local community and in particular to the residents of the boroughs of Camden and Brent. We make a difference by enabling local people to access high-quality educational opportunities and experiences that they would not otherwise have. Kingsgate Workshops Trust works with adults and young people from some of the most deprived communities in Camden. Many of the people who benefit from our projects suffer from severe, multiple deprivation and social exclusion. Our free events and outreach projects are specifically tailored to the needs of these groups.

This year we focused on the needs of families with young children; provision for young people during the summer holidays; refugee groups; and promoted communication between people of different ages and from different cultural backgrounds. We have also identified a particular need for studio space among young graduates who wish to pursue a career in the arts/crafts and we are currently developing a new programme to help meet this need.



2. Main activities and Performance in 2007

2.1 Education and Development Programme

During 2007, Kingsgate Workshops Trust delivered a varied and wide-reaching programme of arts education initiatives and exhibitions, focusing primarily on residents of the London boroughs of Camden and Brent. In particular, the Trust provided arts education opportunities for people who would normally be excluded from cultural activities due to economic and social barriers.

The trust worked with a range of partners, including regional and local government bodies, community groups, arts organisations, universities, colleges and schools. With the support of its artists and facilities, KWT has increased the provision of arts and cultural education activities within the local area.

Kingsgate Workshops Trust has used its education building and gallery to deliver a series of participatory workshops ranging from Graffiti street art projects for 11- to 18-year-olds from the Camden Youth Services to *Memory Baskets*, a series of workshops with refugee groups, such as the Somali women's group at West Hampstead Women's Centre.

In 2007 KWT contributed to two local festivals, namely Kilburn Festival and Queens Park Day. We ran free art workshops for children, which proved extremely popular (over 200 children took part in the KWT workshop at Queens Park Day). We also worked with Kilburn Town Centre Management to house the first Kilburn small film festival, showcasing a programme of short films by local film makers about their community.

This year, we contributed to the Arts Council's *Arts Unwrapped* event – a London-wide initiative featuring over 40 open studios over three weekends. Opening its doors over the weekend of the 18th – 20th May, Kingsgate Workshops Trust invited members of the public to view art works and to visit artists in their studio. As part of this event, we ran a series of free art workshops, talks and artists' demonstrations, drawing over 450 people throughout the weekend.

We were successful in attracting funds for arts education projects from Awards for All, the Hampstead Wells and Camden Trust, Save the Children and Camden Small Grants. One such initiative was *Putting Down Routes*, an innovative intergenerational arts project focused on building community cohesion and improving cultural access. Working in partnership with pensioners and young people from Kingsgate Primary, Hampstead School and West Hampstead Women's Centre, artists delivered a series of workshops, exploring and sharing experiences of migration and community on the theme of preparing and sharing food.

Kingsgate Workshops Trust has also delivered a diverse programme of free art exhibitions held in the Kingsgate Gallery. Highlights from our 2007 exhibition programme include group shows by Byam Shaw Fine Art Postgraduate Programme and an exhibition of drawings of Kilburn High Road by illustration students from Middlesex University. Our gallery programme also showcased work by several individual artists, including New Zealand-born Oliver Perkins, MA Chelsea College of Art and Design graduate and TANZ scholar 2005, runner up of the Harper Award 2004.

In 2007 Kingsgate Workshops Trust piloted its Emerging Artist programme to support artists in the early stages of their career. We provided three recently-graduated artists and craftspeople with subsidised studio space and started planning a joint exhibition (to take place in 2008). We intend to evaluate this programme in order to inform its future development.

This has been a successful and exciting year for Kingsgate Workshops Trust. Our education and gallery programmes have reached over 800 people, with audiences and participants reflecting the diverse and multicultural communities of Camden and Brent. Kingsgate Workshops Trust will look to build on these successes and to develop new and exciting educational initiatives in the future.



2.2 Operations Management

In line with our Business Plan, a key focus for operations management was to safeguard our ageing building and ensure the safety of our licensees. Early in the year, temporary staff member Nathan Firth carried out much useful work in finalising generic Risk Assessments for the building, and overseeing modifications to the Fire Alarm and Secondary (emergency/escape) Lighting systems.

With the arrival of Nick Weeks, the urgent need for major electrical installation upgrade works became clearly established. Contractors started on site at the beginning of October 2007, and work was well under way by the end of the year, with a completion deadline set for the end of March 2008. The project was carried out on the basis of fixed-prices for the replacement of common mains distribution cables and switchgear, and as-directed work priced against an agreed Schedule of Rates for installations carried out within individual studios.

An overhaul of the rear roof slating and lining of the parapet and box guttering was tendered and carried out in September, with other essential roof repairs to solve problems encountered over the entrances to Studios 14/15/16 in the yard.

kingsgate workshops trust

An Asbestos Survey was commissioned in December which fortunately confirmed the presence of only a small amount of medium-risk asbestos-containing materials in the building. Asbestos is only present in ceiling linings to the lean-to area of Studio 17 and Studio 33 above. It is in acceptable condition, requiring only labelling and monitoring. An Asbestos Register is in place meaning that the Workshops fully complies with Statutory Requirements.

Work has started on revising the rolling five-year plan for building maintenance and improvement, with a view to incorporating this in future revisions of the Business Plan. Projects being considered include the demolition and redevelopment of the existing Spray Shed in the Yard, and the repair/replacement of windows to the front elevation.

The Operations Manager continues to monitor changing legislative and regulatory requirements which affect our business, and to advise Trustees of any such matters. This has included changes to Charity and Company law currently taking effect. A new “industry” body, the National Federation of Artists’ Studio Providers, was inaugurated this year, and both the National Conference and more informal contacts arising from it have been very useful for exchanging common concerns and experiences.

A good working relationship with licensees is essential, and the Operations Manager values the positive communication received both through formal channels and through informal day-to-day contacts. The Operations Manager relies heavily on the work of the (licensee) Management Committee; in turn, support for all such activities continues to form an important part of the Operations Manager role. The Management Committee has continued to meet regularly throughout the year, and receives regular oral reports from the Operations Manager.

Several requests from licensees to make minor alterations within their studios have been considered and approval has been given for items including the restitution of blocked-up windows, and the installation of an additional sink.

Working groups falling broadly under the Management Committee remit have undertaken a number of very successful events, including Queens Park Day and the Christmas Sale. Other activities included organising a working party to enable the storage of art and craft materials in the Education Building.

Members of the Management Committee have formed the selection and interview panels for the appointment of new licensees, including Studio 47 in July, and Studios 2, 4, and 7 in September 2007.

3. Financial Review

3.1 Finance Management

During the year 2007, the Finance Sub-Committee continued to meet a fortnight before each EGM, to review the quarterly management accounts and monitor the rolling cash-flow forecast. The Finance Sub-Committee also considered during its meetings the impact of the extraordinary expenditure on essential works on the level of cash reserves of the Trust.

kingsgate workshops trust

It was considered prudent to increase the loan with Royal Bank of Scotland in order to cover the large cost anticipated for the essential works required to update the electrical installation and the roof. The Board asked Trustee John Miles to act on their behalf, and an additional loan of £100,000 was secured in December 2007.

The Financial Policies and Procedures of the Trust are regularly monitored by the Finance Sub-Committee and reviewed according to changes in requirements by both Companies House and the Charity Commission. During 2007, it was confirmed that the Annual Accounts of the Kingsgate Workshops Trust no longer required to be subject to audit. The Annual Accounts were prepared by our Financial Manager, and finalised by our Accountant, Anthony Epton of Goldwins Chartered Accountants and are presented as an appendix to this report.

3.2 Policy on Financial Reserves

KWT aims to maintain unrestricted reserves of not less than three months normal operational expenditure and not more than six months normal operational expenditure.

As the main building dates back to the 19th century, the levels of repair/maintenance costs can vary considerably. To safeguard against having insufficient funds to cover such work and to safeguard against other unforeseen expenditure in other spheres of the Trust's activities, a percentage of income received is put aside for maintenance, repairs and renewals to the building.

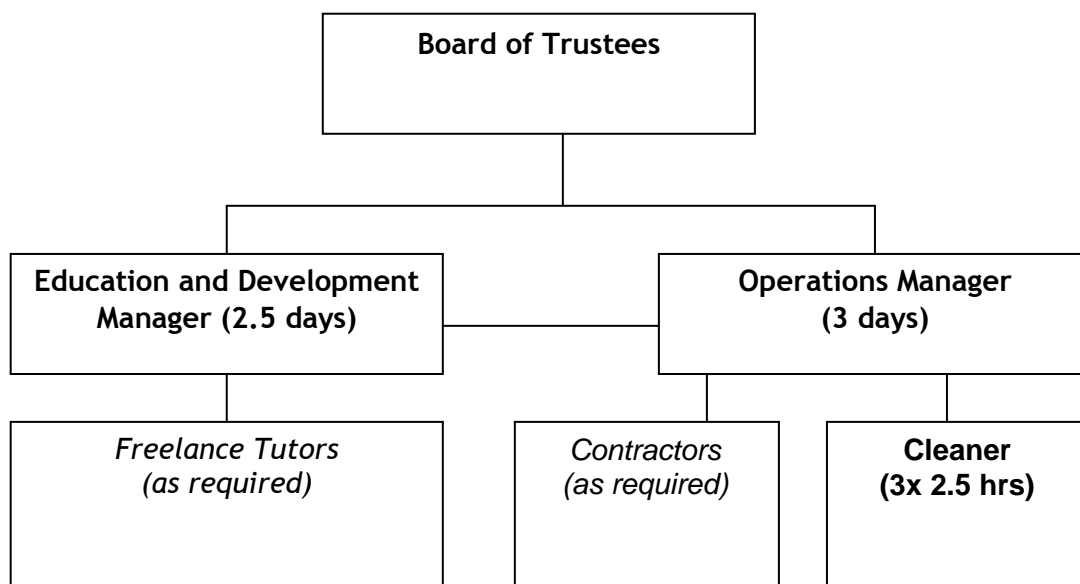
4. Structure and Governance

Our current Kingsgate Workshops Trust Memorandum of Association was amended in 2000 and 2004. We are a company limited by guarantee and without share capital.

Strategic decisions are the responsibility of the Board of Trustees, which meets four times a year and communicates by email between meetings. Such decisions are documented in our Business Plan and other key policy documents. We delegate operational decisions to members of staff. We carry out regular line-management meetings with our two principal managers and they provide progress updates every two months, which are reviewed by the Board.

KWT has two standing sub-committees: Finance Committee (comprising a group of trustees informed by our Finance Officer); Education and Gallery Committee (which includes both licensee and trustee members and is informed by our Education and Development Manager). Both of these standing committees meet prior to full board meetings – their recommendations are documented and put forward to the full Board for discussion and agreement. Our organisational structure is shown in the following diagram.

**Kingsgate Workshops Trust
Organisation Chart
as from May 2007**



Kingsgate Workshops Trust does not have a regular practice of cooperating with other charities in pursuance of its charitable objectives. As mentioned under Section 2.2, we have recently joined the newly-formed National Federation of Artists' Studio Providers. The main impact of this on our work has been to promote an interchange of information on matters relevant to artists' studios.

An appraisal of major risks to KWT was carried out as part of our Business Plan. The risks were reviewed and procedures established to manage those risks. Risk assessment forms part of our on-going processes (for example, financial risks are kept under review by our Finance Committee and any concerns are notified to the Board, together with recommended risk-management strategies).

This year we used personal recommendations and advertised widely for new trustees, using volunteer networks such as Volunteer Camden, National Council for Voluntary Organisations and REACH. We also developed an induction pack for new trustees.

5. Administrative Details

COMPANY NAME		Kingsgate Workshops Trust
COMPANY NUMBER	:	3487034
CHARITY NUMBER	:	1082112
DIRECTORS/TRUSTEES	:	B Allan J Miles C Sharp K Takabatake B Bryon R Mughal T Peters S Scampton A Brooker D Pike M Donato R Looker C Johnson T Kotridis
SECRETARY	:	S Oba
REGISTERED OFFICE		110-116 Kingsgate Road London NW6 2JG
ACCOUNTANTS		Goldwins Chartered Accountants 75 Maygrove Road London NW6 2EG
BANKERS		NatWest Bank 166 Camden High Street LONDON NW1 0NW

KINGSGATE WORKSHOPS TRUST

(A COMPANY LIMITED BY GUARANTEE)

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2007

KINGSGATE WORKSHOPS TRUST
(A COMPANY LIMITED BY GUARANTEE)
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007

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KINGSGATE WORKSHOPS TRUST

(A COMPANY LIMITED BY GUARANTEE)

COMPANY INFORMATION

COMPANY NUMBER : 3487034

CHARITY NUMBER : 1082112

DIRECTORS/TRUSTEES :
B Allan
J Miles
C Sharp
K Takabatake
B Bryon
R Mughal
T Peters
S Scampton
A Brooker
D Pike
M Donato
R Looker
C Johnson
T Kotridis

SECRETARY : D Satsuki

REGISTERED OFFICE : 110-116 Kingsgate Road
London NW6 2JG

ACCOUNTANTS : Goldwins
Chartered Accountants
75 Maygrove Road
London NW6 2EG

KINGSGATE WORKSHOPS TRUST

(A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE DIRECTORS

The directors present their report and financial statements for the year ended 31 December 2007.

PRINCIPAL ACTIVITY

The principal activity of the Trust is to promote the arts and crafts by developing existing and new audiences through imaginative cultural and educational exchange. It accomplished this by providing studios for artists and craftspeople, an exhibition gallery and an education programme that operated in the community and in the purpose-built on-site education facility.

ORGANISATION

The Board of Directors is composed of 14 persons who fulfill the statutory duties and responsibilities of Trustees. The full Board meets at least quarterly to review the operation and update the policies and activities of the charity.

In addition the Board has formed itself into sub-committees that each focus on a specific area of the charity's activities and report to the full Board. The areas include the following:

- Finance and fundraising
- Education
- Gallery, events and publicity
- Building and New Build
- Licensees and Management

There is also a Management Committee composed of 12 elected licensees, who meet monthly and deliberate on the management, operation and day to day running of the building. The Management Committee makes recommendations to and advises the Board. It also works directly with the employees of the company. The Management Committee is represented by four places on the Board of Directors.

Overseen by the Board of Directors, the company operates with the following paid staff:

- Education and gallery manager who is responsible for the development and education activities.
- Operations Manager-responsible for the day to day administration.
- Finance Manager – responsible for reporting on the financial affairs to the Board

The studios are leased to individual artists through the issuing of licenses, which provide a substantial proportion of the company's income. The licensees elect the Management Committee and are represented within the Board of Trustees.

The Board of Directors, The Management Committee and the staff regard ease of communication between the various components of the company to be of utmost importance in maintaining the efficiency and goals of the charity.

KINGSGATE WORKSHOPS TRUST(A COMPANY LIMITED BY GUARANTEE)REPORT OF THE DIRECTORS

(Cont).....

REVIEW OF THE YEAR AND FUTURE DEVELOPMENTS

During 2007, the former Director resigned, and a new staffing structure was put in place, with appointment of Adam Holmes-Davies as Education and Gallery Manager, Nick Weeks as Operations Manager, with Pamela Furness continuing to act as Finance Manager. The gallery programme and education projects have both been successful during the year, with significant funding achieved to support these activities.

RISK MANAGEMENT

The charity's reputation is of importance to its operations and the achievement of its objectives. It has been active with outreach programmes within the community, especially through its education programme, and publicises itself widely. The gallery also provides positive publicity and a public face. Open days, where the wider public can view the range of work undertaken at Kingsgate Workshops Trust, also enhance the reputation of the Trust. Open days also potentially expose the public to a safety risk and the Trust requires that individual licensees' insurance cover risks of injuries potentially sustainable in their respective studio spaces. They are also required to be aware of potential hazards and to take steps to avoid them. The new updated licenses that were drawn up and issued in 2005 take account of experience gained in the issuing and operating of the license system and better define the rights and obligations conferred by the licenses.

The building itself dates back to the 19th century and the levels of repair/maintenance costs can vary considerably. To safeguard against having insufficient funds to cover such work and to safeguard against other unforeseen expenditure in other spheres of the Trusts activities a percentage of income received is put aside for maintenance, repairs and renewals to the building.

The risks to which the charity is exposed and mitigation strategies are regularly reviewed during the quarterly Board meetings.

KINGSGATE WORKSHOPS TRUST
(A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE DIRECTORS

(Cont).....

DIRECTORS AND THEIR INTERESTS

The directors who have served during the year are as follows:-

B Allan	S Scampton	A Brooker (from June '07)
J Miles	M Sarai (resigned Oct '07)	
C Sharp	D Pike	K Takabatake (from March '07)
A Lewis (resigned Sep '07)	M Donato	B Bryon (from June '07)
R Mughal	R Looker	T Kotridis
T Peters	C Johnson	

Each of the directors has a limited liability of £1.

DIRECTORS' RESPONSIBILITIES

Company law requires the directors, who serve as trustees for the purposes of charity law, to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those accounts, the directors are required to:-

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the Financial Reporting Standard for Smaller Entities has been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the Accounts on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors' Report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

SIGNED ON BEHALF OF
THE BOARD OF DIRECTORS

.....
Director - C Sharp

ACCOUNTANTS' REPORT

TO THE TRUSTEES ON THE UNAUDITED ACCOUNTS OF

KINGSGATE WORKSHOPS TRUST

(A COMPANY LIMITED BY GUARANTEE)

We report on the accounts for the year ended 31 December 2007 set out on pages 6 to 10.

Respective responsibilities of directors and reporting accountants

As described on page 4 the company's directors are responsible for the preparation of the accounts, and they consider that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

Basis of opinion

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants and so our procedures consisted of comparing the accounts with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we considered necessary for the purpose of this report. These procedures provide only the assurance expressed in our opinion.

Opinion

In our opinion:

- (a) the accounts are in agreement with the accounting records kept by the company under section 221 of the Companies Act 1985;
- (b) having regard to, and on the basis of, the information contained in those accounting records:
 - (i) the accounts have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Act; and
 - (ii) the company satisfied the conditions for exemption from an audit of the accounts for the year specified in section 249A(4) of the Act and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in section 249B(1).

.....
GOLDWINS

Reporting Accountants
75 Maygrove Road
West Hampstead
London NW6 2EG

KINGSGATE WORKSHOPS TRUST
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF FINANCIAL ACTIVITIES
AND INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2007

	<u>2007</u>	<u>2007</u>	<u>2007</u>	<u>2006</u>
	Unrestricted	Restricted	Total	Total
	<u>Funds</u>	<u>Funds</u>	<u>Funds</u>	<u>Funds</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
<u>INCOMING RESOURCES</u>				
Incoming resources from generated funds:				
Licence fees	132,577	-	132,577	116,515
Grants and donations	10,125	20,259	30,384	12,750
Electricity	4,861	-	4,861	4,367
Interest receivable	2,220	-	2,220	903
Incoming resources from charitable activities:				
Gallery	500	-	500	680
Hire of education building	500	-	500	1,016
Sundry	30	-	30	658
Auction donations and sales	-	-	-	8,918
TOTAL INCOMING RESOURCES	£ 150,813	£ 20,259	£ 171,072	£ 145,807
	=====	=====	=====	=====
<u>RESOURCES EXPENDED</u>				
<i>Charitable Activities:</i>				
Education project	-	10,364	10,364	-
Wages and salaries	39,084	-	39,084	35,549
Rent and rates	1,178	-	1,178	499
Insurance	10,380	-	10,380	11,273
Light and heat	9,619	-	9,619	7,215
Repairs and maintenance	69,115	-	69,115	10,410
Gallery and studio costs	1,891	-	1,891	5,081
Cleaning	7,490	-	7,490	6,343
Printing, postage and stationery	4,229	-	4,229	1,490
Advertising	1,602	-	1,602	451
Telephone	896	-	896	977
Legal and professional fees	2,080	-	2,080	1,441
Accountancy	2,735	-	2,735	1,146
Bank charges	402	-	402	459
Sundry expenses	1,498	-	1,498	1,428
Depreciation	14,708	-	14,708	14,708
Loan interest	14,261	-	14,261	19,878
	£181,168	£10,364	£191,532	£118,348
	=====	=====	=====	=====
<u>NET INCOMING /(OUTGOING)</u>				
<u>RESOURCES FOR THE YEAR</u>	(30,355)	9,895	(20,460)	27,459
Balances brought forward	41,225	173,861	215,086	187,627
<u>BALANCES CARRIED FORWARD</u>	£10,870	£183,756	£194,626	£215,086
	=====	=====	=====	=====

The attached notes form part of these financial statements.

KINGSGATE WORKSHOPS TRUST
(A COMPANY LIMITED BY GUARANTEE)
BALANCE SHEET AS AT 31 DECEMBER 2007

<u>Note</u>		<u>2007</u>		<u>2006</u>
	£	£	£	£
	<u>FIXED ASSETS</u>			
1.	Tangible assets	620,569		635,277
	<u>CURRENT ASSETS</u>			
	Debtors	10,532		10,685
	Cash at bank and in hand	154,977		49,231
		<u>165,509</u>		<u>59,916</u>
2.	<u>CREDITORS</u> :			
	Amounts falling due within one year	(92,721)		(47,050)
		<u> </u>		<u> </u>
	<u>NET CURRENT ASSETS</u>	72,788		12,866
	<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>	<u>693,357</u>		<u>648,143</u>
3.	<u>CREDITORS</u> :			
	Amounts falling due after more than one year	(498,731)		(433,057)
	<u>NET ASSETS</u>	<u>£194,626</u>		<u>£215,086</u>
		=====		=====
	Unrestricted funds	10,870		41,225
5.	Restricted funds	183,756		173,861
	<u>TOTAL FUNDS</u>	<u>£194,626</u>		<u>£215,086</u>
		=====		=====

For the financial year ended 31 December 2007, the company was entitled to exemption from audit under Section 249A(1) of the Companies Act 1985, and no notice has been deposited under Section 249B(2). The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with Section 221 of the Act and preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the period and of its profit or loss for the financial period in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985, so far as applicable to the company.

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

The financial statements were approved by the Board on

.....) Director

C Sharp

The attached notes form part of these financial statements.

KINGSGATE WORKSHOPS TRUST
(A COMPANY LIMITED BY GUARANTEE)
ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2007

The following are the more important accounting policies adopted by the company:-

(a) ACCOUNTING CONVENTION

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities and the Charity SORP "Accounting and Reporting by Charities" March 2005.

(b) DEPRECIATION

All tangible fixed assets are depreciated at annual rates to write off the cost or valuation of the assets over their estimated useful lives the following rates:-

	<u>% per annum</u>
Leasehold Buildings	2
Fixtures, Fittings and Equipment	20

(c) INCOME

Income is accounted for on an accruals basis.

KINGSGATE WORKSHOPS TRUST
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007

1.	<u>FIXED ASSETS</u>	<u>Long Leasehold</u>	<u>Fixtures, Fittings & Equipment</u>	<u>Total</u>
	<u>COST</u>	<u>£</u>	<u>£</u>	<u>£</u>
	At 1 January 2007	658,206	7,719	665,925
	Additions	-	-	-
	At 31 December 2007	<u>£658,206</u> =====	<u>£ 7,719</u> =====	<u>£665,925</u> =====
	 <u>DEPRECIATION</u>			
	At 1 January 2007	26,288	4,360	30,648
	Charge for the year	13,164	1,544	14,708
	At 31 December 2007	<u>£ 39,452</u> =====	<u>£ 5,904</u> =====	<u>£ 45,356</u> =====
	 <u>NET BOOK VALUES</u>			
	At 31 December 2007	<u>£618,754</u> =====	<u>£ 1,815</u> =====	<u>£620,569</u> =====
	At 31 December 2006	<u>£631,918</u> =====	<u>£ 3,359</u> =====	<u>£635,277</u> =====
2.	<u>CREDITORS</u> : Amounts falling due within one year	<u>2007</u>	<u>2006</u>	
		<u>£</u>	<u>£</u>	
	Bank loan	30,882	25,000	
	Trade creditors	7,287	6,248	
	Accruals and deferred income	54,552	15,802	
		<u>£ 92,721</u> =====	<u>£ 47,050</u> =====	

The bank loan is secured on the long leasehold property and is repayable by 11 February 2025. Interest is payable at a fixed rate of 5.89% per annum.

KINGSGATE WORKSHOPS TRUST
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007

	<u>2007</u>	<u>2006</u>
3. <u>CREDITORS</u> :	<u>£</u>	<u>£</u>
Amounts falling due after more than one year:		
<u>After more than five years</u>		
Bank loan	£498,731	£433,057
	=====	=====

4. No trustee received any remuneration or reimbursement of expenses in the year. No employees earned more than £60,000 per year.

5. RESTRICTED FUNDS

The income funds of the charity during the year included the following restricted funds.

	<u>At</u> <u>01.01.07</u>	<u>Movement in Resources</u> <u>Incoming</u>	<u>Outgoing</u>	<u>Transfers</u>	<u>At</u> <u>31.12.07</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Building fund	173,861	-	-	-	173,861
Education fund	-	20,259	(10,364)	-	9,895
	<u>£ 173,861</u>	<u>£ 20,259</u>	<u>£ (10,364)</u>	<u>£ -</u>	<u>£183,756</u>
	=====	=====	=====	=====	=====

The building fund is to research and develop the existing site, including the life long learning facility.

6. ANALYSIS OF NET ASSETS FUNDS

	<u>Unrestricted</u> <u>Funds</u>	<u>Restricted</u> <u>Funds</u>	<u>Total</u> <u>Funds</u>
	<u>£</u>	<u>£</u>	<u>£</u>
Tangible assets	-	620,569	620,569
Net current assets	10,870	61,918	72,788
Creditors: Amounts falling due after more than one year	-	(498,731)	(498,731)
	<u>£ 10,870</u>	<u>£183,756</u>	<u>£194,626</u>
	=====	=====	=====

