

MANCHESTER CITY GALLERIES TRUST

England & Wales · Charity number 1048581

Details

Other names	MANCHESTER CITY ART GALLERIES DEVELOPMENT TRUST, MANCHESTER CITY ART GALLERIES PUBLICATIONS, MANCHESTER CITY GALLERIES DEVELOPMENT TRUST
Status	Registered
Legal form	Charitable company
Company number	03053689
Registered	1995-08-11
Register	View on the Charity Commission register

Contact

Address	Manchester Art Gallery Mosley Street Manchester M2 3JL
Phone	07917553040
Email	jo.beggs@manchester.gov.uk
Website	www.manchesterartgallery.org

Activities

Objects: FOR ADVANCEMENT OF EDUCATION OF THE CITIZENS AND OTHER RESIDENTS OF THE CITY OF MANCHESTER IN PARTICULAR AND OF OTHER CITIZENS AND RESIDENTS OF THE UNITED KINGDOM IN GENERAL IN BRITISH AND FOREIGN HISTORY OF ARTS AND FOR THE BENEFITS OF SCHOLARS IN THE UNIVERSITIES AND OF LOCAL, NATIONAL AND FOREIGN RESEARCHERS IN HISTORY OF ARTS.

Activities: Advancement of education in British and foreign history of the arts.

Classification

- **How:** Makes Grants To Organisations, Provides Advocacy/advice/information
- **What:** Education/training, Arts/culture/heritage/science, Environment/conservation/heritage
- **Who:** Children/young People, Elderly/old People, The General Public/mankind

Geography

- **Area of benefit:** CITY OF MANCHESTER AND UNITED KINGDOM
- Bolton
- Bury
- Manchester City
- Oldham
- Rochdale
- Salford City
- Stockport
- Tameside
- Trafford
- Wigan

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£1,582,274	£1,342,607	£2,030,785	34
2024-03-31	£1,762,115	£1,451,340	£1,791,118	34
2023-03-31	£1,286,532	£1,293,848	£1,480,343	40
2022-03-31	£1,394,993	£958,147	£1,487,659	35
2021-03-31	£1,387,558	£628,007	£1,050,813	26

Trustees

Name	Role	Appointed
Andrew Graham Palmer		2021-11-05
Christopher Ronan		2026-05-28
Helen Jane Taylor-O'Brien		2024-12-06
Jo Beggs		2023-07-28
Lynette Mary Abbotts		2025-09-04
Roger Francis Stephenson		2024-05-17
Steven James Lindsay		2024-12-06
Stuart Paul Wood		2021-11-05
Viktorija Barillova		2023-07-28
ZOE CLAIRE DUNBAR		2023-07-28

Accounts

Manchester City Galleries Trust
(A Company Limited by Guarantee)

Trustees' Report and Financial Statements
For the Year Ended 31 March 2025

Manchester City Galleries Trust
(A Company Limited by Guarantee)

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Manchester City Galleries Trust
(A Company Limited by Guarantee)

Reference and Administrative Details of the Charity, its Trustees and Advisers
For the Year Ended 31 March 2025

Trustees

H J Taylor-O'Brien (appointed 6 December 2024)
J M Williams (resigned 6 December 2024)
S J Lindsay (appointed 6 December 2024)
J R Mycock (resigned 6 December 2024)
R G Pulford (resigned 5 September 2024)
V Barillova
Z C Dunbar
A G Palmer
S P Wood
R F Stephenson (appointed 17 May 2024)
L M Abbotts (appointed 4 September 2025)

Company registered number 03053689

Charity registered number 1048581

Registered office Manchester Art Gallery
Mosley Street
Manchester
M2 3JL

Company secretary J L Beggs

Independent auditors Hurst Accountants Limited
Chartered Accountants & Statutory Auditors
3 Stockport Exchange
Stockport
SK1 3GG

Bankers Virgin Money
48-50 Market Street
Manchester
M1 1PW

Manchester City Galleries Trust
(A Company Limited by Guarantee)

Trustees' Report
For the Year Ended 31 March 2025

The Trust presents their annual report together with the audited financial statements of the Charity for the year 1 April 2024 to 31 March 2025. The Annual Report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the Trust and the Group qualifies as small under section 383 of the Companies Act 2006, the strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

The Trustees who served in the year are listed below.

John Williams (Chair – resigned 6 December 2024)
James Mycock (Vice Chair – resigned 6 December 2024)
Stuart Paul Wood
Andrew Graham Palmer
Helen Jane Taylor O'Brien (Chair - appointed 6 December 2024)
Steven James Lindsay (appointed 6 December 2024)
Roger Francis Stephenson (appointed 17 May 2024)
Zoe Clair Dunbar
Viktoria Barilova

Objectives and activities

a. Policies and objectives

Manchester City Galleries Trust is an independent Trust raising money to support the projects and programmes of Manchester Art Gallery and Platt Hall.

The Trustees measure the success of the Trust by its financial performance, along with the Galleries' civic impact. The latter is reported to Manchester City Council Galleries Committee annually and this report, and feedback from the Committee, is shared with Trustees. Positive performance in turn provides additional resources for the Trust to further its objectives.

The Trustees confirm that they have complied with their duty under section 17 of the Charities Act 2011 to have due regard to the guidance on public benefit published by the Charity Commission. In planning the charity's activities for the year, the Trustees have considered how those activities will contribute to the charity's aims and objectives and deliver public benefit.

During the year the Trust had one trading subsidiary: Manchester Art Gallery Trading Company Limited (company number 04465391).

Manchester Art Gallery Trading Company Limited

This company operates the Manchester Art Gallery Café and venue hire business. Profits, when available, are gifted to the Trust. The Directors of this company are:

Amanda Susan Wallace
Robert Moss
Thom Hetherington (resigned 16 April 2025)
Paul Robert Hindle

Andrew Graham Palmer
Stuart Paul Wood
Diane Andrea Charlton

Manchester City Galleries Trust
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Trustees' Report (continued)
For the Year Ended 31 March 2025

Objectives and activities (continued)

Robin Hawkes

b. Activities and achievements

The Trust raises funds to help Manchester Art Gallery and Platt Hall:

- Deliver capital projects;
- Mount displays and exhibitions;
- Preserve and conserve works from the collections of Manchester City Galleries;
- Acquire works for its collections; and
- Deliver an education, outreach and public programme of events and activities.

In December 2024 a payment of £149,469 was made from Trading Company profits to the Trust to support specific project activity in the gallery's programme.

Major projects supported by the Trust in 2024/25 included:

Capital Work

Completion of major repairs at Queen's Park Collections Stores and Conservation Studios. Improvements to improve the environment for the care of the Manchester Art Gallery's collection of fine art, decorative arts and fashion and dress, including repairs to the roof and stonework, installation of a new heating system, removal of asbestos and lead paint and redecoration of collection storage spaces.

Completion of capital work at Manchester Art Gallery to create a new collection storage space in the lower ground floor, refurbished public toilet facilities and improvements to staff offices.

Exhibitions

Holly Graham: The Warp/The Weft/The Wake

An exhibition opened in March 2025 following a residency which began in summer 2023 exploring the colonial legacies inherent on Manchester's textile collections. Funded by the University of the Arts London 20/20 Programme.

Unpicking Couture

Continuation of a display in the Fashion Gallery of Couture Fashion in Manchester's collection, acquired between 2015-2020 with a Collecting Cultures grant from the National Lottery Heritage Fund.

Collections Development

Taking Stock

Continuation of the Taking Stock project, an open store of Manchester's collection, decanted to Manchester Art Gallery while capital work was undertaken at Queen's Park and opened to the public with funding from the National Lottery Heritage Fund. Part of a major 5 year project to reevaluate the collection and how it is used.

Manchester Contemporary Art Fund

Manchester Contemporary Art Fund 2024: a further iteration of the annual fund that brings together local business people to donate towards acquiring works for the Gallery collection from Manchester Contemporary at Manchester Art Fair. In 2024 the Fund raised £34,825.

Women's Work Campaign

The Gallery acquired an artwork – Women's Work by Florence Claxton – with funds raised through a fundraising campaign.

Manchester City Galleries Trust
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Trustees' Report (continued)
For the Year Ended 31 March 2025

Objectives and activities (continued)

Engagement Programmes

The Derek Jarman Pocket Park

Created as a legacy of the Derek Jarman: Protest! Exhibition (which ended in April 2022) the garden, which was designed and is maintained with a group of older LGBT+ volunteers in partnership with the LGBT+ Foundation, takes inspiration from Jarman's garden in Dungeness. Installed as a temporary garden, it has proved popular as one of the few green spaces in our part of the city, and we have continued to maintain it.

Families of the World

A programme of activity sessions aimed at refugee families, many of whom are housed in hotels in the city. This programme of work was launched in response to the Syrian refugee crisis and now welcomes refugees from across the world who find themselves in Manchester. We have extended this work to run sessions both at the Gallery and in a hotel where families are housed.

Platt Hall In-Between

Continued work at Platt Hall, delivering collection-based activities for members of the hyper-local community. This year the focus has been on health & wellbeing and young people. A garden has been developed at Platt Hall, managed and maintained by a group of volunteers under the guidance of a paid Gardener.

Art of Resilience

Continuation of a programme of work with schools to support young people in a trauma-informed way.

Artist Teacher Programme

A programme of work to develop skills and confidence amongst art teachers in the city, using their own creative practice as a catalyst for developing their teaching.

Taking Stock Public Programme

A wide-ranging public programme taking advantage of having an open store situated within Manchester Art Gallery while capital work has been undertaken at Queen's Park stores. This has included volunteering programmes, tours, specialist talks and activities with students.

Art in Schools

Using a historic loan collection which has been re-evaluated as part of Taking Stock, development of an art loan scheme for schools.

Fundraising

Main activities undertaken to further the Charity's purposes for the public benefit

a. Overview

2024/2025 has been a relatively successful year at a time when there is unprecedented pressure on Gallery budget and funders are reporting a higher than ever demand on their funds.

Onsite Donations

Cash and contactless on-site donations have remained relatively healthy. The addition of paid-for storage lockers has meant an uplift in on-site cash donations.

Manchester City Galleries Trust
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Trustees' Report (continued)
For the Year Ended 31 March 2025

Fundraising (continued)

Main activities undertaken to further the Charity's purposes for the public benefit (continued)

Online Donations

Online donations, which saw a significant increase during and shortly after the pandemic, are not a significant area of individual giving. However, we have used this facility to accept donations for a campaign (acquisition of *Women's Work*).

Friends and Patrons

Membership levels have remained relatively stable, although we have seen an increase in people purchasing an annual membership rather than setting up a Direct Debit so it will be important to monitor retention levels. Anecdotal evidence suggests people are generally moving away from using Direct Debits, perhaps a reflection of the current financial climate or changes in banking habits.

Early work is taking place to plan a re-naming of the Friends to 'Manchester Art Gallery Members' following some feedback from visitors that they do not understand the term 'Friends' and that it feels outdated.

Patron membership increased by a small amount and ongoing work is happening to encourage recruitment and additional benefits added to Patron memberships. The Trustees have again been specifically tasked with introducing potential new Patrons.

Friends and Patrons enjoyed an extensive programme of in-person and online talks, tours, workshops and events. An expanding group of volunteers continue to support the delivery of the online and onsite programme. Plans are in place to launch a student membership.

Gifts from Individuals

The Manchester Contemporary Art Fund is a group of individuals who donate annually to enable the Gallery to acquire works for the collection from the Manchester Contemporary Art Fair. The scheme was set up and is managed by ex-Trustee and Director Thom Hetherington. In 2024/2025 the fund totalled £34,825 which supported the acquisition of a number of artworks from the 2024 Manchester Contemporary.

Legacies

Active promotion of legacies was undertaken during the year, with print produced and distributed. A legacy payment of £59,554 was received in the year.

Business Partners

We have seen a reduction in Business Partners this year with businesses citing a general re-think of charitable giving within the current financial landscape. A full re-assessment of the scheme is still required if membership is to grow, although with the current financial uncertainty amongst businesses, this is currently not a priority. Two in-kind Business Partners have been secured in the year who provide hotel rooms (The Alan) and paint (Little Greene).

Trusts and Foundations

The Development Manager's time is focused almost entirely on grant-writing to fund planned activity. While Trusts and Foundations remain the most lucrative – and priority - area for fundraising, they are reporting a significant increase in the number of applications they are receiving and the current national success rate is around 10%. In addition, a number of Trusts and Foundations have announced imminent closure.

Manchester City Galleries Trust
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Trustees' Report (continued)
For the Year Ended 31 March 2025

Fundraising (continued)

Main activities undertaken to further the Charity's purposes for the public benefit (continued)

Staff

The team still has low capacity given the size of the organisation and annual budgets but there is an acceptance that this will not change. In order to address this, the Head of Development and Development Manager continue to have support from members of the Learning and Engagement, Curatorial and Visitor teams in making additional grant applications and encouraging on-site donations. A programme of workshops to support wider gallery staff in grant-writing, budgeting, donor management and on-site donations has begun this year.

The Development Manager (full-time), Friends Coordinator (full-time) and Head of Development (part-time) are employed by Manchester City Council. In addition, a freelance accountant works for the Trust on flexible hours.

b. Priorities for fundraising 2025/2026

Given the cost of living crisis and likely financial situation we continue to face in 2025/2026, the focus will continue to be on stabilisation of existing priority activities, budget-relieving and unrestricted income. In addition to securing public funding and making Trust and Foundation applications, we continue to focus on philanthropy, building on the commitment we have seen from our Friends and Patrons schemes and developing our relationships with individual donors.

Priority will be given to securing funding to support:

- Capital work at Platt Hall with a focus on improving security, visitor facilities and access. This will ensure that we address long-term neglect of the building and respond to increased anti-social behaviour in the surrounding park.
- Core costs and delivery of Strategic and Operational Plans. Continuing to make our charitable and educational activity more visible, promoting civic philanthropy and the need for committed Patrons and unrestricted gifts.
- The ongoing development Platt Hall's programme. Revenue fundraising to support the hyper-local engagement at Platt Hall and to meet the high demand for activity through increased staffing and programme development.
- Legacy work from *Taking Stock* including continuation of volunteering programmes and Art in Schools.
- All aspects of the Learning and Engagement programme including Families of the World, Derek Jarman Garden volunteer programme, Art of Resilience, work with young people and supplementary schools, exhibition related learning and engagement programmes.

Manchester City Galleries Trust
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Trustees' Report (continued)
For the Year Ended 31 March 2025

Fundraising (continued)

Financial review

a. Overview

During the year ended 31 March 2025 the Group's income amounted to £1,582,274 (2024: £1,762,115). The Group's expenditure for the year ended 31 March 2025 amounted to £1,342,607 (2024: £1,451,340). The net surplus for the year amounted to £239,667 (2024: £310,775).

As at 31 March 2025 the Group had total funds of £2,030,785 (2024: £1,791,118), of which £659,009 were restricted funds (2024: £555,747). At the year end the Group held £2,499,696 in liquid assets (2024: £2,293,372).

As at 31 March 2025 the Trust had total funds of £1,952,190 (2024: £1,695,473) and £2,170,548 in liquid assets (2024: £1,836,607).

During the year ended 31 March 2025 Manchester Art Gallery Trading Company Limited reported a profit after tax of £8,622 (2024: £127,100) and as at 31 March 2025 the company had net assets of £39,101 (2024: £56,151).

b. Reserves policy

The Trustees regularly review the level of the Trust's reserves to ensure that they are sufficient to meet foreseeable charitable expenditure, fixed costs and working capital requirements. A risk assessment is undertaken using the risk identification approach to determine anticipated:

- Charitable expenditure
- Fixed costs
- Unrestricted income
- Restricted income
- Working capital requirement

The Trustees aim to maintain a sufficient level of reserves to ensure continuing operations for the foreseeable future and that the Trust is able to meet its statutory and legal obligations.

Excluding designated funds and restricted reserves, the Trustees have concluded that reserves of £225,000 should be maintained. At year end, the Trust has free reserves of £272,143 over the amount to be maintained.

c. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

d. Investment policy

During the year, the Trust invested a further £332,774 in a Virgin Money deposit account, leaving a total balance invested of £832,774.

Manchester City Galleries Trust
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Trustees' Report (continued)
For the Year Ended 31 March 2025

Structure, governance and management

a. Constitution

Manchester City Galleries Trust is registered as a charitable company limited by guarantee and was established and is governed under a Memorandum and Articles of Association. The Articles for Association were updated during the year in line with the Charity Commission guidelines and to address issues around Member recruitment.

The Trust is a registered charity, charity number 1048581, with a registered office of Manchester Art Gallery, Mosley Street, Manchester, M2 3JL.

b. Methods of appointment or election of Trustees

The management of the Trust is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

The Directors/Trustees who served during the year are listed on page 2 of the annual report. The Directors/Trustees are elected annually by members in a general meeting.

c. Organisational structure and decision-making policies

The Trust is managed by the trustees/directors and by employees of Manchester City Council. There are no staff directly employed by the Trust, although staff working in the Manchester Art Gallery Café and some members of the Events Team are employed by Manchester Art Gallery Trading Company Limited and all trading business is recorded through this company.

The Trustees meet quarterly to review the financial position of the Trust and to guide progress against the Trust's objectives.

The Directors of Manchester Art Gallery Trading Company Limited meet 6-weekly to review the trading results and monitor and determine the company's future commercial objectives. The operational management of Manchester Art Gallery Trading Company rests with three key managers; the General Manager, the Trading Company Accountant and the Head of Commercial. These key managers attend and contribute to the Directors' meetings. The remuneration of the operational management is set by the Board of Directors having regard to performance and the market rate for comparable roles.

d. Policies adopted for the induction and training of Trustees

New Trustees are introduced to the Group, usually by existing Trustees and Manchester City Galleries staff, and are given a full background to the Group's history and current activities to ensure they have a good knowledge of the Group and the activities of Manchester City Galleries. A role description is issued to all new Trustees so that they are fully aware of their duties and responsibilities. Regular updates on gallery business are sent to Trustees and opportunities for training are offered. Trustees are expected to take part in gallery activities – attending exhibition previews and events, all-gallery training etc. and engage in the wider cultural life of the city.

Manchester City Galleries Trust
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Trustees' Report (continued)
For the Year Ended 31 March 2025

Structure, governance and management (continued)

e. Related party relationships

The Trust holds the entire issued share capital of Manchester Art Gallery Trading Company Limited and cooperates with Manchester City Council in pursuit of its charitable objectives.

Transactions between the Trust and Trading Company are shown in the accounts. Trading profits (when available and net of earlier deficits) of the Manchester Art Gallery Trading Company Limited have been gifted to the Trust.

f. Financial risk management

The Trustees have assessed the major risks to which the Trust and the Group are exposed, in particular those related to the operations and finances of the Trust and the Group, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

The principal risks affecting the Trust and the Group are the dependence on fundraising (grants, donations, memberships and sponsorship) and the popularity of the activities which in turn generates donation box income and retail income for the Manchester Art Gallery Café. The Trustees manage these risks for the Trust and the Group by regularly reviewing past financial performance, future financial projections and the potential opportunities that arise from the programme. In undertaking this review, the Trustees are assisted by professional staff employed by Manchester City Council.

The principal risks facing Manchester Art Gallery Trading Company Limited, which operates the Manchester Art Gallery Café and events business are:

- Consumer spending. The company's revenue is dependent on consumer spending which can reduce for a variety of reasons such as uncertainty, the general economic environment, competition and the weather. The company seeks to mitigate this risk by providing exceptional value for money, top quality food and drink and attentive service combined with an excellent location in the heart of Manchester. The main income generator for the Trading Company is events (corporate hire, celebration dinners, weddings, filming).
- Food safety. Maintaining high food hygiene standards is critical to the company's business. The directors and senior management take food hygiene very seriously and have implemented best practice operational procedures to ensure this risk is reduced.
- Reputational risk. The directors and senior managers are conscious that, with the ever increasing use of social media, the reputation of the business can easily be damaged. The company seeks to provide a comprehensive customer experience which exceeds expectations. The directors monitor social media and respond where appropriate.

Other than continued fiscal pressures, the Trustees are not aware of any other factors that will impact the future performance of the Trust and the Group.

g. Funds

The funds held by the Trust are detailed in the notes to the financial statements.

Information on fundraising practices

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. The Trustees confirm that all fundraising is managed internally without the involvement of commission driven external fundraisers or third parties. The routine management of income generation rests with the Gallery's Head of Development. In general, fundraising activities are directed towards individuals and organisations that are already involved in the work of the galleries or who have expressed an interest in becoming involved.

Manchester City Galleries Trust
(A Company Limited by Guarantee)

Trustees' Report (continued)
For the Year Ended 31 March 2025

Structure, governance and management (continued)

h. Public benefit

The Trust is established for the advancement of the education of the citizens and other residents of the City of Manchester in particular, and of other citizens and residents of the United Kingdom in general, in British and foreign history of the Arts, and for the benefit of scholars in the Universities and local, national and foreign researchers in history of the Arts.

The Trustees confirm that they have referred to the Charity Commission's guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities and services.

The Trust currently achieves its objectives by raising funds to support the Galleries' programme of exhibitions and educational activities, capital projects, and to fund acquisition of artworks for the collection.

In its support of Manchester City Galleries' activities, the Trust contributes to the free access of the general public to Manchester Art Gallery regardless of their background. The Trust is of the view that any private benefit gained by the Trustees is incidental.

Statement of Trustees' responsibilities

The Trust (who are also the directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' Report including the Strategic Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trust to prepare financial statements for each financial year. Under company law, the Trust must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Charity and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Trust are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Group will continue in business.

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

Disclosure of information to auditors

Each of the persons who are Trust at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

Manchester City Galleries Trust
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Trustees' Report (continued)
For the Year Ended 31 March 2025

Auditors

The auditors, Hurst Accountants Limited, have indicated their willingness to continue in office. The designated Trust will propose a motion reappointing the auditors at a meeting of the Trust.

Approved by order of the members of the board of Trust and signed on their behalf by:



J L Beggs

Head of Development and Trust Secretary

Date: 05 Dec 2025

Manchester City Galleries Trust
(A Company Limited by Guarantee)

Independent Auditors' Report to the Members of Manchester City Galleries Trust

Opinion

We have audited the financial statements of Manchester City Galleries Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2025 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charity Balance Sheet, the 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 March 2025 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Manchester City Galleries Trust
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Independent Auditors' Report to the Members of Manchester City Galleries Trust (continued)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. 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 course of 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.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

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

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

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Manchester City Galleries Trust
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Independent Auditors' Report to the Members of Manchester City Galleries Trust (continued)

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

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

Identifying and assessing potential risks related to irregularities

In identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- The nature of the industry and sector in which the company operates; the control environment and business performance including key drivers for directors' remuneration, bonus levels and performance targets.
- The outcome of enquiries of local management and parent company management, including whether management was aware of any instances of non-compliance with laws and regulations, and whether management had knowledge of any actual, suspected, or alleged fraud.
- Supporting documentation relating to the Company's policies and procedures for:
 - Identifying, evaluating, and complying with laws and regulations
 - Detecting and responding to the risks of fraud
- The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- The outcome of discussions amongst the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.
- The legal and regulatory framework in which the Company operates, particularly those laws and regulations which have a direct effect on the financial statements, such as the Companies Act 2006, pensions and tax legislation, or which had a fundamental effect on the operations of the Company, including General Data Protection requirements and Anti-bribery and Corruption.

Audit response to risks identified

Our procedures to respond to the risks identified included the following:

- Reviewing the financial statements disclosures and testing to supporting documentation to assess compliance with the provisions of those relevant laws and regulations which have a direct effect on the financial statements.
- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud.
- Evaluation and testing of the operating effectiveness of management's controls designed to prevent and detect irregularities.
- Enquiring of management about any actual and potential litigation and claims.
- Performing analytical procedures to identify any unusual or unexpected relationships which may indicate risks of material misstatement due to fraud.

Manchester City Galleries Trust
(A Company Limited by Guarantee)

Independent Auditors' Report to the Members of Manchester City Galleries Trust (continued)

We have also considered the risk of fraud through management override of controls by:

- Testing the appropriateness of journal entries and other adjustments, and identifying accounting transactions which may pose a heightened risk of material misstatement, whether due to fraud or error.
- Challenging assumptions made by management in their significant accounting estimates, and assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and
- Evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

There are inherent limitations in the audit procedures described above, and the further removed non-compliance with laws and regulations are from the events and transactions reflected in the financial statements, the less likely we would become aware of them. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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 Auditors' Report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

HABesantRoberts

Helen Besant-Roberts (Senior Statutory Auditor)

for and on behalf of

Hurst Accountants Limited

Chartered Accountants & Statutory Auditors

3 Stockport Exchange

Stockport

SK1 3GG

Date: 10 Dec 2025

Manchester City Galleries Trust
(A Company Limited by Guarantee)

Consolidated Statement of financial activities (incorporating income and expenditure account)
For the Year Ended 31 March 2025

	Note	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Income from:					
Donations and legacies	4	113,533	76,011	189,544	115,401
Charitable activities	5	38,538	299,465	338,003	413,602
Other trading activities	6	996,135	-	996,135	1,174,988
Investments	7	58,592	-	58,592	58,124
Total income		1,206,798	375,476	1,582,274	1,762,115
Expenditure on:					
Raising funds	8	979,911	-	979,911	1,036,678
Charitable activities	9	86,824	275,872	362,696	414,662
Total expenditure		1,066,735	275,872	1,342,607	1,451,340
Net income		140,063	99,604	239,667	310,775
Transfers between funds	20	(3,184)	3,184	-	-
Net movement in funds		136,879	102,788	239,667	310,775
Reconciliation of funds:					
Total funds brought forward		1,234,897	556,221	1,791,118	1,480,343
Net movement in funds		136,879	102,788	239,667	310,775
Total funds carried forward		1,371,776	659,009	2,030,785	1,791,118

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

The notes on pages 20 to 39 form part of these financial statements.

Manchester City Galleries Trust
(A Company Limited by Guarantee)
Registered number: 03053689

Consolidated Balance Sheet
As at 31 March 2025

	Note	2025 £	2024 £
Fixed assets			
Tangible assets	14	48,848	65,855
		<u>48,848</u>	<u>65,855</u>
Current assets			
Stocks	16	7,538	7,630
Debtors	17	40,220	36,259
Investments	18	832,774	-
Cash at bank and in hand		1,666,922	2,293,372
		<u>2,547,454</u>	<u>2,337,261</u>
Creditors: amounts falling due within one year	19	(565,517)	(611,998)
Net current assets		<u>1,981,937</u>	<u>1,725,263</u>
Total net assets		<u><u>2,030,785</u></u>	<u><u>1,791,118</u></u>
Charity funds			
Restricted funds	20	659,009	556,221
Unrestricted funds	20	1,371,776	1,234,897
Total funds		<u><u>2,030,785</u></u>	<u><u>1,791,118</u></u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

H J Taylor-O'Brien

Trustee

Date: 08 Dec 2025



The notes on pages 20 to 39 form part of these financial statements.

Manchester City Galleries Trust
(A Company Limited by Guarantee)
Registered number: 03053689

Charity Balance Sheet
As at 31 March 2025

	Note	2025 £	2024 £
Fixed assets			
Investments	15	1	1
Current assets			
Debtors	17	37,701	151,485
Investments	18	832,774	-
Cash at bank and in hand		1,337,774	1,836,607
		<u>2,208,249</u>	<u>1,988,092</u>
Creditors: amounts falling due within one year	19	(256,060)	(292,620)
Net current assets		<u>1,952,189</u>	<u>1,695,472</u>
Total net assets		<u><u>1,952,190</u></u>	<u><u>1,695,473</u></u>
Charity funds			
Restricted funds	20	696,632	595,383
Unrestricted funds:			
General funds	20	1,255,558	1,100,090
Total unrestricted funds	20	<u>1,255,558</u>	<u>1,100,090</u>
Total funds		<u><u>1,952,190</u></u>	<u><u>1,695,473</u></u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

H J Taylor-O'Brien



Trustee

Date: 08 Dec 2025

The notes on pages 20 to 39 form part of these financial statements.

Manchester City Galleries Trust
(A Company Limited by Guarantee)

Consolidated Statement of Cash Flows
For the Year Ended 31 March 2025

	2025 £	2024 £
Cash flows from operating activities		
Net cash used in operating activities	148,287	353,544
Cash flows from investing activities		
Dividends, interest and rents from investments	58,592	58,124
Purchase of tangible fixed assets	(555)	(5,318)
Purchase of current asset investments	(832,774)	-
Net cash (used in)/provided by investing activities	(774,737)	52,806
Cash flows from financing activities		
Net cash provided by financing activities	-	-
Change in cash and cash equivalents in the year	(626,450)	406,350
Cash and cash equivalents at the beginning of the year	2,293,372	1,887,022
Cash and cash equivalents at the end of the year	1,666,922	2,293,372

The notes on pages 20 to 39 form part of these financial statements

Manchester City Galleries Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2025

1. General information

Manchester City Galleries Trust is a company limited by guarantee, registered number 03053689, incorporated in England. It is also a charity, registered number 1048581. The registered address is Manchester Art Gallery, Mosley Street, Manchester, M2 3JL.

The principal activity of the group is raising money to support the projects and programmes of Manchester City Art Gallery.

The members of the company are the Trustees names on page 1. In the event of the Charity being wound up, the liability in respect of the guarantees is limited to £1 per member of the Charity

2. Accounting policies

2.1 Basis of preparation of financial statements

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

Manchester City Galleries Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the Charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements.

The Charity meets the definition of a qualifying entity under FRS102 and therefore taken advantage of the disclosure exemption available to it in respect of its separate financial statements in relation to presentation of a cash flow statement.

2.2 Going concern

In deciding to prepare the financial statements on a going concern basis, the Trustees have considered all available information regarding the future for a period of at least 12 months from the date of approval of these financial statements. The Trustees are satisfied that the going concern basis adopted in the preparation of these financial statements is appropriate and that the Group can continue in operational existence for at least the next 12 months.

2.3 Income

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

Manchester City Galleries Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2025

2. Accounting policies (continued)

2.3 Income (continued)

Donated services or facilities are recognised when the Group has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the Group of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised. Refer to the Trustees' Report for more information about their contribution.

On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the Charity which is the amount it would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Income from grants and government grants is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service. Revenue from the sale of food and beverages is recognised at the point of sale. Revenue from a contract to provide services is recognised in the period in which the services are provided in.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Governance costs are those incurred in connection with administration of the Charity and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds. The costs of commercial trading includes the cafeteria and its associated support costs.

Charitable activities and Governance costs are costs incurred on the Charity's operations, including support costs and costs relating to the governance of the Charity apportioned to charitable activities.

Manchester City Galleries Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2025

2. Accounting policies (continued)

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £NIL or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Long-term leasehold property	- 20% straight line basis
Plant and machinery	- 25% reducing balance basis
Office equipment	- 25% reducing balance basis
Computer equipment	- 33% straight line basis

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Financial Activities.

2.7 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

Current asset investments comprise term deposits maturing within twelve months of the balance sheet date. They are stated at cost, which approximates to fair value. Interest income is recognised on an accruals basis.

2.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the statement of financial activities.

Manchester City Galleries Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2025

2. Accounting policies (continued)

2.9 Debtors

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

2.10 Cash at bank and in hand

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

2.11 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated Statement of Financial Activities as a finance cost.

2.12 Financial instruments

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

2.13 Pensions

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

2.14 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

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

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

Manchester City Galleries Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2025

2. Accounting policies (continued)

2.15 Value added tax (VAT)

Income is stated net of VAT where applicable. Expenditure is stated net of any recoverable VAT. Any irrecoverable VAT is recognised as a cost against the activity for which the expenditure is incurred.

3. Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. Income from donations and legacies

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	<i>Total funds 2024 £</i>
Donations	113,533	76,011	189,544	115,401
<i>Total 2024</i>	42,536	72,865	115,401	

5. Income from charitable activities

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	<i>Total funds 2024 £</i>
Grants receivable	-	299,465	299,465	368,915
Friends and Business Partner income	38,538	-	38,538	44,687
	38,538	299,465	338,003	413,602
<i>Total 2024</i>	44,687	368,915	413,602	

Manchester City Galleries Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2025

6. Income from trading activities

Income from non charitable trading activities

	Unrestricted funds 2025 £	Total funds 2025 £	<i>Total funds 2024 £</i>
Catering, events and venue hire	996,135	996,135	1,174,988
<i>Total 2024</i>	<i>1,174,988</i>	<i>1,174,988</i>	

7. Investment income

	Unrestricted funds 2025 £	Total funds 2025 £	<i>Total funds 2024 £</i>
Income from bank deposits	58,592	58,592	58,124
<i>Total 2024</i>	<i>58,124</i>	<i>58,124</i>	

Manchester City Galleries Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2025

8. Expenditure on raising funds

Fundraising trading expenses

	Unrestricted funds 2025 £	Total funds 2025 £	<i>Total funds 2024 £</i>
Cost of sales and administrative expenses	389,542	389,542	429,829
Wages and salaries	526,204	526,204	536,240
National insurance contributions	37,198	37,198	36,030
Pension costs	9,822	9,822	6,244
Depreciation of tangible fixed assets	17,145	17,145	28,335
Total 2025	<u>979,911</u>	<u>979,911</u>	<u>1,036,678</u>
<i>Total 2024</i>	<u>1,036,678</u>	<u>1,036,678</u>	

9. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	<i>Total 2024 £</i>
Gallery	54,387	-	54,387	207,683
Exhibitions	-	176,148	176,148	88,553
Friends scheme	444	-	444	713
Other fundraising	2,903	-	2,903	6,764
Acquisitions	-	99,724	99,724	81,672
Governance	29,090	-	29,090	29,277
	<u>86,824</u>	<u>275,872</u>	<u>362,696</u>	<u>414,662</u>
<i>Total 2024</i>	<u>244,437</u>	<u>170,225</u>	<u>414,662</u>	

Manchester City Galleries Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2025

10. Analysis of expenditure by activities

	Activities undertaken directly 2025 £	Support costs 2025 £	Total funds 2025 £	Total funds 2024 £
Gallery	54,387	-	54,387	207,683
Exhibitions	176,148	-	176,148	88,553
Friends scheme	444	-	444	713
Other fundraising	2,903	-	2,903	6,764
Acquisitions	99,724	-	99,724	81,672
Governance	-	29,090	29,090	29,277
	<u>333,606</u>	<u>29,090</u>	<u>362,696</u>	<u>414,662</u>
<i>Total 2024</i>	<u>385,385</u>	<u>29,277</u>	<u>414,662</u>	

Analysis of support costs

	Governance 2025 £	Total funds 2025 £	Total funds 2024 £
Legal fees	12,135	12,135	9,905
Audit and accountancy fees	16,895	16,895	19,328
Bank charges	60	60	44
	<u>29,090</u>	<u>29,090</u>	<u>29,277</u>
<i>Total 2024</i>	<u>29,277</u>	<u>29,277</u>	

11. Auditors' remuneration

	2025 £	2024 £
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	13,680	12,945
Fees payable to the Charity's auditor in respect of:		
Taxation services not included above	820	760

Manchester City Galleries Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2025

12. Staff costs

	Group 2025 £	<i>Group 2024 £</i>
Wages and salaries	526,204	536,240
Social security costs	37,198	36,030
Contribution to defined contribution pension schemes	9,822	6,244
	<u>573,224</u>	<u>578,514</u>

The average number of persons employed by the Charity during the year was as follows:

	Group 2025 No.	<i>Group 2024 No.</i>
Employees	<u>34</u>	<u>34</u>

No employee received remuneration amounting to more than £60,000 in either year.

13. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2024 - £NIL).

During the year ended 31 March 2025, no Trustee expenses have been incurred (2024 - £NIL).

Manchester City Galleries Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2025

14. Tangible fixed assets

Group

	Long-term leasehold property £	Plant and machinery £	Office equipment £	Computer equipment £	Total £
Cost or valuation					
At 1 April 2024	11,384	88,846	49,277	47,258	196,765
Additions	-	240	315	-	555
Disposals	-	-	(417)	-	(417)
At 31 March 2025	11,384	89,086	49,175	47,258	196,903
Depreciation					
At 1 April 2024	3,735	58,481	24,223	44,471	130,910
Charge for the year	1,309	7,834	6,209	1,793	17,145
At 31 March 2025	5,044	66,315	30,432	46,264	148,055
Net book value					
At 31 March 2025	6,340	22,771	18,743	994	48,848
<i>At 31 March 2024</i>	<i>7,649</i>	<i>30,365</i>	<i>25,054</i>	<i>2,787</i>	<i>65,855</i>

The Charity had no fixed assets.

Manchester City Galleries Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2025

15. Fixed asset investments

	Investments in subsidiary companies £
Charity	
Cost or valuation	
At 1 April 2024	4,001
At 31 March 2025	4,001
Impairment	
At 1 April 2024	4,000
At 31 March 2025	4,000
Net book value	
At 31 March 2025	1
<i>At 31 March 2024</i>	<i>1</i>

Details of the Charity's principal subsidiaries are presented in note 26.

16. Stocks

	Group 2025 £	<i>Group 2024 £</i>
Finished goods and goods for resale	7,538	7,630

Manchester City Galleries Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2025

17. Debtors

	Group 2025 £	<i>Group 2024 £</i>	Company 2025 £	<i>Company 2024 £</i>
Due within one year				
Trade debtors	35,354	30,499	13,162	2,024
Amounts owed by group undertakings	-	-	21,888	147,485
Other debtors	2,509	3,776	2,491	1,976
Prepayments and accrued income	2,357	1,984	160	-
	<u>40,220</u>	<u>36,259</u>	<u>37,701</u>	<u>151,485</u>

18. Current asset investments

	Group 2025 £	Company 2025 £
Deposit account	832,774	832,774
	<u>832,774</u>	<u>832,774</u>

Current asset investments represent cash held in a fixed-term deposit account maturing within twelve months of the balance sheet date. These funds are held to earn a higher rate of interest than would be achieved in an instant access account, while still being available for operational use within the foreseeable future.

Manchester City Galleries Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2025

19. Creditors: Amounts falling due within one year

	Group 2025 £	<i>Group 2024 £</i>	Company 2025 £	<i>Company 2024 £</i>
Trade creditors	15,209	36,117	1,571	22,749
Other taxation and social security	49,955	50,029	-	-
Other creditors	120,625	129,234	26,935	20,841
Accruals and deferred income	379,728	396,618	227,554	249,030
	565,517	<i>611,998</i>	256,060	<i>292,620</i>
	Group 2025 £	<i>Group 2024 £</i>	Company 2025 £	<i>Company 2024 £</i>
Deferred income at 1 April 2024	342,799	405,166	304,681	195,378
Resources deferred during the year	140,161	342,799	140,161	98,712
Amounts released from previous periods	(342,799)	(405,166)	(304,681)	10,591
	140,161	<i>342,799</i>	140,161	<i>304,681</i>

Manchester City Galleries Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2025

20. Statement of funds

Statement of funds - current year

	Balance at 1 April 2024 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2025 £
Unrestricted funds					
Designated funds					
Funding towards / match funding for Families of the World	-	-	-	40,000	40,000
Funding for Old Manchester exhibition	-	-	-	20,000	20,000
Funding for Furniture exhibition and accompanying learning programme	-	-	-	40,000	40,000
Match funding for Platt Hall programme	-	-	-	80,000	80,000
Match funding for new textile storage at Platt Hall	-	-	-	120,000	120,000
Match funding for Worn textile programme with young people	-	-	-	60,000	60,000
Match funding for capital improvements to Platt Garden	-	-	-	140,000	140,000
Office refurbishment	-	-	-	35,727	35,727
CCTV at Platt Hall	-	-	-	120,000	120,000
Commitment to 2025-26 grant	-	-	-	170,058	170,058
	<u>-</u>	<u>-</u>	<u>-</u>	<u>825,785</u>	<u>825,785</u>
General Funds	<u>1,234,897</u>	<u>1,206,798</u>	<u>(1,066,735)</u>	<u>(828,969)</u>	<u>545,991</u>
Total Unrestricted funds	<u>1,234,897</u>	<u>1,206,798</u>	<u>(1,066,735)</u>	<u>(3,184)</u>	<u>1,371,776</u>
Restricted funds					
Zochonis Trust	93,576	-	-	-	93,576
Clore Duffield Foundation (Learning & Engagement)	16,000	24,881	-	-	40,881
Assheton Bennett	15,173	-	-	-	15,173
National Archives	15,000	-	(15,000)	-	-
Oglesby Charitable Trust	9,389	61,115	(58,292)	-	12,212
The Marie-Louise von Motesiczky Trust	-	35,750	-	-	35,750

Manchester City Galleries Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2025

20. Statement of funds (continued)

Statement of funds - current year (continued)

	Balance at 1 April 2024 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2025 £
Baring Foundation	19,583	-	(12,374)	-	7,209
University of Manchester (Suzanne Lacy)	5,500	-	(5,500)	-	-
GMCA (AoR Project)	28,000	-	-	-	28,000
Manchester Contemporary Art Fund	585	34,825	(18,558)	-	16,852
Derek Jarman	3,213	-	(213)	-	3,000
National Heritage Fund for Taking Stock Project	-	47,720	(6,420)	-	41,300
Headley Trust	2,203	-	-	-	2,203
Freelands Foundation	14,463	25,000	(21,957)	-	17,506
Paul Hamlyn Foundation	77,177	100,000	(94,128)	-	83,049
DCMS Wolfson Capital Grant	150,658	-	(25,565)	-	125,093
Martyn Torevell	5,000	6,250	(14,590)	3,340	-
The Evan Cornish Foundation	-	10,000	(1,000)	-	9,000
Jack Livingstone (Fashion Gallery)	100,000	-	-	-	100,000
Other immaterial restricted project funds	701	29,935	(2,275)	(156)	28,205
Total restricted funds	556,221	375,476	(275,872)	3,184	659,009
Total of funds	1,791,118	1,582,274	(1,342,607)	-	2,030,785

Manchester City Galleries Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2025

20. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 April 2023 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 March 2024 £</i>
Unrestricted funds					
General Funds	<u>1,091,636</u>	<u>1,320,335</u>	<u>(1,281,589)</u>	<u>104,515</u>	<u>1,234,897</u>
Restricted funds					
Zochonis Trust	73,576	20,000	-	-	93,576
Clore Duffield Foundation (Learning & Engagement)	16,000	-	-	-	16,000
Assheton Bennett	15,173	-	-	-	15,173
National Archives	15,000	-	-	-	15,000
Oglesby Charitable Trust	21,729	61,115	(73,455)	-	9,389
The Marie-Louise von Motesiczky Trust	2,377	-	-	(2,377)	-
Baring Foundation	-	27,000	(7,417)	-	19,583
University of Manchester (Suzanne Lacy)	5,500	-	-	-	5,500
GMCA (AoR Project)	28,000	-	-	-	28,000
Derek Jarman	5,000	-	(1,787)	-	3,213
National Heritage Fund for Taking Stock Project	39,636	-	-	(39,636)	-
Headley Trust	2,203	-	-	-	2,203
Freelands Foundation	-	25,000	(10,537)	-	14,463
Paul Hamlyn Foundation	55	100,000	(22,878)	-	77,177
DCMS Wolfson Capital Grant	-	171,630	(20,972)	-	150,658
Martyn Torevell	-	5,000	-	-	5,000
The Evan Cornish Foundation	(1,110)	-	-	1,110	-
Jack Livingstone (Fashion Gallery)	157,612	-	-	(57,612)	100,000
Other immaterial restricted project funds	7,956	32,035	(32,705)	(6,000)	1,286
	<u>388,707</u>	<u>441,780</u>	<u>(169,751)</u>	<u>(104,515)</u>	<u>556,221</u>

Manchester City Galleries Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2025

20. Statement of funds (continued)

Restricted funds are funds that have been provided in support of specific projects. The Trust holds sufficient resources to enable each fund to be applied in accordance with the restriction and can be itemised as follows:

Zochonis Trust: charitable donation specifically to support the gallery's Learning and Engagement Programme.

Clore Duffield Foundation: charitable donation specifically to support post-covid recovery work with the children and young people.

Ashetton Bennett: donation to support the further development of the gallery's silver collection.

Paul Mellon - Speech Acts: charitable donation to support of the Speech Acts Exhibition.

Manchester Contemporary Acquisition Fund: donation toward the acquisition of artwork for the Manchester Contemporary Collection.

University of Manchester: Payment of part of ACE grant to support partnership Suzanne Lacy exhibition.

Heritage Lottery Funding - Collecting Cultures: grant to develop costume collection.

Culture Recovery Fund: DCMS grant to support the gallery through closure due to Covid-19 pandemic, including re-start costs and covering commercial losses.

Paul Hamlyn Foundation: Explore and Test grant secured to undertake a learning and engagement project focused on Platt Hall, developing activities and models for the hall's re-imagining as a community museum.

ECFC Funding for Platt Hall Project: grant from the Esmeé Fairbairn Collections Fund to fund a project using Platt Hall gallery and its collections to test and develop a new sector leading model as the UK's first fully user-generated museum.

The Clothworkers' Foundation: charitable grant to support the creation of a new Fashion Gallery at Manchester ArtGallery.

The Costume Society: grant towards the conservation of a specific item in the Dandy Style exhibition.

Baring Foundation: grant for the delivery of a programme relating to trauma-informed practice. Grant pays for staff and educator workshops, schools' activities, mindfulness sessions and specialist advice.

Martyn Torevell: donation towards the acquisition of an artwork (Florence Claxton - Women's' Work).

GMMH MWF: grant to support a group of LGBT+ elders travelling to Jarman's Garden on Dungeness as part of a research project.

Haroon Mirza Curatoria Fee: a grant to employ a Curator to advise on the diversity of the collection.

United Utilities: corporate donation to support the infrastructure and maintenance of the Derek Jarman Garden.

Kempe Trust : grant for the conservation of Bodley panelling.

Freelands Foundation: grant to set up and run a collective of artist teachers for professional development.

Oglesby Charitable Trust: grant to deliver weekly sessions for refugee families (prioritising under-fives and parents/carers housed in the city).

Manchester City Galleries Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2025

20. Statement of funds (continued)

Tate Fund: grant to deliver symposium on spontaneous memorial collections.

Art Fund Jonathan Ruffer Curatorial Fund: grant for travel and accommodation for research trip to New York for Costume Curator and Costume Conservator.

DCMS/Wolfson Museums & Galleries Improvement Fund: Capital grant for purchases of art storage and study room equipment.

MMU: portion of grant from AHRC for delivery of research project exploring exhibition making and for under-fives.

Donor: Learning and Engagement activity - Art in Schools/Rutherston.

Manchester Contemporary Art Fund: Acquisitions of works at annual Manchester Contemporary Art Fair.

MCC AoR project: Funds Art of Resilience trauma-informed schools work.

Kempe Trust (Bodley Panelling): Conservation fee.

TATE fund: To cover project costs.

MMU for Things of the Least Project (Platt Hall): TOTL project at Britannia Hotel.

Boshier Hinton Foundation: Learning Team - BSL work.

The Museums Association: FOW Project participant event.

Big Give Campaign (FOW): Families of the World programme (refugee family programme).

The University of Manchester: Contribution towards costs for Simon Industrial Fellowship.

Jack Livingstone: Fashion Gallery ongoing collection and redispays.

21. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £
Tangible fixed assets	48,848	-	48,848
Current assets	1,888,445	659,009	2,547,454
Creditors due within one year	(565,517)	-	(565,517)
Total	1,371,776	659,009	2,030,785

Manchester City Galleries Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2025

21. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2024 £</i>	<i>Restricted funds 2024 £</i>	<i>Total funds 2024 £</i>
Tangible fixed assets	65,855	-	65,855
Current assets	1,781,040	556,221	2,337,261
Creditors due within one year	(611,998)	-	(611,998)
Total	1,234,897	556,221	1,791,118

22. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2025 £	<i>Group 2024 £</i>
Net income for the year (as per Statement of Financial Activities)	239,667	310,775
Adjustments for:		
Depreciation charges	17,145	32,555
Dividends, interests and rents from investments	(58,592)	(58,124)
Loss on the sale of fixed assets	417	-
Decrease in stocks	92	3,292
Decrease/(increase) in debtors	(3,961)	16,202
Increase/(decrease) in creditors	(46,481)	54,259
Net cash provided by operating activities	148,287	358,959

23. Analysis of cash and cash equivalents

	Group 2025 £	<i>Group 2024 £</i>
Cash in hand	1,666,922	2,293,372

Manchester City Galleries Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2025

24. Analysis of changes in cash and cash equivalents

	At 1 April 2024	Cash flows	At 31 March 2025
	£	£	£
Cash at bank and in hand	2,293,372	(626,450)	1,666,922

25. Pension commitments

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £9,822 (2024: £6,244). Contributions totalling £1,732 (2024: £1,689) were payable to the fund at the balance sheet date and are included in creditors.

26. Related party transactions

Key management personnel are considered to be the Trustees of the Manchester City Galleries Trust, the senior management team of Manchester Art Gallery Trading Company Limited and the directors of Manchester Art Gallery Trading Company Limited. None of the directors of Manchester Art Gallery Trading Company Limited received any remuneration from the Company. None of the Trustees received any remuneration. The senior management team of Manchester Art Gallery Trading Company (who are not directors of the Company) received remuneration of £91,249 (2024: £52,734).

27. Principal subsidiaries

The following was a subsidiary undertaking of the Charity:

Name	Company number	Registered office	Principal activity	Class of shares	Holding	Included in consolidation
Manchester Art Gallery Trading Company Limited	04465391	Manchester Art Gallery, Mosley Street, Manchester M2 3JL	Catering and events	Ordinary	100%	Yes

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit/(Loss)/ Surplus/ (Deficit) for the year £	Net assets £
Manchester Art Gallery Trading Company Limited	998,229	989,607	8,622	39,101



Issuer HURST Accountants

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Parties involved with this document

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Wed, 10th Dec 2025 11:50:50 GMT	Lisa Everett - Copied In (b7e31b26d26105c6887a59643a97a1b6)

Audit history log

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Wed, 10th Dec 2025 11:50:50 GMT	Helen Besant Roberts signed the envelope (149.107.64.226)
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Wed, 10th Dec 2025 11:50:51 GMT	Signed document confirmation emailed to lisa.everett@hurst.co.uk (149.107.64.226)
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MANCHESTER CITY GALLERIES TRUST

England & Wales - Charity number 1048581

Accounts

Manchester City Galleries Trust
(A Company Limited by Guarantee)

Trustees' Report and Financial Statements
For the Year Ended 31 March 2024

Manchester City Galleries Trust
(A Company Limited by Guarantee)

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Manchester City Galleries Trust
(A Company Limited by Guarantee)

Reference and Administrative Details of the Charity, its Trustees and Advisers
For the Year Ended 31 March 2024

Trustees	V Barilova (appointed 28 July 2023) Z C Dunbar (appointed 28 July 2023) A G Palmer S P Wood R F Stephenson (appointed 17 May 2024) H J Taylor-O'Brien (appointed 6 December 2024) S J Lindsay (appointed 6 December 2024)
Company registered number	03053689
Charity registered number	1048581
Registered office	Manchester Art Gallery Mosley Street Manchester M2 3JL
Company secretary	J L Beggs
Independent auditors	Hurst Accountants Limited Chartered Accountants & Statutory Auditors 3 Stockport Exchange Stockport SK1 3GG
Bankers	Virgin Money 48-50 Market Street Manchester M1 1PW

Manchester City Galleries Trust
(A Company Limited by Guarantee)

Trustees' Report
For the Year Ended 31 March 2024

The Trustees present their annual report together with the audited financial statements of the Charity for the 1 April 2023 to 31 March 2024. The Trustees present their Annual Report together with the Consolidated Financial Statements of the Group and the Trust for the year ended 31 March 2024.

The Annual Report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the Trust and the Group qualifies as small under section 383 of the Companies Act 2006, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

The Trustees who served during the year were:

John Williams (Chair) (resigned 6 December 2024)
James Mycock (Vice Chair) (resigned 6 December 2024)
Thom Hetherington (resigned 10 November 2023)
Richard Pulford (resigned 5 September 2024)
Stuart Wood
Andrew Palmer
Viktoria Barilova (appointed 28 July 2023)
Zoe Dunbar (appointed 28 July 2023)
Joanne Beggs (Company Secretary)

Objectives and activities

a. Policies and objectives

Manchester City Galleries Trust is an independent Trust raising money to support the projects and programmes of Manchester Art Gallery.

The Trustees measure the success of the Trust by its financial performance, along with the Gallery's civic impact. The latter is reported to Manchester City Council Galleries Committee annually and this report, and feedback from the Committee, is shared with Trustees. Positive performance in turn provides additional resources for the Trust to further its objectives.

During the year the Trust had one trading subsidiary: Manchester Art Gallery Trading Company Limited (company number 04465391).

Manchester Art Gallery Trading Company Limited

This company operates the Manchester Art Gallery Café and venue hire business. Profits, when available, are gifted to the Trust. The directors of this company are:

Amanda Wallace
Robert Moss
Thom Hetherington
Paul Hindle
Andrew Palmer
Stuart Wood
Diane Charlton
Robin Hawkes

Manchester City Galleries Trust
(A Company Limited by Guarantee)

Trustees' Report (continued)
For the Year Ended 31 March 2024

Objectives and activities (continued)

b. Activities and achievements

The Trust raises funds to help Manchester Art Gallery:

- Deliver capital projects;
- Mount displays and exhibitions;
- Preserve and conserve works from the collections of Manchester Art Gallery;
- Acquire works for its collections; and
- Deliver an education, outreach and public programme of events and activities.

In 2023/24 a payment of £207,682 was made from the Trust to support specific project activity in the gallery's programme. Major projects supported by the Trust in 2023/24 included:

Capital Work

Major repairs at Queen's Park. Improvements to stores and conservation studios to improve the environment for the care of the Gallery's collection of fine art, decorative arts and fashion and dress.

Manchester Art Gallery capital work. As part of significant capital repairs and rationalisation of space at Manchester Art Gallery, the creation of a new collection storage space in the lower ground floor, refurbished public toilet facilities and improvements to staff offices.

Exhibitions

The final iteration of Uncertain Futures: a film by Suzanne Lacy working with women over 50.

Unpicking Couture: an exhibition showcasing works acquired with a Heritage Fund Collecting Cultures Grant.

Collections Development

Taking Stock. Continuation of a major 3-5 year project of capital work, exhibitions and engagement programmes that aims to fully re-house, explore and re-think the Gallery's collections and how they are used. In this financial year preparations were made for opening a store at Manchester Art Gallery to house the collections while work is undertaken at Queen's Park to improve collection storage.

MCAF. A further iteration of the annual fund that brings together local business people to donate towards acquiring works for the Gallery collection from Manchester Contemporary art fair.

Woman's Work. The launch of a campaign to acquire *Woman's Work* by Florence Claxton.

Conservation

Conservation and collection care costs relating to Taking Stock.

Manchester City Galleries Trust
(A Company Limited by Guarantee)

Trustees' Report (continued)
For the Year Ended 31 March 2024

Objectives and activities (continued)

Engagement Programmes

The Derek Jarman Pocket Park. Continued maintenance of the garden by a group of older LGBT+ volunteers in partnership with the LGBT+ Foundation, the garden takes inspiration from Jarman's garden in Dungeness and is a permanent installation at the front of the gallery.

Families of the World. A programme of activity sessions aimed at refugee families, many of whom are housed in hotels in the city. Extension of the project to operate sessions in a local hotel.

Platt Hall In-Between. The development of Platt Hall into a community museum, catering to the needs of the hyper-local community. Activities in this financial year included the appointment of a Health & Wellbeing Coach in partnership with a local GP, preparation for the appointment of a Young Peoples' Programme Coordinator, co-curated exhibitions, collection based engagement sessions, open days, gardening programmes, and health and wellbeing activity.

Unpicking Couture. A programme of work with fashion students from Manchester Metropolitan University.

Art of Resilience. A programme of work with schools to support young people in a trauma-informed way.

Future Creatives. A programme of work with young people from Manchester College and emerging alumni artists relating to *Taking Stock*.

School Holiday Activities. A programme of school holiday activities for families.

Friends and Patrons. A programme of events for Friends and Patrons including tours, talks, walks and online lectures.

Fundraising

a. Overview

Onsite Donations

Cash and contactless on-site donations have remained healthy.

Online Donations

Currently not a significant area of individual giving, although the online giving facility is a useful tool for one off donations and campaigns. Work on the gallery web-site and posts on social media are ongoing to increase online giving.

Friends and Patrons

Friends memberships have seen a slight decline in this financial year. While Direct Debits have reduced, we have seen more people buying annual memberships in the shop which offers the opportunity for upselling membership gift boxes.

Patron membership has remained stable with the majority of long-standing members renewing. Ongoing work is happening to encourage recruitment and additional gifts added to Patron memberships. The Trustees have again been specifically tasked with introducing potential new Patrons.

Friends and Patrons enjoyed an extensive programme of in-person and online talks, tours, workshops and events. A small group of volunteers continue to support the delivery of the programme and this pool of volunteers has increased during this financial year.

Manchester City Galleries Trust
(A Company Limited by Guarantee)

Trustees' Report (continued)
For the Year Ended 31 March 2024

Fundraising (continued)

Gifts from Individuals

The Manchester Contemporary Art Fund is a group of individuals who donate annually to enable the Gallery to acquire works for the collection from the Manchester Contemporary Art Fair. The scheme was set up and is managed by Trustee and Director Thom Hetherington. In the Gallery's 200th year anniversary of collecting, a campaign was launched to raise £20,000 through this scheme. The successful campaign raised £20,840 which supported the acquisition of six artworks from the 2023 Manchester Contemporary.

£10,000 was pledged by two donors to launch a campaign to raise £130,000 for the acquisition of Womans' Work by Florence Claxton, priming a public campaign and applications to the Art Fund and V&A Purchase Fund.

Legacies

The Gallery was the beneficiary of one legacy gift in this financial year, the value of which will depend on the sale of a house but is likely to be around £58,000.

Business Partners

All existing Business Partners returned in 2023/24. A full re-assessment of the scheme is still required if membership is to grow, although with the current financial uncertainty amongst businesses, this is currently not a priority for the Gallery.

Trusts and Foundations

Successful applications were made to a number of Trusts & Foundations within the year.

The Development Manager responsible for this area of fundraising left in December 2023 and was not replaced until May 2024.

Staff

The team still has low capacity given the size of the organisation and annual budgets but there is an acceptance that this will not change. In order to address this, the Head of Development and Development Manager continue to have support from members of the Learning and Engagement and Curatorial teams in making additional grant applications. A programme of workshops to support wider gallery staff in grant-writing, budgeting and donor management has proved popular and successful, with 25 members of staff having now attended and more sessions planned.

The Development Manager (full time), Friends Coordinator (full time) and Head of Development (part time) are employed by Manchester City Council. In addition a freelance Accountant works for the Trust on flexible hours.

b. Priorities for fundraising 2023/2024

Given the cost of living crisis and likely financial situation we face in 2024/25 and beyond, the focus will continue to be on stabilisation of existing priority activities, budget-relieving and unrestricted income. In addition to securing public funding and making Trust and Foundation applications, we will continue to develop civic philanthropy, building on the commitment we have seen from our Friends and Patrons schemes and developing our relationships with individual donors.

Manchester City Galleries Trust
(A Company Limited by Guarantee)

Trustees' Report (continued)
For the Year Ended 31 March 2024

Fundraising (continued)

Priority will be given to securing funding to support:

- On-going capital work at Queen's Park Conservation Studios, Manchester Art Gallery and Platt Hall, with a focus on improving collection storage, visitor facilities and access. This will ensure that we address long-term neglect of our buildings and that we have the resources needed to keep our assets safe and in good repair.
- Specific collection care and conservation equipment including a freezer, fume cupboard and storage racking.
- While we have the opportunity of the *Taking Stock* project and the open store on-site at MAG, we will focus fundraising on the long-term care and use of the collection.
- Core costs and delivery of Strategic and Operational Plans. Continuing to make our charitable and educational activity more visible, promoting civic philanthropy and the need for committed Patrons and unrestricted gifts.
- The ongoing development of a new community museum at Platt Hall. Revenue fundraising to support the hyper-local engagement that has proved so popular through Platt Hall In-Between and meet the high demand for activity through increased staffing and programme development.
- The Gallery's collection of Arms and Armour, with a particular focus on craft metalworking. To include an artist commission.
- The acquisition of Womans' Work by Florence Claxton.
- The acquisition of new works for the collection from the Manchester Contemporary.
- All aspects of the Learning and Engagement programme with particular focus on developing work with refugee families, and enhancing our programme of trauma-informed and health and wellbeing work.

Financial review

During the year ended 31 March 2024 the Group's income amounted to £1,762,115 (2023: £1,286,532).

The Group's expenditure for the year ended 31 March 2024 amounted to £1,451,340 (2023: £1,293,848).

The net surplus for the year amounted to £310,775 (2023: £7,316 deficit).

As at 31 March 2024 the Group had total funds of £1,791,118 (2023: £1,480,943) of which £555,747 (2023: £388,707) were restricted funds. At the year end the Group held £2,293,372 (2023: £1,887,038) in liquid assets.

As at 31 March 2024 the Trust had total funds of £1,695,473 (2023: £1,362,930) and £1,836,607 (2023: £1,497,610) in liquid assets.

During the year ended 31 March 2024 Manchester Art Gallery Trading Company Limited reported a profit after tax of £127,100 (2023: £31,617) and as at 31 March 2024 the company had net assets of £56,151 (2023: £78,520).

Manchester City Galleries Trust
(A Company Limited by Guarantee)

Trustees' Report (continued)
For the Year Ended 31 March 2024

a. Reserves policy

The Trustees regularly review the level of the Trust's reserves to ensure that they are sufficient to meet foreseeable charitable expenditure, fixed costs and working capital requirements. A risk assessment is undertaken using the risk identification approach to determine anticipated:

- Charitable expenditure
- Fixed costs
- Unrestricted income
- Restricted income
- Working capital requirement

The Trustees aim to maintain a sufficient level of reserves to ensure continuing operations for the foreseeable future and that the Trust is able to meet its statutory and legal obligations.

Including restricted reserves, the Trustees have concluded that reserves of £225,000 should be maintained.

b. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Trust and the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

c. Investment policy

The Trust has £500,000 invested in a Virgin Money deposit account.

Structure, governance and management

a. Constitution

Manchester City Galleries Trust is registered as a charitable company limited by guarantee and was established and is governed under a Memorandum and Articles of Association. The Articles for Association are in the process of being updated in line with the Charity Commission guidelines and to address issues around Member recruitment.

The Trust is a registered charity, charity number 1048581, with a registered office of Manchester Art Gallery, Mosley Street, Manchester, M2 3JL.

b. Methods of appointment or election of Trustees

The management of the Trust is the responsibility of the Trustees who are elected and co opted under the terms of the Articles of Association.

The directors/trustees who served during the year are listed on page 1 of the annual report. The directors/trustees are elected annually by members in a general meeting.

Manchester City Galleries Trust
(A Company Limited by Guarantee)

Trustees' Report (continued)
For the Year Ended 31 March 2024

Structure, governance and management (continued)

c. Policies adopted for the induction and training of Trustees

New Trustees are introduced to the Group, usually by existing Trustees and Manchester City Galleries staff, and are given a full background to the Group's history and current activities to ensure they have a good knowledge of the Group and the activities of Manchester City Galleries. A role description is issued to all new Trustees so that they are fully aware of their duties and responsibilities. Regular updates on gallery business are sent to Trustees and opportunities for training are offered. Trustees are expected to take part in gallery activities – attending exhibition previews, all-gallery training etc. and engage in the wider cultural life of the city.

d. Organisational structure and decision making

The Trust is managed by the trustees/directors and by employees of Manchester City Council. There are no staff directly employed by the Trust, although staff working in the Manchester Art Gallery Café and some members of the Events Team are employed by Manchester Art Gallery Trading Company Limited and all trading business is recorded through this company.

The Trustees meet quarterly to review the financial position of the Trust and to guide progress against the Trust's objectives.

The Directors of Manchester Art Gallery Trading Company Limited meet monthly to review the trading results and monitor and determine the company's future commercial objectives. The operational management of Manchester Art Gallery Trading Company rests with three key managers; the General Manager, the Trading Company Accountant and the Head of Commercial. These key managers attend and contribute to the Directors' meetings. The remuneration of the operational management is set by the Board of Directors having regard to performance and the market rate for comparable roles.

e. Related party relationships

The Trust holds the entire issued share capital of Manchester Art Gallery Trading Company Limited and co operates with Manchester City Council in pursuit of its charitable objectives.

Transactions between the Trust and Trading Company are shown in the accounts. Trading profits (when available and net of earlier deficits) of the Manchester Art Gallery Trading Company Limited have been gifted to the Trust.

f. Risk management

The Trustees have assessed the major risks to which the Trust and the Group are exposed, in particular those related to the operations and finances of the Trust and the Group, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

The principal risks affecting the Trust and the Group are the dependence on fundraising (grants, donations, memberships and sponsorship) and the popularity of the programme which in turn generates donation box income and retail income for the Manchester Art Gallery Café. The Trustees manage these risks for the Trust and the Group by regularly reviewing past financial performance, future financial projections and the potential opportunities that arise from the programme. In undertaking this review, the Trustees are assisted by professional staff employed by Manchester City Council.

Manchester City Galleries Trust
(A Company Limited by Guarantee)

Trustees' Report (continued)
For the Year Ended 31 March 2024

Structure, governance and management (continued)

The principal risks facing Manchester Art Gallery Trading Company Limited, which operates the Manchester Art Gallery Café and events business are:

- **Consumer spending.** The company's revenue is dependent on consumer spending which can reduce for a variety of reasons such as uncertainty, the general economic environment, competition and the weather. The company seeks to mitigate this risk by providing exceptional value for money, top quality food and drink and attentive service combined with an excellent location in the heart of Manchester.
- **Food safety.** Maintaining high food hygiene standards is critical to the company's business. The directors and senior management take food hygiene very seriously and have implemented best practice operational procedures to ensure this risk is reduced.
- **Reputational risk.** The directors and senior managers are conscious that, with the ever increasing use of social media, the reputation of the business can easily be damaged. The company seeks to provide a comprehensive customer experience which exceeds expectations. The directors monitor social media and respond where appropriate.

Other than continued fiscal pressures, the Trustees are not aware of any other factors that will impact the future performance of the Trust and the Group.

g. Public benefit

The Trust is established for the advancement of the education of the citizens and other residents of the City of Manchester in particular, and of other citizens and residents of the United Kingdom in general, in British and foreign history of the Arts, and for the benefit of scholars in the Universities and local, national and foreign researchers in history of the Arts.

The Trustees confirm that they have referred to the Charity Commission's guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities and services.

The Trust currently achieves its objectives by raising funds to support the Galleries' programme of exhibitions and educational activities, capital projects, and to fund acquisition of artworks for the collection.

In its support of Manchester City Galleries' activities, the Trust contributes to the free access of the general public to Manchester Art Gallery regardless of their background. The Trust is of the view that any private benefit gained by the Trustees is incidental.

h. Funds

The funds held by the Trust are detailed in the notes to the financial statements.

Information on fundraising practices

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. The Trustees confirm that all fundraising is managed internally without the involvement of commission driven external fundraisers or third parties. The routine management of income generation rests with the gallery's Head of Development.

In general, fundraising activities are directed towards individuals and organisation that are already involved in the work of the gallery or who have expressed an interest in becoming involved.

Manchester City Galleries Trust
(A Company Limited by Guarantee)

Trustees' Report (continued)
For the Year Ended 31 March 2024

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Charity 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 Trustees to prepare financial statements for each financial . Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Charity and of their incoming resources and application of resources, including their 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 of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Group will continue in business.

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

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

Auditors

The auditors, Hurst Accountants Limited, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:



J L Beggs
Head of Development and Trust Secretary

Date: 17 Dec 2024

Manchester City Galleries Trust
(A Company Limited by Guarantee)

Independent Auditors' Report to the Members of Manchester City Galleries Trust

Opinion

We have audited the financial statements of Manchester City Galleries Trust (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2024 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charity Balance Sheet, the 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 March 2024 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Manchester City Galleries Trust
(A Company Limited by Guarantee)

Independent Auditors' Report to the Members of Manchester City Galleries Trust (continued)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. 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 course of 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.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company 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 Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Manchester City Galleries Trust
(A Company Limited by Guarantee)

Independent Auditors' Report to the Members of Manchester City Galleries Trust (continued)

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

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

Identifying and assessing potential risks related to irregularities

In identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- The nature of the industry and sector in which the group operates; the control environment and business performance including key drivers for directors' remuneration, bonus levels and performance targets.
- The outcome of enquiries of local management and parent company management, including whether management was aware of any instances of non-compliance with laws and regulations, and whether management had knowledge of any actual, suspected, or alleged fraud.
- Supporting documentation relating to the Group's policies and procedures for:
 - Identifying, evaluating, and complying with laws and regulations
 - Detecting and responding to the risks of fraud
- The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- The outcome of discussions amongst the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.
- The legal and regulatory framework in which the Group operates, particularly those laws and regulations which have a direct effect on the financial statements, such as the Companies Act 2006, Charities SORP, Charities Act 2011, Charity Commission, pensions and tax legislation, or which had a fundamental effect on the operations of the Company, including General Data Protection requirements, and Anti-bribery and Corruption.

Audit response to risks identified

Our procedures to respond to the risks identified included the following:

- Reviewing the financial statements disclosures and testing to supporting documentation to assess compliance with the provisions of those relevant laws and regulations which have a direct effect on the financial statements.
- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud.
- Evaluation and testing of the operating effectiveness of management's controls designed to prevent and detect irregularities.
- Enquiring of management about any actual and potential litigation and claims.
- Performing analytical procedures to identify any unusual or unexpected relationships which may indicate risks of material misstatement due to fraud.

Manchester City Galleries Trust
(A Company Limited by Guarantee)

Independent Auditors' Report to the Members of Manchester City Galleries Trust (continued)

We have also considered the risk of fraud through management override of controls by:

- Testing the appropriateness of journal entries and other adjustments.
- Challenging assumptions made by management in their significant accounting estimates, and assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and
- Evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

There are inherent limitations in the audit procedures described above, and the further removed non-compliance with laws and regulations are from the events and transactions reflected in the financial statements, the less likely we would become aware of them. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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 Auditors' Report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

HABesantRoberts

Helen Besant-Roberts (Senior Statutory Auditor)

for and on behalf of

Hurst Accountants Limited

Chartered Accountants & Statutory Auditors

3 Stockport Exchange

Stockport

SK1 3GG

Date: 17 Dec 2024

Manchester City Galleries Trust
(A Company Limited by Guarantee)

Consolidated Statement of financial activities (incorporating income and expenditure account)
For the Year Ended 31 March 2024

		Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
	Note				
Income from:					
Donations and legacies	4	42,536	72,865	115,401	81,731
Charitable activities	5	44,687	368,915	413,602	153,781
Other trading activities	6	1,174,988	-	1,174,988	1,023,375
Investments	7	58,124	-	58,124	27,645
Total income		1,320,335	441,780	1,762,115	1,286,532
Expenditure on:					
Raising funds	8	1,036,678	-	1,036,678	1,007,341
Charitable activities	9	244,437	170,225	414,662	286,507
Total expenditure		1,281,115	170,225	1,451,340	1,293,848
Net income/(expenditure)		39,220	271,555	310,775	(7,316)
Transfers between funds	19	104,515	(104,515)	-	-
Net movement in funds		143,735	167,040	310,775	(7,316)
Reconciliation of funds:					
Total funds brought forward		1,091,636	388,707	1,480,343	1,487,659
Net movement in funds		143,735	167,040	310,775	(7,316)
Total funds carried forward		1,235,371	555,747	1,791,118	1,480,343

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

The notes on pages 19 to 37 form part of these financial statements.

Manchester City Galleries Trust
(A Company Limited by Guarantee)
Registered number: 03053689

Consolidated Balance Sheet
As at 31 March 2024

	Note	2024 £	2023 £
Fixed assets			
Tangible assets	14	65,855	87,677
		<u>65,855</u>	<u>87,677</u>
Current assets			
Stocks	16	7,630	10,922
Debtors	17	36,259	52,461
Cash at bank and in hand		2,293,372	1,887,038
		<u>2,337,261</u>	<u>1,950,421</u>
Creditors: amounts falling due within one year	18	(611,998)	(557,755)
Net current assets		<u>1,725,263</u>	<u>1,392,666</u>
Total net assets		<u><u>1,791,118</u></u>	<u><u>1,480,343</u></u>
Charity funds			
Restricted funds	19	556,221	388,707
Unrestricted funds	19	1,234,897	1,091,636
Total funds		<u><u>1,791,118</u></u>	<u><u>1,480,343</u></u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



H J Taylor-O'Brien

Trustee

Date:

17 Dec 2024

The notes on pages 19 to 37 form part of these financial statements.

Manchester City Galleries Trust
(A Company Limited by Guarantee)
Registered number: 03053689

Charity Balance Sheet
As at 31 March 2024

	Note	2024 £	2023 £
Fixed assets			
Investments	15	1	1
Current assets			
Debtors	17	151,485	68,389
Cash at bank and in hand		1,836,607	1,497,610
		<u>1,988,092</u>	<u>1,565,999</u>
Creditors: amounts falling due within one year	18	(292,620)	(203,671)
Net current assets		<u>1,695,472</u>	<u>1,362,328</u>
Total net assets		<u><u>1,695,473</u></u>	<u><u>1,362,329</u></u>
Charity funds			
Restricted funds	19	595,383	322,371
Unrestricted funds:			
General funds	19	1,100,090	1,039,958
Total unrestricted funds	19	<u>1,100,090</u>	<u>1,039,958</u>
Total funds		<u><u>1,695,473</u></u>	<u><u>1,362,329</u></u>

The Charity's net movement in funds for the year was £332,965 (2023 - £64,131).

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



H J Taylor-O'Brien

Trustee

Date: 17 Dec 2024

The notes on pages 19 to 37 form part of these financial statements.

Manchester City Galleries Trust
(A Company Limited by Guarantee)

Consolidated Statement of Cash Flows
For the Year Ended 31 March 2024

	Note	2024 £	2023 £
Cash flows from operating activities			
Net cash used in operating activities	21	353,544	282,482
Cash flows from investing activities			
Dividends, interest and rents from investments		58,124	28,244
Purchase of tangible fixed assets		(5,318)	(17,379)
Net cash provided by investing activities		52,806	10,865
Cash flows from financing activities			
Net cash provided by financing activities		-	-
Change in cash and cash equivalents in the year		406,350	293,347
Cash and cash equivalents at the beginning of the year		1,887,022	1,593,675
Cash and cash equivalents at the end of the year	22	2,293,372	1,887,022

The notes on pages 19 to 37 form part of these financial statements

Manchester City Galleries Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2024

1. General information

Manchester City Galleries Trust is a company limited by guarantee, registered number 03053689, incorporated in England. It is also a charity, registered number 1048581. The registered address is Manchester Art Gallery, Mosley Street, Manchester, M2 3JL.

The principal activity of the group is raising money to support the projects and programmes of Manchester City Art Gallery.

The members of the company are the Trustees names on page 1. In the event of the Charity being wound up, the liability in respect of the guarantees is limited to £1 per member of the Charity

2. Accounting policies

2.1 Basis of preparation of financial statements

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

Manchester City Galleries Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the Charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements.

The Charity meets the definition of a qualifying entity under FRS102 and therefore taken advantage of the disclosure exemption available to it in respect of its separate financial statements in relation to presentation of a cash flow statement.

2.2 Going concern

In deciding to prepare the financial statements on a going concern basis, the Trustees have considered all available information regarding the future for a period of at least 12 months from the date of approval of these financial statements. The Trustees are satisfied that the going concern basis adopted in the preparation of these financial statements is appropriate and that the Group can continue in operational existence for at least the next 12 months.

Manchester City Galleries Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2024

2. Accounting policies (continued)

2.3 Income

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

Donated services or facilities are recognised when the Group has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the Group of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised. Refer to the Trustees' Report for more information about their contribution.

On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the Charity which is the amount it would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Income from grants and government grants is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service. Revenue from the sale of food and beverages is recognised at the point of sale. Revenue from a contract to provide services is recognised in the period in which the services are provided in.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Governance costs are those incurred in connection with administration of the Charity and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds. The costs of commercial trading includes the cafeteria and its associated support costs.

Manchester City Galleries Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2024

2. Accounting policies (continued)

2.4 Expenditure (continued)

Charitable activities and Governance costs are costs incurred on the Charity's operations, including support costs and costs relating to the governance of the Charity apportioned to charitable activities.

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £NIL or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, .

Depreciation is provided on the following bases:

Long-term leasehold property	- 20% straight line basis
Plant and machinery	- 25% reducing balance basis
Office equipment	- 25% reducing balance basis
Computer equipment	- 33% straight line basis

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Financial Activities.

2.7 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

2.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the statement of financial activities.

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Notes to the Financial Statements
For the Year Ended 31 March 2024

2. Accounting policies (continued)

2.9 Debtors

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

2.10 Cash at bank and in hand

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

2.11 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated Statement of Financial Activities as a finance cost.

2.12 Financial instruments

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

2.13 Operating leases

Rentals paid under operating leases are charged to the Consolidated Statement of Financial Activities on a straight-line basis over the lease term.

2.14 Pensions

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

2.15 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

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

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Notes to the Financial Statements
For the Year Ended 31 March 2024

2. Accounting policies (continued)

2.16 Value added tax (VAT)

Income is stated net of VAT where applicable. Expenditure is stated net of any recoverable VAT. Any irrecoverable VAT is recognised as a cost against the activity for which the expenditure is incurred.

3. Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

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Notes to the Financial Statements
For the Year Ended 31 March 2024

4. Income from donations and legacies

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	<i>Total funds 2023 £</i>
Donations	42,536	72,865	115,401	<i>81,731</i>
	<u>42,536</u>	<u>72,865</u>	<u>115,401</u>	<u>81,731</u>
<i>Total 2023</i>	<i>54,521</i>	<i>27,210</i>	<i>81,731</i>	
	<u>54,521</u>	<u>27,210</u>	<u>81,731</u>	

5. Income from charitable activities

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	<i>Total funds 2023 £</i>
Grants receivable	-	368,915	368,915	<i>105,765</i>
Friends income	44,687	-	44,687	<i>48,016</i>
	<u>44,687</u>	<u>368,915</u>	<u>413,602</u>	<u>153,781</u>
Total 2024	44,687	368,915	413,602	<i>153,781</i>
	<u>44,687</u>	<u>368,915</u>	<u>413,602</u>	<u>153,781</u>
<i>Total 2023</i>	<i>48,016</i>	<i>105,765</i>	<i>153,781</i>	
	<u>48,016</u>	<u>105,765</u>	<u>153,781</u>	

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Notes to the Financial Statements
For the Year Ended 31 March 2024

6. Income from trading activities

Income from non charitable trading activities

	Unrestricted funds 2024 £	Total funds 2024 £	<i>Total funds 2023 £</i>
Catering, events and venue hire	1,174,988	1,174,988	1,023,375
Total 2024	<u>1,174,988</u>	<u>1,174,988</u>	<u>1,023,375</u>
<i>Total 2023</i>	<u>1,023,375</u>	<u>1,023,375</u>	

7. Investment income

	Unrestricted funds 2024 £	Total funds 2024 £	<i>Total funds 2023 £</i>
Investment income - other local unlisted	-	-	(600)
Income from bank deposits	58,124	58,124	28,245
Total 2024	<u>58,124</u>	<u>58,124</u>	<u>27,645</u>
<i>Total 2023</i>	<u>27,645</u>	<u>27,645</u>	

Manchester City Galleries Trust
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Notes to the Financial Statements
For the Year Ended 31 March 2024

8. Expenditure on raising funds

Fundraising trading expenses

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Cost of sales and administrative expenses	429,829	429,829	454,297
Wages and salaries	536,240	536,240	478,313
National insurance contributions	36,030	36,030	28,563
Pension costs	6,244	6,244	7,561
Depreciation of tangible fixed assets	28,335	28,335	38,607
Total 2024	1,036,678	1,036,678	1,007,341
<i>Total 2023</i>	<i>1,007,341</i>	<i>1,007,341</i>	

9. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Total 2023 £
Gallery	207,683	-	207,683	26,700
Exhibitions	-	88,553	88,553	186,885
Friends scheme	713	-	713	26
Other fundraising	6,764	-	6,764	3,485
Acquisitions	-	81,672	81,672	28,196
Governance	29,277	-	29,277	41,215
Total 2024	244,437	170,225	414,662	286,507
<i>Total 2023</i>	<i>71,426</i>	<i>215,081</i>	<i>286,507</i>	

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Notes to the Financial Statements
For the Year Ended 31 March 2024

10. Analysis of expenditure by activities

	Activities undertaken directly 2024 £	Support costs 2024 £	Total funds 2024 £	Total funds 2023 £
Gallery	207,683	-	207,683	26,700
Exhibitions	88,553	-	88,553	186,885
Friends scheme	713	-	713	26
Other fundraising	6,764	-	6,764	3,485
Acquisitions	81,672	-	81,672	28,196
Governance	-	29,277	29,277	41,215
Total 2024	385,385	29,277	414,662	286,507
<i>Total 2023</i>	<i>245,292</i>	<i>41,215</i>	<i>286,507</i>	

Analysis of support costs

	Governance costs 2024 £	Total funds 2024 £	Total funds 2023 £
Legal fees	9,905	9,905	12,090
Audit and accountancy fees	19,328	19,328	29,087
Bank charges	44	44	38
Total 2024	29,277	29,277	41,215
<i>Total 2023</i>	<i>41,215</i>	<i>41,215</i>	

Support costs have been allocated on an actual basis.

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Notes to the Financial Statements
For the Year Ended 31 March 2024

11. Auditors' remuneration

	2024	<i>2023</i>
	£	<i>£</i>
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	12,945	<i>12,090</i>
Fees payable to the Charity's auditor in respect of:		
Taxation services not included above	760	<i>710</i>
	=====	<i>=====</i>

12. Staff costs

	Group	<i>Group</i>
	2024	<i>2023</i>
	£	<i>£</i>
Wages and salaries	536,240	<i>478,313</i>
Social security costs	36,030	<i>28,563</i>
Contribution to defined contribution pension schemes	6,244	<i>7,561</i>
	=====	<i>=====</i>
	578,514	<i>514,437</i>
	=====	<i>=====</i>

The average number of persons employed by the Charity during the year was as follows:

	Group	<i>Group</i>
	2024	<i>2023</i>
	No.	<i>No.</i>
Employees	34	<i>40</i>
	=====	<i>=====</i>

No employee received remuneration amounting to more than £60,000 in either year.

13. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2023 - £NIL).

During the year ended 31 March 2024, no Trustee expenses have been incurred (2023 - £NIL).

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Notes to the Financial Statements
For the Year Ended 31 March 2024

14. Tangible fixed assets

Group

	Long-term leasehold property £	Plant and machinery £	Office equipment £	Computer equipment £	Total £
Cost or valuation					
At 1 April 2023	10,460	83,523	49,277	46,992	190,252
Additions	924	5,323	-	266	6,513
At 31 March 2024	<u>11,384</u>	<u>88,846</u>	<u>49,277</u>	<u>47,258</u>	<u>196,765</u>
Depreciation					
At 1 April 2023	2,779	49,777	18,385	31,634	102,575
Charge for the year	956	8,704	5,838	12,837	28,335
At 31 March 2024	<u>3,735</u>	<u>58,481</u>	<u>24,223</u>	<u>44,471</u>	<u>130,910</u>
Net book value					
At 31 March 2024	<u><u>7,649</u></u>	<u><u>30,365</u></u>	<u><u>25,054</u></u>	<u><u>2,787</u></u>	<u><u>65,855</u></u>
<i>At 31 March 2023</i>	<u><u>7,681</u></u>	<u><u>33,746</u></u>	<u><u>30,892</u></u>	<u><u>15,358</u></u>	<u><u>87,677</u></u>

The Company had no fixed assets.

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Notes to the Financial Statements
For the Year Ended 31 March 2024

15. Fixed asset investments

	Investments in subsidiary companies £
Charity	
Cost or valuation	
At 1 April 2023	4,001
At 31 March 2024	<u>4,001</u>
Impairment	
At 1 April 2023	4,000
At 31 March 2024	<u>4,000</u>
Net book value	
At 31 March 2024	1
At 31 March 2023	<u>1</u>

Details of the Charity's principal subsidiaries are presented in note 26.

16. Stocks

	Group 2024 £	<i>Group 2023 £</i>
Finished goods and goods for resale	<u>7,630</u>	<u>10,922</u>

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Notes to the Financial Statements
For the Year Ended 31 March 2024

17. Debtors

	Group 2024 £	<i>Group 2023 £</i>	Company 2024 £	<i>Company 2023 £</i>
Due within one year				
Trade debtors	30,499	44,980	2,024	5,478
Amounts owed by group undertakings	-	-	147,485	61,133
Other debtors	3,776	3,128	1,976	1,778
Prepayments and accrued income	1,984	4,353	-	-
	<u>36,259</u>	<u>52,461</u>	<u>151,485</u>	<u>68,389</u>

18. Creditors: Amounts falling due within one year

	Group 2024 £	<i>Group 2023 £</i>	Company 2024 £	<i>Company 2023 £</i>
Bank overdrafts	-	16	-	-
Trade creditors	36,117	17,075	22,749	37
Other taxation and social security	50,029	43,678	-	-
Other creditors	129,234	133,592	20,841	9,974
Accruals and deferred income	396,618	363,394	249,030	193,660
	<u>611,998</u>	<u>557,755</u>	<u>292,620</u>	<u>203,671</u>

	Group 2024 £	<i>Group 2023 £</i>	Company 2024 £	<i>Company 2023 £</i>
Deferred income at 1 April 2023	405,166	315,948	195,378	205,969
Resources deferred during the year	342,799	405,166	98,712	195,378
Amounts released from previous periods	(405,166)	(315,948)	10,591	(205,969)
	<u>342,799</u>	<u>405,166</u>	<u>304,681</u>	<u>195,378</u>

Manchester City Galleries Trust
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Notes to the Financial Statements
For the Year Ended 31 March 2024

19. Statement of funds

Statement of funds - current year

	Balance at 1 April 2023 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2024 £
Unrestricted funds					
General funds	1,091,636	1,320,335	(1,281,589)	104,515	1,234,897
	Balance at 1 April 2023 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2024 £
Restricted funds					
Zochonis Trust	73,576	20,000	-	-	93,576
Clore Duffield Foundation (Learning & Engagement)	16,000	-	-	-	16,000
Assheton Bennett	15,173	-	-	-	15,173
National Archives	15,000	-	-	-	15,000
Oglesby Charitable Trust	21,729	61,115	(73,455)	-	9,389
Paul Mellon - Speech Acts	2,377	-	-	(2,377)	-
Baring Foundation	-	27,000	(7,417)	-	19,583
University of Manchester (Suzanne Lacy)	5,500	-	-	-	5,500
GMCA (AoR Project)	28,000	-	-	-	28,000
Heritage Lottery Funding - Collecting Cultures	70	-	-	-	70
Derek Jarman	5,000	-	(1,787)	-	3,213
Culture Recovery Fund	39,636	-	-	(39,636)	-
Headley Trust	2,203	-	-	-	2,203
Freelands Foundation	-	25,000	(10,537)	-	14,463
Paul Hamlyn Foundation	55	100,000	(22,878)	-	77,177
DCMS Wolfson Capital Grant	-	171,630	(20,972)	-	150,658
Martyn Torevell	-	5,000	-	-	5,000
Platt Hall Project	(1,110)	-	-	1,110	-
Fashion Gallery	157,612	-	-	(57,612)	100,000
Other immaterial restricted project funds	7,886	32,035	(32,705)	(6,000)	1,216
	388,707	441,780	(169,751)	(104,515)	556,221
Total of funds	1,480,343	1,762,115	(1,451,340)	-	1,791,118

Manchester City Galleries Trust
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Notes to the Financial Statements
For the Year Ended 31 March 2024

19. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 April 2022 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Balance at 31 March 2023 £</i>
Unrestricted funds				
General Funds - all funds	976,448	1,153,557	(1,038,369)	1,091,636
Restricted funds				
Zochonis Trust	53,576	20,000	-	73,576
Clore Duffield Foundation (Learning & Engagement)	16,000	-	-	16,000
Assheton Bennett	15,173	-	-	15,173
National Archives	-	15,000	-	15,000
Oglesby Charitable Trust	-	61,265	(39,536)	21,729
Paul Mellon - Speech Acts	2,377	-	-	2,377
University of Manchester (Suzanne Lacy)	-	5,500	-	5,500
GMCA (AoR Project)	14,000	14,000	-	28,000
Heritage Lottery Funding - Collecting Cultures	70	-	-	70
Derek Jarman	54,741	-	(49,741)	5,000
Culture Recovery Fund	80,034	-	(40,398)	39,636
Headley Trust	20,000	10,000	(27,797)	2,203
Freelands Foundation	2,000	-	(2,000)	-
Paul Hamlyn Foundation	55	-	-	55
DCMS Wolfson Capital Grant	568	-	(568)	-
Platt Hall Project	9,491	-	(10,601)	(1,110)
Fashion Gallery	193,265	-	(35,653)	157,612
Other immaterial restricted project funds	49,861	7,210	(49,185)	7,886
	<u>511,211</u>	<u>132,975</u>	<u>(255,479)</u>	<u>388,707</u>
Total of funds	<u><u>1,487,659</u></u>	<u><u>1,286,532</u></u>	<u><u>(1,293,848)</u></u>	<u><u>1,480,343</u></u>

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Notes to the Financial Statements
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19. Statement of funds (continued)

Restricted funds are funds that have been provided in support of specific projects. The Trust holds sufficient resources to enable each fund to be applied in accordance with the restriction and can be itemised as follows:

Zochonis Trust: charitable donation specifically to support the gallery's Learning and Engagement Programme.

Clore Duffield Foundation: charitable donation specifically to support post-covid recovery work with the children and young people.

Ashetton Bennett: donation to support the further development of the gallery's silver collection.

Paul Mellon - Speech Acts: charitable donation to support of the Speech Acts Exhibition.

Manchester Contemporary Acquisition Fund: donation toward the acquisition of artwork for the Manchester Contemporary Collection.

University of Manchester: Payment of part of ACE grant to support partnership Suzanne Lacy exhibition.

Heritage Lottery Funding - Collecting Cultures: grant to develop costume collection.

Culture Recovery Fund: DCMS grant to support the gallery through closure due to Covid-19 pandemic, including re-start costs and covering commercial losses.

Paul Hamlyn Foundation: Explore and Test grant secured to undertake a learning and engagement project focused on Platt Hall, developing activities and models for the hall's re-imagining as a community museum.

ECFC Funding for Platt Hall Project: grant from the Esmeé Fairbairn Collections Fund to fund a project using Platt Hall gallery and its collections to test and develop a new sector leading model as the UK's first fully user-generated museum.

The Clothworkers' Foundation: charitable grant to support the creation of a new Fashion Gallery at Manchester Art Gallery.

The Costume Society: grant towards the conservation of a specific item in the Dandy Style exhibition.

Baring Foundation: grant for the delivery of a programme relating to trauma-informed practice. Grant pays for staff and educator workshops, schools' activities, mindfulness sessions and specialist advice.

Martyn Torevell: donation towards the acquisition of an artwork (Florence Claxton - Women's' Work).

GMMH MWF: grant to support a group of LGBT+ elders travelling to Jarman's Garden on Dungeness as part of a research project.

Haroon Mirza Curatoria Fee: a grant to employ a Curator to advise on the diversity of the collection.

United Utilities: corporate donation to support the infrastructure and maintenance of the Derek Jarman Garden.

Kempe Trust : grant for the conservation of Bodley panelling.

Freelands Foundation: grant to set up and run a collective of artist teachers for professional development.

Oglesby Charitable Trust: grant to deliver weekly sessions for refugee families (prioritising under-fives and parents/carers housed in the city).

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Notes to the Financial Statements
For the Year Ended 31 March 2024

19. Statement of funds (continued)

Tate Fund: grant to deliver symposium on spontaneous memorial collections.

Art Fund Jonathan Ruffer Curatorial Fund: grant for travel and accommodation for research trip to New York for Costume Curator and Costume Conservator.

DCMS/Wolfson Museums & Galleries Improvement Fund: Capital grant for purchases of art storage and study room equipment.

MMU: portion of grant from AHRC for delivery of research project exploring exhibition making and for under-fives.

20. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Tangible fixed assets	65,855	-	65,855
Current assets	1,781,040	556,221	2,337,261
Creditors due within one year	(611,998)	-	(611,998)
Total	1,234,897	556,221	1,791,118

Analysis of net assets between funds - prior period

	<i>Unrestricted funds 2023 £</i>	<i>Restricted funds 2023 £</i>	<i>Total funds 2023 £</i>
Tangible fixed assets	87,677	-	87,677
Current assets	1,561,714	388,707	1,950,421
Creditors due within one year	(557,755)	-	(557,755)
Total	1,091,636	388,707	1,480,343

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Notes to the Financial Statements
For the Year Ended 31 March 2024

21. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2024 £	<i>Group 2023 £</i>
Net income/expenditure for the period (as per Statement of Financial Activities)	310,775	<i>(7,316)</i>
Adjustments for:		
Depreciation charges	32,555	<i>38,607</i>
Dividends, interests and rents from investments	(58,124)	<i>(28,245)</i>
Loss on the sale of fixed assets	-	<i>13,328</i>
Decrease/(increase) in stocks	3,292	<i>(6,926)</i>
Decrease in debtors	16,202	<i>86,101</i>
Increase in creditors	54,259	<i>186,933</i>
Net cash provided by operating activities	358,959	<i>282,482</i>

22. Analysis of cash and cash equivalents

	Group 2024 £	<i>Group 2023 £</i>
Cash in hand	2,293,372	<i>1,887,038</i>
Overdraft facility repayable on demand	-	<i>(16)</i>
Total cash and cash equivalents	2,293,372	<i>1,887,022</i>

23. Analysis of changes in net debt

	At 1 April 2023 £	Cash flows £	At 31 March 2024 £
Cash at bank and in hand	1,887,038	406,334	2,293,372
Bank overdrafts repayable on demand	(16)	16	-
	1,887,022	406,350	2,293,372

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Notes to the Financial Statements
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24. Pension commitments

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £6,244 (2023: £7,561). Contributions totalling £1,689 (2023: £2,063) were payable to the fund at the balance sheet date and are included in creditors.

25. Related party transactions

Key management personnel are considered to be the Trustees of the Manchester City Galleries Trust, the senior management team of Manchester Art Gallery Trading Company Limited and the directors of Manchester Art Gallery Trading Company Limited. None of the directors of Manchester Art Gallery Trading Company Limited received any remuneration from the Company. None of the Trustees received any remuneration. The senior management team of Manchester Art Gallery Trading Company (who are not directors of the Company) received remuneration of £52,734 (2023: £81,986).

26. Principal subsidiaries

The following was a subsidiary undertaking of the Charity:

Name	Company number	Registered office	Principal activity	Class of shares	Holding	Included in consolidation
Manchester Art Gallery Trading Company Limited	04465391	Manchester Art Gallery, Mosley Street, Manchester M2 3JL	Catering and events	Ordinary	100%	Yes

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit/(Loss)/ Surplus/ (Deficit) for the year £	Net assets £
Manchester Art Gallery Trading Company Limited	1,176,657	1,049,557	127,100	56,151



Issuer HURST Accountants

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Parties involved with this document

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Tue, 17th Dec 2024 16:22:14 GMT	Helen Taylor-O'Brien - Signer (d918ddc1aa90c60c07a710ef6dacbf2f)
Tue, 17th Dec 2024 17:17:55 GMT	Helen Besant Roberts - Signer (dc4d69ec55db1b2cdfc345f2f7a6468c)

Audit history log

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Accounts

Manchester City Galleries Trust
(A Company Limited by Guarantee)

Trustees' Report and Financial Statements

For the Year Ended 31 March 2023

Manchester City Galleries Trust
(A Company Limited by Guarantee)

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Manchester City Galleries Trust
(A Company Limited by Guarantee)

Reference and Administrative Details of the Charity, its Trustees and Advisers
For the Year Ended 31 March 2023

Trustees

P C Van Den Houten (resigned 11 November 2022)
J M Williams
J J Sandbach (resigned 11 November 2022)
T Hetherington
J R Mycock
R G Pulford
V Barillova (appointed 28 July 2023)
Z C Dunbar (appointed 28 July 2023)
A G Palmer
S P Wood

Company registered number 03053689

Charity registered number 1048581

Registered office

Manchester Art Gallery
Mosley Street
Manchester
M2 3JL

Company secretary J L Beggs

Independent auditors

Hurst Accountants Limited
Chartered Accountants & Statutory Auditors
Lancashire Gate
21 Tiviot Dale
Stockport
Cheshire
SK1 1TD

Bankers

Virgin Money
48-50 Market Street
Manchester
M1 1PW

Manchester City Galleries Trust
(A Company Limited by Guarantee)

Trustees' Report
For the Year Ended 31 March 2023

The Trustees present their annual report together with the audited financial statements of the Charity for the year 1 April 2022 to 31 March 2023. The Trustees present their Annual Report together with the Consolidated Financial Statements of the Group and the Trust for the year ended 31 March 2023.

The Annual Report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the Trust and the Group qualifies as small under section 383 of the Companies Act 2006, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

The Trustees who served during the year were:

John Williams (Chair)

James Mycock (Vice Chair)

Thom Hetherington

Richard Pulford

Julian Sandbach (resigned 11 November 2022)

Petra Van Den Houten (resigned 11 November 2022)

Stuart Wood

Andrew Palmer

Objectives and activities

a. Policies and objectives

Manchester City Galleries Trust is an independent Trust raising money to support the projects and programmes of Manchester Art Gallery.

The Trustees measure the success of the Trust by its financial performance, along with the Gallery's civic impact. The latter is reported to Manchester City Council Galleries Committee annually and this report, and feedback from the Committee, is shared with Trustees. Positive performance in turn provides additional resources for the Trust to further its objectives.

During the year the Trust had one trading subsidiary: Manchester Art Gallery Trading Company Limited (company number 04465391).

Manchester Art Gallery Trading Company Limited

This company operates the Manchester Art Gallery Café and venue hire business. Profits, when available, are gifted to the Trust. The directors of this company are:

Amanda Wallace

Robert Moss

Thom Hetherington

Paul Hindle

Amy Haigh

Andrew Palmer

Stuart Wood

Diane Charlton (appointed 11 November 2022)

Robin Hawkes (appointed 11 November 2022)

Manchester City Galleries Trust
(A Company Limited by Guarantee)

Objectives and activities (continued)

b. Activities and achievements

The Trust raises funds to help Manchester Art Gallery:

- Deliver capital projects;
- Mount displays and exhibitions;
- Preserve and conserve works from the collections of Manchester Art Gallery;
- Acquire works for its collections; and
- Deliver an education, outreach and public programme of events and activities.

In 2022/23 a payment of £215,081 was made from the Trust to support specific project activity in the gallery's programme.

The Gallery has recovered well since the lockdown closures in 2020/21, the only lasting change being revised opening hours with the whole building now closed to the public on a Monday. This represents a financial saving and offers a number of practical opportunities for hosting larger commercial events, staff training and development, and for repair/installation work to be undertaken without the public in the building.

Major projects supported by the Trust in 2022/23 included:

Capital Work

The Fashion Gallery. A new permanent space for display of the Gallery's extensive fashion and dress collection.

Major repairs at Queen's Park. Major improvements to stores and conservation studios to improve the environment for the care of the Gallery's collection of fine art, decorative arts and fashion and dress.

Manchester Art Gallery capital work. As part of significant capital repairs and rationalisation of space at Manchester Art Gallery, the creation of a new collection storage space in the lower ground floor, refurbished public toilet facilities and improvements to staff offices.

Exhibitions

Dandy Style: 250 Years of Men's Fashion. An extensive exhibition, predominantly from the Gallery's collection of fashion and portraits. The opening exhibition for the new Fashion Gallery.

Collections Development

Taking Stock. Launched a major 3-5 year project of capital work, exhibitions and engagement programmes that aims to fully re-house, explore and re-think the Gallery's collections and how they are used.

MCAF. A further iteration of the annual fund that brings together local business people to donate towards acquiring works for the Gallery collection from Manchester Contemporary art fair.

Conservation

Conservation of the Bodley Panels. External conservation undertaken on important works from the Gallery furniture collection.

Objectives and activities (continued)

Engagement Programmes

The Derek Jarman Pocket Park. Created as a legacy of the Derek Jarman: Protest! Exhibition (which ended in April 2022). Designed and maintained with a group of older LGBT+ volunteers in partnership with the LGBT+ Foundation, the garden takes inspiration from Jarman's garden in Dungeness and is a permanent installation at the front of the gallery.

Families of the World. A programme of activity sessions aimed at refugee families, many of whom are housed in hotels in the city. This programme of work was launched in response to the Syrian refugee crisis and now welcomes refugees from across the world who find themselves in Manchester.

Platt Hall In-Between. The development of Platt Hall into a community museum, catering to the needs of the hyper-local community. Activities include co-curated exhibitions, collection based engagement sessions, family activities, gardening programmes and health and wellbeing activity.

Dandy Style. The exhibition prompted work with young people looking at male identity.

Trading Station. The exhibition prompted activity with community groups and offered opportunities for volunteer object-sharing sessions.

Suzanne Lacy. Continued work to develop and celebrate the work undertaken with American artist Suzanne Lacy which explored women and work and developed academic research strands to address related issues.

Art of Resilience. A programme of work with schools to support young people in a trauma-informed way.

Fundraising

a. Overview

2022/23 has been a successful year in building audiences and commercial activity back to pre-pandemic levels.

Onsite Donations

Cash and contactless on-site donations have remained healthy.

Online Donations

Online donations, which saw a significant increase during and shortly after the pandemic, are not a significant area of individual giving. Work on the gallery web-site and posts on social media are being designed to increase online giving.

Friends and Patrons

A new campaign has proved successful in increasing memberships bought in the shop and up-selling gift box donations. The majority of these, though, are one-off annual memberships/gifts rather than payment by Direct Debit and we have seen these decrease during the year. Anecdotal evidence suggests people are generally moving away from using Direct Debits, perhaps a reflection of the current financial crisis or changes in banking habits.

Patron membership increased by a small amount and ongoing work is happening to encourage recruitment and additional gifts added to patron memberships. The Trustees have been specifically tasked with introducing potential new Patrons.

Friends and Patrons enjoyed an extensive programme of in-person and online talks, tours, workshops and events. A small group of volunteers continue to support the delivery of the programme and plans are being made to increase this pool of volunteers to promote Friends membership in the Gallery.

Manchester City Galleries Trust
(A Company Limited by Guarantee)

Fundraising (continued)

Gifts from Individuals

The Manchester Contemporary Art Fund is a group of individuals who donate annually to enable the Gallery to acquire works for the collection from the Manchester Contemporary Art Fair. The scheme was set up and is managed by Trustee and Director Thom Hetherington. They supported the acquisition of four artworks from the 2022 Manchester Contemporary.

Legacies

Promotion of legacies was not prioritised during the year but this will be in the Development Team work plan for 2023/24.

Business Partners

All existing Business Partners returned in 2022/23. A full re-assessment of the scheme is still required if membership is to grow, although with the current financial uncertainty amongst businesses, this is currently not a priority.

Trusts and Foundations

A new Development Manager was appointed during the year and started in October 2022 following a five-month gap in provision after the previous post-holder left. The Development Manager's time is focused almost entirely on grant-writing to fund planned activity and this has resumed. Trusts & Foundations remain the most lucrative area for fundraising and will continue to take priority over other forms of fundraising.

Staff

The team still has low capacity given the size of the organisation and annual budgets but there is an acceptance that this will not change. In order to address this, the Head of Development and Development Manager continue to have support from members of the Learning and Engagement and Curatorial teams in making additional grant applications. A programme of workshops to support wider gallery staff in grant-writing, budgeting and donor management is being planned.

The Development Manager (full time), Friends Coordinator (full time) and Head of Development (part time) are employed by Manchester City Council. In addition a freelance Accountant works for the Trust on flexible hours.

b. Priorities for fundraising 2023/2024

Given the cost of living crisis and likely financial situation we face in 2023/24, the focus will continue to be on stabilisation of existing priority activities, budget-relieving and unrestricted income. In addition to securing public funding and making Trust and Foundation applications, we will focus on philanthropy, building on the commitment we have seen from our Friends and Patrons schemes and developing our relationships with individual donors. We will use the Gallery's 200th year anniversary as a hook for fundraising in the later part of this financial period.

Priority will be given to securing funding to support:

- Capital work at Queen's Park Conservation Studios, Manchester Art Gallery and Platt Hall with a focus on improving collection storage, visitor facilities and access. This will ensure that we address long-term neglect of our buildings and that we have the resources needed to keep our assets safe and in good repair.
- Core costs and delivery of Strategic and Operational Plans. Continuing to make our charitable and educational activity more visible, promoting civic philanthropy and the need for committed Patrons and unrestricted gifts.
- The ongoing development of a new community museum at Platt Hall. Revenue fundraising to support the hyper-local engagement that has proved so popular through Platt Hall In-Between and meet the high demand for activity through increased staffing and programme development.
- Taking Stock – a long-term project to re-think the use of our collections, informed by the capital work and addressing current social and political issues in our city.
- All aspects of the Learning and Engagement programme.

Financial review

Manchester City Galleries Trust
(A Company Limited by Guarantee)

During the year ended 31 March 2023 the Group's income amounted to £1,287,132 (2022: £1,394,993).

The Group's expenditure for the year ended 31 March 2023 amounted to £1,293,848 (2022: £958,147).

The net deficit for the year amounted to £6,716 (2022: £436,846 surplus).

As at 31 March 2023 the Group had total funds of £1,480,943 (2022: £1,487,659) of which £388,707 (2022: £511,211) were restricted funds. At the year end the Group held £1,887,038 (2022: £1,593,675) in liquid assets.

As at 31 March 2023 the Trust had total funds of £1,362,930 (2022: £1,298,127) and £1,497,610 (2022: £1,173,967) in liquid assets.

During the year ended 31 March 2023 Manchester Art Gallery Trading Company Limited reported a profit after tax of £31,617 (2022: £361,738) and as at 31 March 2023 the company had net assets of £78,520 (2022: £199,569).

a. Reserves policy

The Trustees regularly review the level of the Trust's reserves to ensure that they are sufficient to meet foreseeable charitable expenditure, fixed costs and working capital requirements. A risk assessment is undertaken using the risk identification approach to determine anticipated:

- Charitable expenditure
- Fixed costs
- Unrestricted income
- Restricted income
- Working capital requirement

The Trustees aim to maintain a sufficient level of reserves to ensure continuing operations for the foreseeable future and that the Trust is able to meet its statutory and legal obligations.

Including restricted reserves, the Trustees have concluded that reserves of £225,000 should be maintained.

b. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Trust and the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

c. Investment policy

During the year, the Trust invested £500,000 in a Virgin Money deposit account.

Structure, governance and management

Manchester City Galleries Trust
(A Company Limited by Guarantee)

Structure, governance and management (continued)

a. Constitution

Manchester City Galleries Trust is registered as a charitable company limited by guarantee and was established and is governed under a Memorandum and Articles of Association. The Articles for Association are in the process of being updated in line with the Charity Commission guidelines and to address issues around Member recruitment.

The Trust is a registered charity, charity number 1048581, with a registered office of Manchester Art Gallery, Mosley Street, Manchester, M2 3JL.

b. Methods of appointment or election of Trustees

The management of the Trust is the responsibility of the Trustees who are elected and co opted under the terms of the Articles of Association.

The directors/trustees who served during the year are listed on page 1 of the annual report. The directors/trustees are elected annually by members in a general meeting.

c. Policies adopted for the induction and training of Trustees

New Trustees are introduced to the Group, usually by existing Trustees and Manchester City Galleries staff, and are given a full background to the Group's history and current activities to ensure they have a good knowledge of the Group and the activities of Manchester City Galleries. A role description is issued to all new Trustees so that they are fully aware of their duties and responsibilities. Regular updates on gallery business are sent to Trustees and opportunities for training are offered. Trustees are expected to take part in gallery activities – attending exhibition previews, all-gallery training etc. and engage in the wider cultural life of the city.

d. Organisational structure and decision making

The Trust is managed by the trustees/directors and by employees of Manchester City Council. There are no staff directly employed by the Trust, although staff working in the Manchester Art Gallery Café and some members of the Events Team are employed by Manchester Art Gallery Trading Company Limited and all trading business is recorded through this company.

The Trustees meet quarterly to review the financial position of the Trust and to guide progress against the Trust's objectives.

The Directors of Manchester Art Gallery Trading Company Limited meet monthly to review the trading results and monitor and determine the company's future commercial objectives. The operational management of Manchester Art Gallery Trading Company rests with three key managers; the General Manager, the Trading Company Accountant and the Head of Commercial. These key managers attend and contribute to the Directors' meetings. The remuneration of the operational management is set by the Board of Directors having regard to performance and the market rate for comparable roles.

e. Related party relationships

The Trust holds the entire issued share capital of Manchester Art Gallery Trading Company Limited and co operates with Manchester City Council in pursuit of its charitable objectives.

Transactions between the Trust and Trading Company are shown in the accounts. Trading profits (when available and net of earlier deficits) of the Manchester Art Gallery Trading Company Limited have been gifted to the Trust.

Manchester City Galleries Trust
(A Company Limited by Guarantee)

Structure, governance and management (continued)

f. Risk management

The Trustees have assessed the major risks to which the Trust and the Group are exposed, in particular those related to the operations and finances of the Trust and the Group, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

The principal risks affecting the Trust and the Group are the dependence on fundraising (grants, donations, memberships and sponsorship) and the popularity of the programme which in turn generates donation box income and retail income for the Manchester Art Gallery Café. The Trustees manage these risks for the Trust and the Group by regularly reviewing past financial performance, future financial projections and the potential opportunities that arise from the programme. In undertaking this review, the Trustees are assisted by professional staff employed by Manchester City Council.

The principal risks facing Manchester Art Gallery Trading Company Limited, which operates the Manchester Art Gallery Café and events business are:

- Consumer spending. The company's revenue is dependent on consumer spending which can reduce for a variety of reasons such as uncertainty, the general economic environment, competition and the weather. The company seeks to mitigate this risk by providing exceptional value for money, top quality food and drink and attentive service combined with an excellent location in the heart of Manchester.
- Food safety. Maintaining high food hygiene standards is critical to the company's business. The directors and senior management take food hygiene very seriously and have implemented best practice operational procedures to ensure this risk is reduced.
- Reputational risk. The directors and senior managers are conscious that, with the ever increasing use of social media, the reputation of the business can easily be damaged. The company seeks to provide a comprehensive customer experience which exceeds expectations. The directors monitor social media and respond where appropriate.

Other than continued fiscal pressures, the Trustees are not aware of any other factors that will impact the future performance of the Trust and the Group.

g. Public benefit

The Trust is established for the advancement of the education of the citizens and other residents of the City of Manchester in particular, and of other citizens and residents of the United Kingdom in general, in British and foreign history of the Arts, and for the benefit of scholars in the Universities and local, national and foreign researchers in history of the Arts.

The Trustees confirm that they have referred to the Charity Commission's guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities and services.

The Trust currently achieves its objectives by raising funds to support the Galleries' programme of exhibitions and educational activities, capital projects, and to fund acquisition of artworks for the collection.

In its support of Manchester City Galleries' activities, the Trust contributes to the free access of the general public to Manchester Art Gallery regardless of their background. The Trust is of the view that any private benefit gained by the Trustees is incidental.

Manchester City Galleries Trust
(A Company Limited by Guarantee)

Structure, governance and management (continued)

h. Funds

The funds held by the Trust are detailed in the notes to the financial statements.

Information on fundraising practices

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. The Trustees confirm that all fundraising is managed internally without the involvement of commission driven external fundraisers or third parties. The routine management of income generation rests with the gallery's Head of Development.

In general, fundraising activities are directed towards individuals and organisation that are already involved in the work of the gallery or who have expressed an interest in becoming involved.

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Charity 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 Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Charity and of their incoming resources and application of resources, including their 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 of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Group will continue in business.

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

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

Auditors

The auditors, Hurst Accountants Limited, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:

Manchester City Galleries Trust
(A Company Limited by Guarantee)

J L Beggs

Head of Development and Trust Secretary

Date: 28 November 2023

Manchester City Galleries Trust
(A Company Limited by Guarantee)

Independent Auditors' Report to the Members of Manchester City Galleries Trust

Opinion

We have audited the financial statements of Manchester City Galleries Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charity Balance Sheet, the 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Manchester City Galleries Trust
(A Company Limited by Guarantee)

Independent Auditors' Report to the Members of Manchester City Galleries Trust (continued)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. 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 course of 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.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company 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 Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Manchester City Galleries Trust
(A Company Limited by Guarantee)

Independent Auditors' Report to the Members of Manchester City Galleries Trust (continued)

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

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

Identifying and assessing potential risks related to irregularities

In identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- The nature of the industry and sector in which the group operates; the control environment and business performance including key drivers for directors' remuneration, bonus levels and performance targets.
- The outcome of enquiries of local management and parent company management, including whether management was aware of any instances of non-compliance with laws and regulations, and whether management had knowledge of any actual, suspected, or alleged fraud.
- Supporting documentation relating to the Group's policies and procedures for:
 - Identifying, evaluating, and complying with laws and regulations
 - Detecting and responding to the risks of fraud
- The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- The outcome of discussions amongst the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.
- The legal and regulatory framework in which the Group operates, particularly those laws and regulations which have a direct effect on the financial statements, such as the Companies Act 2006, Charities SORP, Charities Act 2011, Charity Commission, pensions and tax legislation, or which had a fundamental effect on the operations of the Company, including General Data Protection requirements, and Anti-bribery and Corruption.

Audit response to risks identified

Our procedures to respond to the risks identified included the following:

- Reviewing the financial statements disclosures and testing to supporting documentation to assess compliance with the provisions of those relevant laws and regulations which have a direct effect on the financial statements.
- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud.
- Evaluation and testing of the operating effectiveness of management's controls designed to prevent and detect irregularities.
- Enquiring of management about any actual and potential litigation and claims.
- Performing analytical procedures to identify any unusual or unexpected relationships which may indicate risks of material misstatement due to fraud.

Manchester City Galleries Trust
(A Company Limited by Guarantee)

Independent Auditors' Report to the Members of Manchester City Galleries Trust (continued)

We have also considered the risk of fraud through management override of controls by:

- Testing the appropriateness of journal entries and other adjustments.
- Challenging assumptions made by management in their significant accounting estimates, and assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and
- Evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

There are inherent limitations in the audit procedures described above, and the further removed non-compliance with laws and regulations are from the events and transactions reflected in the financial statements, the less likely we would become aware of them. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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 Auditors' Report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Helen Besant-Roberts (Senior Statutory Auditor)

for and on behalf of

Hurst Accountants Limited

Chartered Accountants & Statutory Auditors

Lancashire Gate

21 Tiviot Dale

Stockport

Cheshire

SK1 1TD

28 November 2023

Manchester City Galleries Trust
(A Company Limited by Guarantee)

Consolidated Statement of financial activities (incorporating income and expenditure account)
For the Year Ended 31 March 2023

		Unrestricted funds 2023	Restricted funds 2023	Total funds 2023	Total funds 2022
	Note	£	£	£	£
Income from:					
Donations and legacies	4	54,521	27,210	81,731	429,503
Charitable activities	5	48,016	105,765	153,781	212,225
Other trading activities	6	1,023,375	-	1,023,375	753,089
Investments	7	27,645	-	27,645	176
Total income		1,153,557	132,975	1,286,532	1,394,993
Expenditure on:					
Raising funds	8	966,943	40,398	1,007,341	700,415
Charitable activities	9	71,426	215,081	286,507	257,732
Total expenditure		1,038,369	255,479	1,293,848	958,147
Net movement in funds		115,188	(122,504)	(7,316)	436,846
Reconciliation of funds:					
Total funds brought forward		976,448	511,211	1,487,659	1,050,813
Net movement in funds		115,188	(122,504)	(7,316)	436,846
Total funds carried forward		1,091,636	388,707	1,480,343	1,487,659

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

The notes on pages 19 to 39 form part of these financial statements.

Manchester City Galleries Trust
(A Company Limited by Guarantee)
Registered number: 03053689

Consolidated Balance Sheet
As at 31 March 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	14	87,677	122,233
Current assets			
Stocks	16	10,922	3,996
Debtors	17	52,461	178,187
Cash at bank and in hand		1,887,038	1,593,675
		<u>1,950,421</u>	<u>1,775,858</u>
Creditors: amounts falling due within one year	18	(557,755)	(410,432)
Net current assets		<u>1,392,666</u>	<u>1,365,426</u>
Total net assets		<u><u>1,480,343</u></u>	<u><u>1,487,659</u></u>
Charity funds			
Restricted funds	19	388,707	511,211
Unrestricted funds	19	1,091,636	976,448
Total funds		<u><u>1,480,343</u></u>	<u><u>1,487,659</u></u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

J M Williams
Trustee

Date: 28 November 2023

The notes on pages 19 to 39 form part of these financial statements.

Manchester City Galleries Trust
(A Company Limited by Guarantee)
Registered number: 03053689

Charity Balance Sheet
As at 31 March 2023

	Note	2023 £	2022 £
Fixed assets			
Investments	15	1	2
Current assets			
Debtors	17	68,389	340,376
Cash at bank and in hand		1,497,610	1,173,967
		<u>1,565,999</u>	<u>1,514,343</u>
Creditors: amounts falling due within one year	18	(203,671)	(216,218)
Net current assets		<u>1,362,328</u>	<u>1,298,125</u>
Total net assets		<u><u>1,362,329</u></u>	<u><u>1,298,127</u></u>
Charity funds			
Restricted funds	19	322,371	431,106
Unrestricted funds:			
General funds	19	1,039,958	867,021
Total unrestricted funds	19	<u>1,039,958</u>	<u>867,021</u>
Total funds		<u><u>1,362,329</u></u>	<u><u>1,298,127</u></u>

The Charity's net movement in funds for the year was £64,131 (2022 - £504,290).

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

J M Williams

Trustee

Date: 28 November 2023

The notes on pages 19 to 39 form part of these financial statements.

Manchester City Galleries Trust
(A Company Limited by Guarantee)

Consolidated Statement of Cash Flows
For the Year Ended 31 March 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash used in operating activities	21	282,482	643,105
Cash flows from investing activities			
Dividends, interest and rents from investments		28,244	176
Proceeds from the sale of tangible fixed assets		-	5,975
Purchase of tangible fixed assets		(17,379)	(69,653)
Net cash provided by/(used in) investing activities		10,865	(63,502)
Cash flows from financing activities			
Net cash provided by financing activities		-	-
Change in cash and cash equivalents in the year		293,347	579,603
Cash and cash equivalents at the beginning of the year		1,593,675	1,014,072
Cash and cash equivalents at the end of the year	22	1,887,022	1,593,675

The notes on pages 19 to 39 form part of these financial statements

Manchester City Galleries Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2023

1. General information

Manchester City Galleries Trust is a company limited by guarantee, registered number 03053689, incorporated in England. It is also a charity, registered number 1048581. The registered address is Manchester Art Gallery, Mosley Street, Manchester, M2 3JL.

The principal activity of the group is raising money to support the projects and programmes of Manchester City Art Gallery.

The members of the company are the Trustees names on page 1. In the event of the Charity being wound up, the liability in respect of the guarantees is limited to £1 per member of the Charity

2. Accounting policies

2.1 Basis of preparation of financial statements

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

Manchester City Galleries Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the Charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements.

The Charity meets the definition of a qualifying entity under FRS102 and therefore taken advantage of the disclosure exemption available to it in respect of its separate financial statements in relation to presentation of a cash flow statement.

2.2 Going concern

In deciding to prepare the financial statements on a going concern basis, the Trustees have considered all available information regarding the future for a period of at least 12 months from the date of approval of these financial statements. The Trustees are satisfied that the going concern basis adopted in the preparation of these financial statements is appropriate and that the Group can continue in operational existence for at least the next 12 months.

Manchester City Galleries Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2023

2. Accounting policies (continued)

2.3 Income

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

Donated services or facilities are recognised when the Group has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the Group of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised. Refer to the Trustees' Report for more information about their contribution.

On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the Charity which is the amount it would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Income from grants and government grants is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service. Revenue from the sale of food and beverages is recognised at the point of sale. Revenue from a contract to provide services is recognised in the period in which the services are provided in.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Governance costs are those incurred in connection with administration of the Charity and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds. The costs of commercial trading includes the cafeteria and its associated support costs.

Manchester City Galleries Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2023

2. Accounting policies (continued)

2.4 Expenditure (continued)

Charitable activities and Governance costs are costs incurred on the Charity's operations, including support costs and costs relating to the governance of the Charity apportioned to charitable activities.

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £NIL or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, .

Depreciation is provided on the following bases:

Long-term leasehold property	-	20% straight line basis
Plant and machinery	-	25% reducing balance basis
Office equipment	-	25% reducing balance basis
Computer equipment	-	33% straight line basis

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Financial Activities.

2.7 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

2.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the statement of financial activities.

Manchester City Galleries Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2023

2. Accounting policies (continued)

2.9 Debtors

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

2.10 Cash at bank and in hand

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

2.11 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated Statement of Financial Activities as a finance cost.

2.12 Financial instruments

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

2.13 Operating leases

Rentals paid under operating leases are charged to the Consolidated Statement of Financial Activities on a straight-line basis over the lease term.

2.14 Pensions

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

2.15 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

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

Manchester City Galleries Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2023

2. Accounting policies (continued)

2.16 Value added tax (VAT)

Income is stated net of VAT where applicable. Expenditure is stated net of any recoverable VAT. Any irrecoverable VAT is recognised as a cost against the activity for which the expenditure is incurred.

3. Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgement:

Accruals and deferred income

Accruals and deferred income are entered in the financial statements based on management expectations, taking into account various factors relevant to each item. The Group recognised accruals and deferred income at 31 March 2023 of £403,020 (2022: £316,548).

Depreciation

The Group exercises judgement in estimating the useful economic life of plant and machinery, office equipment and computer equipment. The net book value of fixed assets at the year end totalled £87,677 (2022: £122,253).

Manchester City Galleries Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2023

4. Income from donations and legacies

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Donations	54,521	27,210	81,731	224,337
Government grants	-	-	-	205,166
Total 2023	<u>54,521</u>	<u>27,210</u>	<u>81,731</u>	<u>429,503</u>
<i>Total 2022</i>	<u>227,022</u>	<u>202,481</u>	<u>429,503</u>	

5. Income from charitable activities

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Grants receivable	-	105,765	105,765	157,196
Friends income	48,016	-	48,016	55,029
Total 2023	<u>48,016</u>	<u>105,765</u>	<u>153,781</u>	<u>212,225</u>
<i>Total 2022</i>	<u>55,029</u>	<u>157,196</u>	<u>212,225</u>	

Manchester City Galleries Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2023

6. Income from trading activities

Income from non charitable trading activities

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Catering, events and venue hire	1,023,375	1,023,375	753,089
Total 2023	<u>1,023,375</u>	<u>1,023,375</u>	<u>753,089</u>
<i>Total 2022</i>	<u>753,089</u>	<u>753,089</u>	

7. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Investment income - other local unlisted	(600)	(600)	-
Income from bank deposits	28,245	28,245	176
Total 2023	<u>27,645</u>	<u>27,645</u>	<u>176</u>
<i>Total 2022</i>	<u>176</u>	<u>176</u>	

Manchester City Galleries Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2023

8. Expenditure on raising funds

Fundraising trading expenses

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Cost of sales and administrative expenses	413,899	40,398	454,297	183,387
Wages and salaries	478,313	-	478,313	445,240
National insurance contributions	28,563	-	28,563	26,252
Pension costs	7,561	-	7,561	7,005
Depreciation of tangible fixed assets	38,607	-	38,607	38,531
Total 2023	<u>966,943</u>	<u>40,398</u>	<u>1,007,341</u>	<u>700,415</u>
<i>Total 2022</i>	<u>617,245</u>	<u>83,170</u>	<u>700,415</u>	

9. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Total 2022 £
Gallery	26,700	-	26,700	130,918
Exhibitions	-	186,885	186,885	69,825
Friends scheme	26	-	26	457
Other fundraising	3,485	-	3,485	3,403
Acquisitions	-	28,196	28,196	33,170
Governance	41,215	-	41,215	19,959
Total 2023	<u>71,426</u>	<u>215,081</u>	<u>286,507</u>	<u>257,732</u>
<i>Total 2022</i>	<u>154,737</u>	<u>102,995</u>	<u>257,732</u>	

Manchester City Galleries Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2023

10. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £	Total funds 2022 £
Gallery	26,700	-	26,700	130,918
Exhibitions	186,885	-	186,885	69,825
Friends scheme	26	-	26	457
Other fundraising	3,485	-	3,485	3,403
Acquisitions	28,196	-	28,196	33,170
Governance	-	41,215	41,215	19,959
Total 2023	<u>245,292</u>	<u>41,215</u>	<u>286,507</u>	<u>257,732</u>
<i>Total 2022</i>	<u>237,773</u>	<u>19,959</u>	<u>257,732</u>	

Analysis of support costs

	Governance costs 2023 £	Total funds 2023 £	Total funds 2022 £
Audit fees	12,090	12,090	11,350
Accountancy fees	29,087	29,087	8,287
Bank charges	38	38	322
Total 2023	<u>41,215</u>	<u>41,215</u>	<u>19,959</u>
<i>Total 2022</i>	<u>19,959</u>	<u>19,959</u>	

Support costs have been allocated on an actual basis.

Manchester City Galleries Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2023

11. Auditors' remuneration

	2023	2022
	£	£
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	12,090	11,350
Fees payable to the Charity's auditor in respect of:		
Taxation services not included above	<u>710</u>	<u>550</u>

12. Staff costs

	Group 2023	Group 2022
	£	£
Wages and salaries	478,313	445,240
Social security costs	28,563	26,252
Contribution to defined contribution pension schemes	7,561	7,005
	<u>514,437</u>	<u>478,497</u>

The average number of persons employed by the Charity during the year was as follows:

	Group 2023	Group 2022
	No.	No.
Employees	<u>40</u>	<u>35</u>

No employee received remuneration amounting to more than £60,000 in either year.

13. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2022 - £NIL).

During the year ended 31 March 2023, no Trustee expenses have been incurred (2022 - £NIL).

Manchester City Galleries Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2023

14. Tangible fixed assets

Group

	Long-term leasehold property £	Plant and machinery £	Office equipment £	Computer equipment £	Total £
Cost or valuation					
At 1 April 2022	21,310	84,200	37,840	54,443	197,793
Additions	-	4,812	12,567	-	17,379
Disposals	(10,850)	(5,489)	(1,130)	(7,451)	(24,920)
At 31 March 2023	10,460	83,523	49,277	46,992	190,252
Depreciation					
At 1 April 2022	3,460	42,955	9,689	19,456	75,560
Charge for the year	3,117	10,244	8,801	16,445	38,607
On disposals	(3,798)	(3,422)	(105)	(4,267)	(11,592)
At 31 March 2023	2,779	49,777	18,385	31,634	102,575
Net book value					
At 31 March 2023	<u>7,681</u>	<u>33,746</u>	<u>30,892</u>	<u>15,358</u>	<u>87,677</u>
<i>At 31 March 2022</i>	<u>17,850</u>	<u>41,245</u>	<u>28,151</u>	<u>34,987</u>	<u>122,233</u>

The Company had no fixed assets.

Manchester City Galleries Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2023

15. Fixed asset investments

	Investments in subsidiary companies
	£
Charity	
Cost or valuation	
At 1 April 2022	4,002
Amounts written off	(1)
At 31 March 2023	<u>4,001</u>
Impairment	
At 1 April 2022	4,000
At 31 March 2023	<u>4,000</u>
Net book value	
At 31 March 2023	<u>1</u>
<i>At 31 March 2022</i>	<u><u>2</u></u>

Details of the Charity's principal subsidiaries are presented in note 27.

16. Stocks

	Group 2023 £	<i>Group 2022 £</i>
Finished goods and goods for resale	<u><u>10,922</u></u>	<u><u>3,996</u></u>

Manchester City Galleries Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2023

17. Debtors

	Group 2023 £	<i>Group</i> <i>2022</i> <i>£</i>	Company 2023 £	<i>Company</i> <i>2022</i> <i>£</i>
Due within one year				
Trade debtors	44,980	84,980	5,478	6,875
Amounts owed by group undertakings	-	-	61,133	331,738
Other debtors	3,128	88,482	1,778	1,763
Prepayments and accrued income	4,353	4,725	-	-
	<u>52,461</u>	<u>178,187</u>	<u>68,389</u>	<u>340,376</u>

An impairment loss of £nil (2022: £nil) was recognised in the year against trade debtors.

18. Creditors: Amounts falling due within one year

	Group 2023 £	<i>Group</i> <i>2022</i> <i>£</i>	Company 2023 £	<i>Company</i> <i>2022</i> <i>£</i>
Bank overdrafts	16	-	-	-
Trade creditors	17,075	18,253	37	2,447
Other taxation and social security	43,678	47,804	-	-
Other creditors	133,592	27,827	9,974	7,802
Accruals and deferred income	363,394	316,548	193,660	205,969
	<u>557,755</u>	<u>410,432</u>	<u>203,671</u>	<u>216,218</u>

Manchester City Galleries Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2023

	Group 2023 £	<i>Group</i> <i>2022</i> £	Company 2023 £	<i>Company</i> <i>2022</i> £
Deferred income at 1 April 2022	315,948	127,868	205,969	53,974
Resources deferred during the year	405,166	315,948	195,378	205,969
Amounts released from previous periods	(315,948)	(127,868)	(205,969)	(53,974)
				205,969
	405,166	315,948	195,378	

19. Statement of funds

Statement of funds - current year

	Balance at 1 April 2022 £	Income £	Expenditure £	Balance at 31 March 2023 £
Unrestricted funds				
General funds	976,448	1,153,556	(1,038,369)	1,091,635
Unallocated amounts	-	1	-	1
	Balance at 1 April 2022 £	Income £	Expenditure £	Balance at 31 March 2023 £
Restricted funds				
Zochonis Trust	53,576	20,000	-	73,576
Clore Duffield Foundation (Learning & Engagement)	16,000	-	-	16,000
Assheton Bennett	15,173	-	-	15,173
National Archives	-	15,000	-	15,000
Oglesby Charitable Trust	-	61,265	(39,536)	21,729
Paul Mellon - Speech Acts	2,377	-	-	2,377
University of Manchester (Suzanne Lacy)	-	5,500	-	5,500
GMCA (AoR Project)	14,000	14,000	-	28,000
Heritage Lottery Funding - Collecting Cultures	70	-	-	70
Derek Jarman	54,741	-	(49,741)	5,000
Culture Recovery Fund	80,034	-	(40,398)	39,636
Headley Trust	20,000	10,000	(27,797)	2,203
Francis Winham (Making Conversations)	2,000	-	(2,000)	-
Paul Hamlyn Foundation	55	-	-	55
National Heritage Fund (Trading Stations)	568	-	(568)	-
Platt Hall Project	9,491	-	(10,601)	(1,110)
Fashion Gallery	193,265	-	(35,653)	157,612
Other immaterial restricted project funds	49,861	7,210	(49,185)	7,886

Manchester City Galleries Trust
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Notes to the Financial Statements
For the Year Ended 31 March 2023

19. Statement of funds (continued)

Statement of funds - current year (continued)

	Balance at 1 April 2022 £	Income £	Expenditure £	Balance at 31 March 2023 £
	511,211	132,975	(255,479)	388,707
Total of funds	1,487,659	1,286,532	(1,293,848)	1,480,343

Statement of funds - prior year

	<i>Balance at 1 April 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 March 2022 £</i>
Unrestricted funds					
General Funds	410,847	1,035,316	(771,982)	302,267	976,448
Restricted funds					
Zochonis Trust	90,000	-	-	(36,424)	53,576
Clore Duffield Foundation (Learning & Engagement)	10,000	6,000	-	-	16,000
Assheton Bennett	15,173	-	-	-	15,173
National Archives	14,263	-	-	(14,263)	-
Oglesby Charitable Trust	40,000	-	-	(40,000)	-
Paul Mellon - Speech Acts	3,377	-	(1,000)	-	2,377
Graysons Art Club	16,357	-	-	(16,357)	-
University of Manchester (Suzanne Lacy)	9,400	-	-	(9,400)	-
GMCA (AoR Project)	-	14,000	-	-	14,000
Heritage Lottery Funding - Collecting Cultures	(1,957)	-	-	2,027	70
Derek Jarman	57,250	10,000	(12,509)	-	54,741
Culture Recovery Fund	190,459	144,095	(83,170)	(171,350)	80,034
Headley Trust	-	20,000	-	-	20,000
Francis Winham (Making Conversations)	2,000	-	-	-	2,000
Paul Hamlyn Foundation	27,706	-	(22,615)	(5,036)	55

Manchester City Galleries Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2023

19. Statement of funds (continued)

Statement of funds - prior year (continued)

	<i>Balance at 1 April 2021</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Balance at 31 March 2022</i>
	£	£	£	£	£
National Heritage Fund (Trading Stations)	9,800	-	(9,232)	-	568
Sylvia Adams (Healthy Baby Stay & Play)	14,500	-	-	(14,500)	-
Platt Hall Project	(1,863)	36,437	(30,119)	5,036	9,491
Fashion Gallery	120,000	90,000	(16,735)	-	193,265
Other immaterial restricted project funds	23,501	39,145	(10,785)	(2,000)	49,861
	<u>639,966</u>	<u>359,677</u>	<u>(186,165)</u>	<u>(302,267)</u>	<u>511,211</u>
Total of funds	<u><u>1,050,813</u></u>	<u><u>1,394,993</u></u>	<u><u>(958,147)</u></u>	<u><u>-</u></u>	<u><u>1,487,659</u></u>

Manchester City Galleries Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2023

19. Statement of funds (continued)

Restricted funds are funds that have been provided in support of specific projects. The Trust holds sufficient resources to enable each fund to be applied in accordance with the restriction and can be itemised as follows:

Zochonis Trust: charitable donation specifically to support the gallery's Learning and Engagement Programme.

Clore Duffield Foundation: charitable donation specifically to support post-covid recovery work with the children and young people.

Ashetton Bennett: donation to support the further development of the gallery's silver collection.

Art Fund: donation towards acquisition of artwork by Deborah Roberts.

S McFayden: donation towards acquisition of artwork by Deborah Roberts.

V&A Purchase Fund: donation towards acquisition of artwork by Deborah Roberts.

Contemporary Art Society: donation towards acquisition of Jeremy Deller film.

The Bloxham Charitable Trust: charitable donation towards acquisition of Jeremy Deller film.

V&A Purchase Fund: donation towards acquisition of Jeremy Deller film.

Paul Mellon - Speech Acts: charitable donation to support of the Speech Acts Exhibition.

Manchester Contemporary Acquisition Fund: donation toward the acquisition of artwork for the Manchester Contemporary Collection.

University of Manchester: Payment of part of ACE grant to support partnership Suzanne Lacy exhibition.

The Art Fund: donation to support the Graysons Art Club exhibition.

Heritage Lottery Funding - Collecting Cultures: grant to develop costume collection.

The Ampersand Foundation: charitable donation to support the Derek Jarman: Protest! exhibitions

Culture Recovery Fund: DCMS grant to support the gallery through closure due to Covid-19 pandemic, including re-start costs and covering commercial losses.

Francis Winham (Making Conversations): grant to support transport and refreshment costs for participants in the Making Conversations engagement programme.

Paul Hamlyn Foundation: Explore and Test grant secured to undertake a learning and engagement project focused on Platt Hall, developing activities and models for the hall's re-imagining as a community museum.

National Heritage Fund (Trading Stations): specific donation for the Trading Stations "How Hot Drinks Shape Our Lives" - Engagement project.

Sylvia Adams (Healthy Baby Stay & Play): grant towards running the Healthy Child Drop-In and Baby Stay & Play events.

Manchester City Galleries Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2023

19. Statement of funds (continued)

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	87,677	-	87,677
Current assets	1,561,714	388,707	1,950,421
Creditors due within one year	(557,755)	-	(557,755)
Total	<u>1,091,636</u>	<u>388,707</u>	<u>1,480,343</u>

Analysis of net assets between funds - prior year

	<i>Unrestricted funds</i> 2022 £	<i>Restricted funds</i> 2022 £	<i>Total funds</i> 2022 £
Tangible fixed assets	122,233	-	122,233
Current assets	1,264,647	511,211	1,775,858
Creditors due within one year	(410,432)	-	(410,432)
Total	<u>976,448</u>	<u>511,211</u>	<u>1,487,659</u>

Manchester City Galleries Trust
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Notes to the Financial Statements
For the Year Ended 31 March 2023

21. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2023 £	<i>Group 2022 £</i>
Net income/expenditure for the year (as per Statement of Financial Activities)	(7,316)	436,846
Adjustments for:		
Depreciation charges	38,607	38,531
Dividends, interests and rents from investments	(28,245)	(176)
Loss on the sale of fixed assets	13,328	-
Decrease/(increase) in stocks	(6,926)	-
Decrease/(increase) in debtors	86,101	(77,289)
Increase in creditors	186,933	245,193
Net cash provided by operating activities	282,482	<i>643,105</i>

22. Analysis of cash and cash equivalents

	Group 2023 £	<i>Group 2022 £</i>
Cash in hand	1,887,038	1,593,675
Overdraft facility repayable on demand	(16)	-
Total cash and cash equivalents	1,887,022	<i>1,593,675</i>

23. Analysis of changes in net debt

	At 1 April 2022 £	Cash flows £	At 31 March 2023 £
Cash at bank and in hand	1,593,675	293,363	1,887,038
Bank overdrafts repayable on demand	-	(16)	(16)
	1,593,675	293,347	1,887,022

Manchester City Galleries Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2023

24. Pension commitments

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £7,561 (2022: £7,005). Contributions totalling £2,063 (2022: £1,577) were payable to the fund at the balance sheet date and are included in creditors.

25. Operating lease commitments

At 31 March 2023 the Group and the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2023 £	<i>Group 2022 £</i>
Not later than 1 year	<u>-</u>	<u>525</u>

The Group had no commitments under non-cancellable operating leases at 31 March 2023.

26. Related party transactions

Key management personnel are considered to be the Trustees of the Manchester City Galleries Trust, the senior management team of Manchester Art Gallery Trading Company Limited and the directors of Manchester Art Gallery Trading Company Limited. None of the directors of Manchester Art Gallery Trading Company Limited received any remuneration from the Company. None of the Trustees received any remuneration. The senior management team of Manchester Art Gallery Trading Company (who are not directors of the Company) received remuneration of £81,986 (2022: £106,848).

Manchester City Galleries Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2023

27. Principal subsidiaries

The following was a subsidiary undertaking of the Charity:

Name	Company number	Registered office	Principal activity	Class of shares	Holding	Included in consolidation
Manchester Art Gallery Trading Company Limited	04465391	Manchester Art Gallery, Mosley Street, Manchester M2 3JL	Catering and events	Ordinary	100%	Yes

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit/(Loss)/ Surplus/ (Deficit) for the year £	Net assets £
Manchester Art Gallery Trading Company Limited	1,063,785	(1,032,168)	31,617	141,187

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.

MANCHESTER CITY GALLERIES TRUST

England & Wales - Charity number 1048581

Accounts

Manchester City Galleries Trust
(A Company Limited by Guarantee)

Trustee's Report and Consolidated Financial Statements

For the Year Ended 31 March 2022

Manchester City Galleries Trust
(A Company Limited by Guarantee)

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Manchester City Galleries Trust
(A Company Limited by Guarantee)

Reference and Administrative Details of the Charity, its Trustees and Advisers
For the Year Ended 31 March 2022

Trustees

P C Van Den Houten
J M Williams
J J Sandbach
T Hetherington
J R Mycock
R G Pulford (appointed 7 May 2021)

Company registered number

03053689

Charity registered number

1048581

Registered office

Manchester Art Gallery
Mosley Street
Manchester
M2 3JL

Company secretary

J L Beggs

Independent auditors

Hurst Accountants Limited
Chartered Accountants
Statutory Auditors
Lancashire Gate
21 Tiviot Dale
Stockport
Cheshire
SK1 1TD

Bankers

The Royal Bank of Scotland
38 Mosley Street
Manchester
M60 2BE

Manchester City Galleries Trust
(A Company Limited by Guarantee)

Trustees' Report
For the Year Ended 31 March 2022

The Trustees present their annual report together with the audited financial statements of the Charity and Group for 1 April 2021 to 31 March 2022.

The Annual Report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the Trust and the Group qualify as small under section 383 of the Companies Act 2006, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

The Trustees who served during the year were:

John Williams (Chair)
Timothy Entwistle (resigned 5 November 2021)
Thom Hetherington
James Mycock
Richard Pulford (appointed 7 May 2021)
Julian Sandbach
Petra Van Den Houten
Helen Taylor-O'Brien (resigned 18 June 2020)

Objectives and activities

a. Policies and objectives

Manchester City Galleries Trust is an independent Trust raising money to support the projects and programmes of Manchester Art Gallery.

The Trustees measure the success of the Trust by its financial performance, along with the Gallery's civic impact. The latter is reported to Manchester City Council Galleries Committee annually and this report, and feedback from the Committee, is shared with Trustees. Positive performance in turn provides additional resources for the Trust to further its objectives.

During the year the Trust had one trading subsidiary: Manchester Art Gallery Trading Company Limited (company number 04465391).

Manchester Art Gallery Trading Company Limited

This company operates the Manchester Art Gallery Café and venue hire business. Profits, when available, are gifted to the Trust. The directors of this company are:

Amanda Wallace
Robert Moss
Thom Hetherington
Timothy Entwistle (resigned 5 November 2021)
Charles McKenzie (resigned 13 August 2021)
Paul Hindle
Andrew Palmer (appointed 14 December 2021)
Stuart Wood (appointed 14 December 2021)

Manchester City Galleries Trust
(A Company Limited by Guarantee)

Trustees' Report (continued)
For the Year Ended 31 March 2022

Objectives and activities (continued)

b. Activities and achievements

The Trust raises funds to help Manchester Art Gallery:

- Deliver capital projects;
- Mount displays and exhibitions;
- Preserve and conserve works from the collections of Manchester Art Gallery;
- Acquire works for its collections; and
- Deliver an education, outreach and public programme of events and activities.

In 2021/22, payments were made from the Trust to support the gallery's programme as follows:

- £130,917 fundraising contribution to the core programme, paid up as agreed to MCC at the end of the year;

The year ended 31 March 2022 was still impacted by the Covid-19 pandemic and by its financial implications. The gallery reopened to the public on 19 May 2021 following national lockdown. Initially the gallery opened on reduced hours (Wed-Sun), reopening on Tuesdays at the beginning of the 2022/23 financial year. Monday closure continues and will do so for the foreseeable future.

During the pandemic, a significant amount of activity continued either behind the scenes or online. No Development staff were furloughed due to being Manchester City Council employees, meaning that fundraising continued throughout. Fundraising focused on increasing online donations and preparations for increased on-site giving on re-opening, retaining Patrons and Friends, and making applications to the Culture Recovery Fund (DCMS) and other emergency funds. These activities were still prominent at the beginning of 2021/22. The Trustees continued to meet remotely, and then in person from July 2021.

Major projects supported by the Trust in 2021/22 included:

Grayson Perry's Art Club. Originally scheduled to open in Autumn 2020, following the success of Channel 4's Grayson Perry's Art Club, the exhibition finally opened following lockdown in May 2021. The Trust secured sponsorship from Swan Films and Channel 4 and brought together a group of exhibition donors, supported by Trustee Thom Hetherington.

Trading Stations: How Hot Drinks Shape Our Lives. An exhibition drawing on the gallery's design / decorative arts collection that explores the sometimes troubling history of tea, coffee and hot chocolate. The exhibition included a tea house event space and a substantial programme of community events.

Out Of The Crate. A continuation of the sculpture exhibition which opened prior to the Covid-19 pandemic, extended due to lockdown.

What Is Manchester Art Gallery? A new introductory gallery that explores the gallery's history and collections.

Climate Justice. A collection display, developed and selected by a group of climate activists and artists. This exhibition has been accompanied by a wide ranging programme of events and activities and continues until February 2023.

Constellations: Care & Resistance. Also originally scheduled for an earlier opening date, this active research space, which supported artist Jade Montserrat in creating a new work, was part gallery, part studio with the artist's works shown alongside works selected from the gallery collection. The project was co-curated by Curatorial Trainee Nikita Gill. The exhibition will continue to December 2024.

Manchester City Galleries Trust
(A Company Limited by Guarantee)

Trustees' Report (continued)
For the Year Ended 31 March 2022

Objectives and activities (continued)

Suzanne Lacy: Uncertain Futures. Throughout lockdowns, the Gallery continued to work with artist Suzanne Lacy on a participatory project that explored the issues faced by older women in relation to work. Installed during lockdown, the exhibition opened in May 2021, and has been refreshed to include new work produced as part of the project, and continues until December 2024.

Early Years programme. The new ground-floor Clore Art Studio (The Lion's Den) opened in May 2021, offering priority activities for families with babies born during lockdown and Afghan refugee families housed in the city's hotels.

Children and Young People. Wellbeing work developed during lockdown and in response to the Black Lives Matter movement continued, offering sessions for priority schools. This included schools' sessions focused on 19th Century African American abolitionist, Sarah Parker Remond and her campaigning in Manchester which has become a core session offered to Manchester schools.

Communities. Extensive work continued at Platt Hall as part of Platt Hall In-Between. Demand has begun to outstrip capacity and this work and it remains a fundraising priority.

The Derek Jarman Pocket Park was created as an engagement project and legacy of the Derek Jarman: Protest! Exhibition (2 December 2021 - 10 April 2022). Designed with a group of older LGBT+ volunteers in partnership with the LGBT+ Foundation, the garden takes inspiration from Jarman's garden in Dungeness and is a permanent installation at the front of the gallery. This project attracted a significant number of charitable grants and donations.

Health & Wellbeing / Social Prescribing. Manchester Art Gallery continues to work with the Robert Darbishire Practice to develop and deliver a programme of socially prescribed activity that takes place at Platt Hall. During 2021/22 this has focused on pre-diabetes support.

Room To Breathe opened on 2 April 2022 and is an experimental space that uses two artworks from the collection to promote slow, mindful viewing. It is providing a site for research with Goldsmiths on how art can impact well-being. This project will continue until 2025.

Work with schools and young people that addresses the impact of childhood trauma has become a core area of activity for the Learning Team and this work has been developed and delivered across the year.

Health & Wellbeing work is a priority for future fundraising.

Web and digital. A new website was developed during the period, while the increased social media activity developed during lockdown has continued.

Fundraising

a. Overview

2021/22 has been a period of recovery for the gallery following the impact of lockdowns, financial loss and implementation of emergency measures across the business.

Final Spend of Emergency Funds

Emergency grants, most notably the Department for Digital, Culture, Media and Sport/Arts Council England Culture Recovery Fund, secured in 2020/21 were fully spent during 2021/22. The grants secured the financial viability of Manchester Art Gallery Trading Company Limited which was able to remain viable and which saw immediate recovery in income following re-opening. This would not have been possible without the emergency investment.

Manchester City Galleries Trust
(A Company Limited by Guarantee)

Trustees' Report (continued)
For the Year Ended 31 March 2022

Fundraising (continued)

Onsite Donations

In preparation for re-opening we installed new cash donation boxes and two contactless donation points. On-site donations proved particularly healthy in the initial opening period and have remained high.

Online Donations

Online donations, which saw a significant increase in the previous year during closure and during the run of Grayson's Art Club (prompted by a donation ask as part of the ticketing process) decreased following the closure of the exhibition and a return to un-ticketed entry.

The development of the new website has prioritised fundraising and prompts online giving.

Friends and Patrons

Friends memberships increased significantly on re-opening, prompted by the opportunity for Friends to pre-book tickets for Grayson's Art Club. Many of these memberships, however, were one year payments rather than direct debits, and a large number were non-local people, unlikely to become long-term members. We plan to launch a membership campaign in 2022/23.

Patron membership has remained constant during the year.

Friends and Patrons enjoyed a programme of online talks replacing gallery events during lockdowns which have proved popular enough to continue alongside in-person events. The online events are being managed and delivered by a group of volunteers.

Gifts from Individuals

The Manchester Contemporary Art Fund are a group of individuals who donate annually for the Gallery to acquire works for the collection from the Manchester Contemporary Art Fair. The scheme was set up and is managed by Trustee and Director Thom Hetherington. In the absence of a 2020 Art Fair, the group contributed to fund the Grayson's Art Club exhibition in 2021/22 and returned to raise funds for three acquisitions from the 2021 Manchester Contemporary.

Legacies

Promotion of legacies was not prioritised during the year. One small legacy was received.

Business Partners

All existing Business Partners returned in 2021/22. A full re-assessment of the scheme is still required if membership is to grow, although with the current financial uncertainty amongst businesses, this is currently not a priority.

Trusts and Foundations

The number of submissions to Trusts and Foundations remained high during 2021/22, primarily due to having a strong Development Manager in post, whose time was focused almost entirely on grant-writing to fund planned activity. This remains the most lucrative area for fundraising and will continue to take priority over other forms of fundraising.

Staff

The team still has low capacity given the size of the organisation and annual budgets. In order to address limited capacity, the Head of Development and Development Manager continue to have support from members of the Learning and Engagement and Curatorial teams in making additional grant applications.

The Development Manager (full time), Friends Coordinator (full time) and Head of Development (part time) are employed by Manchester City Council. In addition, a freelance accountant works for the Trust on flexible hours.

Manchester City Galleries Trust
(A Company Limited by Guarantee)

Trustees' Report (continued)
For the Year Ended 31 March 2022

Fundraising (continued)

b. Priorities for fundraising 2022/23

Given the cost of living crisis and likely financial situation we face in 2022/23, the focus will continue to be on stabilisation of existing priority activities, budget-relieving and unrestricted income. In addition to securing public funding and making Trust and Foundation applications, we will focus on philanthropy, building on the commitment we have seen from our Friends and Patrons schemes and developing our relationships with individual donors.

Priority will be given to securing funding to support:

- Capital fundraising to support a major programme of rationalisation and repairs to the three buildings (Manchester Art Gallery, Platt Hall, Queen's Park) with a focus on improving collection storage. This will ensure that we address long-term neglect of the building fabric and that we have the resources needed to keep our assets safe and in good repair.
- Core costs and delivery of mission and vision. Continuing to make our charitable and educational activity more visible, promoting civic philanthropy and the need for committed Patrons and unrestricted gifts.
- The ongoing development of a new community museum at Platt Hall. Revenue fundraising to support the hyper-local engagement that has proved so popular through Platt Hall In-Between and meet the high demand for activity.
- A development of the work to re-think and re-display our collection, informed by the capital work and addressing current social and political issues.
- Ongoing programme of exhibitions in the new Fashion Gallery (opening October 2022), a dedicated space for changing exhibitions from the gallery's important costume collection.
- We will continue to secure funding for the gallery's Learning and Engagement programme.

Financial review

a. Review of the year

During the year ended 31 March 2022, the Group's income amounted to £1,394,993 (2021: £1,387,558).

The Group's expenditure for the year ended 31 March 2022 amounted to £958,147 (2021: £628,007).

The net surplus for the year amounted to £436,846 (2021: £759,551).

As at 31 March 2022, the Group had total funds of £1,487,659 (2021: £1,050,813) of which £511,211 (2021: £639,966) were restricted funds. At the year end the Group held £1,593,675 (2021: £1,014,072) in liquid assets.

As at 31 March 2022, the Trust had total funds of £1,298,127 (2021: 793,766) and £1,173,967 (2021: £716,487) in liquid assets.

During the year ended 31 March 2022, Manchester Art Gallery Trading Company Limited reported a profit after tax of £361,738 (2021: £151,782) and as at 31 March 2022 the company had net assets of £109,569 (2021: £66,588).

Manchester Art Gallery Development Company ceased trading on 31 March 2021 with its activities being transferred to the Trust.

Manchester City Galleries Trust
(A Company Limited by Guarantee)

Trustees' Report (continued)
For the Year Ended 31 March 2022

b. Reserves policy

The Trustees regularly review the level of the Trust's reserves to ensure that they are sufficient to meet foreseeable charitable expenditure, fixed costs and working capital requirements. A risk assessment is undertaken using the risk identification approach to determine anticipated:

- Charitable expenditure
- Fixed costs
- Unrestricted income
- Restricted income
- Working capital requirement

The Trustees aim to maintain a sufficient level of reserves to ensure continuing operations for the foreseeable future and that the Trust is able to meet its statutory and legal obligations.

Including restricted reserves, the Trustees have concluded that reserves of £225,000 should be maintained.

c. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Trust and the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

d. Investment policy

The outstanding loan of £14,557 from Manchester City Galleries Trust to the Trading Company was repaid during the year.

The balance of the Trust's funds are currently held in a non-interest bearing bank account following transfer of funds to a new bank. The Trustees are considering options for a transfer of some funds to a deposit account.

Structure, governance and management

a. Constitution

The Trust is registered as a charitable company limited by guarantee and was established and is governed under a Memorandum and Articles of Association.

The Trust is a registered charity, charity number 1048581, with a registered office of Manchester Art Gallery, Mosley Street, Manchester, M2 3JL.

The Trust is established for the advancement of the education of the citizens and other residents of the City of Manchester in particular and of other citizens and residents of the United Kingdom in general, in British and foreign history of the Arts, and for the benefits of scholars in the Universities and local, national and foreign researchers in history of the Arts.

Manchester City Galleries Trust
(A Company Limited by Guarantee)

Trustees' Report (continued)
For the Year Ended 31 March 2022

Structure, governance and management (continued)

b. Methods of appointment or election of Trustees

The management of the Trust is the responsibility of the Trustees who are elected and co opted under the terms of the Articles of Association.

The directors/trustees who served during the year are listed on page 1 of the annual report. The directors/trustees are elected annually by members in a general meeting.

c. Organisational structure and decision-making policies

The Trust is managed by the trustees/directors and by employees of Manchester City Council. There are no staff directly employed by the Trust, although staff working in the Manchester Art Gallery Café and some members of the Events Team are employed by Manchester Art Gallery Trading Company Limited and all trading business is recorded through this company.

The Trustees meet quarterly to review the financial position of the Trust and to guide progress against the Trust's objectives.

The Directors of Manchester Art Gallery Trading Company Limited meet monthly to review the trading results and monitor and determine the company's future commercial objectives. The operational management of Manchester Art Gallery Trading Company rests with three key managers; the General Manager, the Trading Company Accountant and the Head of Commercial. These key managers attend and contribute to the Directors' meetings. The remuneration of the operational management is set by the Board of the Directors having regard to performance and the market rate for comparable roles.

d. Policies adopted for the induction and training of Trustees

New Trustees are introduced to the Group, usually by existing Trustees and Manchester City Galleries staff, and are given a full background to the Group's history and current activities to ensure they have a good knowledge of the Group and the activities of Manchester City Galleries. A role description is issued to all new Trustees so that they are fully aware of their duties and responsibilities. Regular updates on gallery business are sent to Trustees and opportunities for training are offered. Trustees are expected to take part in gallery activities – attending exhibition previews, all-gallery training etc. and engage in the wider cultural life of the city.

e. Related party relationships

The Trust holds the entire issued share capital of Manchester Art Gallery Trading Company Limited and co operates with Manchester City Council in pursuit of its charitable objectives.

Transactions between the Trust and Trading Company are shown in note 26 to the accounts. Trading profits (when available and net of earlier deficits) of the Manchester Art Gallery Trading Company Limited have been gifted to the Trust.

Manchester City Galleries Trust
(A Company Limited by Guarantee)

Trustees' Report (continued)
For the Year Ended 31 March 2022

Structure, governance and management (continued)

f. Risk management

The Trustees have assessed the major risks to which the Trust and the Group are exposed, in particular those related to the operations and finances of the Trust and the Group, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

The principal risks affecting the Trust and the Group are the dependence on fundraising (grants, donations, memberships and sponsorship) and the popularity of the programme which in turn generates donation box income and retail income for the Manchester Art Gallery Café. The Trustees manage these risks for the Trust and the Group by regularly reviewing past financial performance, future financial projections and the potential opportunities that arise from the programme. In undertaking this review, the Trustees are assisted by professional curatorial staff employed by Manchester City Council.

The principal risks facing Manchester Art Gallery Trading Company Limited, which operates the Manchester Art Gallery Café are:

- **Consumer spending.** The company's revenue is dependent on consumer spending which can reduce for a variety of reasons such as uncertainty, the general economic environment, competition and the weather. The company seeks to mitigate this risk by providing exceptional value for money, top quality food and drink and attentive service combined with an excellent location in the heart of Manchester.
- **Food safety.** Maintaining high food hygiene standards is critical to the company's business. The directors and senior management take food hygiene very seriously and have implemented best practice operational procedures to ensure this risk is reduced.
- **Reputational risk.** The directors and senior managers are conscious that, with the ever increasing use of social media, the reputation of the business can easily be damaged. The company seeks to provide a comprehensive customer experience which exceeds expectations. The directors monitor social media and respond where appropriate.

Other than continued fiscal pressures, the Trustees are not aware of any other factors that will impact the future performance of the Trust and the Group.

g. Public benefit

The Trust is established for the advancement of the education of the citizens and other residents of the City of Manchester in particular, and of other citizens and residents of the United Kingdom in general, in British and foreign history of the Arts, and for the benefits of scholars in the Universities and local, national and foreign researchers in history of the Arts.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities and services.

The Trust currently achieves its objectives by raising funds to support the Galleries' programme of exhibitions and educational activities, capital projects, and to fund acquisition of artworks for the collection.

In its support of Manchester City Galleries' activities, the Trust contributes to the free access of the general public to Manchester Art Gallery regardless of their background. The Trust is of the view that any private benefit gained by the Trustees is incidental. regardless of their background. The Trust is of the view that any private benefit gained by the Trustees is incidental.

Manchester City Galleries Trust
(A Company Limited by Guarantee)

Trustees' Report (continued)
For the Year Ended 31 March 2022

Funds

The funds held by the Trust are detailed in the notes to the financial statements.

Information on fundraising practices

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. The Trustees confirm that all fundraising is managed internally without the involvement of commission driven external fundraisers or third parties. The routine management of income generation rests with the gallery's Head of Development.

In general, fundraising activities are directed towards individuals and organisations that are already involved in the work of the gallery or who have expressed an interest in becoming involved.

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Charity 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 Trustees to prepare financial statements for each financial . Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Charity and of their incoming resources and application of resources, including their 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 of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Group will continue in business.

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

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

Manchester City Galleries Trust
(A Company Limited by Guarantee)

Trustees' Report (continued)
For the Year Ended 31 March 2022

Auditors

The auditors, Hurst Accountants Limited, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:

Jo Beggs

J L Beggs

Head of Development and Trust Secretary

Date: 15 Dec 2022

Manchester City Galleries Trust
(A Company Limited by Guarantee)

Independent Auditors' Report to the Members of Manchester City Galleries Trust

Opinion

We have audited the financial statements of Manchester City Galleries Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charity Balance Sheet, the 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Manchester City Galleries Trust
(A Company Limited by Guarantee)

Independent Auditors' Report to the Members of Manchester City Galleries Trust (continued)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. 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 course of 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.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company 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 Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Manchester City Galleries Trust
(A Company Limited by Guarantee)

Independent Auditors' Report to the Members of Manchester City Galleries Trust (continued)

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

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

Identifying and assessing potential risks related to irregularities

In identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- The nature of the industry and sector in which the group operates; the control environment and business performance including key drivers for directors' remuneration, bonus levels and performance targets.
- The outcome of enquiries of local management and parent company management, including whether management was aware of any instances of non-compliance with laws and regulations, and whether management had knowledge of any actual, suspected, or alleged fraud.
- Supporting documentation relating to the Group's policies and procedures for:
 - Identifying, evaluating, and complying with laws and regulations
 - Detecting and responding to the risks of fraud
- The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- The outcome of discussions amongst the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.
- The legal and regulatory framework in which the Group operates, particularly those laws and regulations which have a direct effect on the financial statements, such as the Companies Act 2006, Charities SORP, Charities Act 2011, Charity Commission, pensions and tax legislation, or which had a fundamental effect on the operations of the Company, including General Data Protection requirements, and Anti-bribery and Corruption.

Audit response to risks identified

Our procedures to respond to the risks identified included the following:

- Reviewing the financial statements disclosures and testing to supporting documentation to assess compliance with the provisions of those relevant laws and regulations which have a direct effect on the financial statements.
- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud.
- Evaluation and testing of the operating effectiveness of management's controls designed to prevent and detect irregularities.
- Enquiring of management about any actual and potential litigation and claims.
- Performing analytical procedures to identify any unusual or unexpected relationships which may indicate risks of material misstatement due to fraud.

Manchester City Galleries Trust
(A Company Limited by Guarantee)

Independent Auditors' Report to the Members of Manchester City Galleries Trust (continued)

We have also considered the risk of fraud through management override of controls by:

- Testing the appropriateness of journal entries and other adjustments.
- Challenging assumptions made by management in their significant accounting estimates, and assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and
- Evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

There are inherent limitations in the audit procedures described above, and the further removed non-compliance with laws and regulations are from the events and transactions reflected in the financial statements, the less likely we would become aware of them. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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 Auditors' Report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

HABesantRoberts

Helen Besant-Roberts (Senior Statutory Auditor)

for and on behalf of

Hurst Accountants Limited

Chartered Accountants

Statutory Auditors

Lancashire Gate

21 Tiviot Dale

Stockport

Cheshire

SK1 1TD

Date: 15 Dec 2022

Manchester City Galleries Trust
(A Company Limited by Guarantee)

Consolidated Statement of financial activities (incorporating income and expenditure account)
For the Year Ended 31 March 2022

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Income from:					
Donations and legacies	4	227,022	202,481	429,503	1,032,641
Charitable activities	5	55,029	157,196	212,225	295,769
Trading activities	6	753,089	-	753,089	59,060
Investments	7	176	-	176	88
Total income		1,035,316	359,677	1,394,993	1,387,558
Expenditure on:					
Raising funds	8	617,245	83,170	700,415	539,968
Charitable activities	9	154,737	102,995	257,732	88,039
Total expenditure		771,982	186,165	958,147	628,007
Net income		263,334	173,512	436,846	759,551
Transfers between funds	19	302,267	(302,267)	-	-
Net movement in funds		565,601	(128,755)	436,846	759,551
Reconciliation of funds:					
Total funds brought forward		410,847	639,966	1,050,813	291,262
Net movement in funds		565,601	(128,755)	436,846	759,551
Total funds carried forward		976,448	511,211	1,487,659	1,050,813

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

The notes on pages 20 to 39 form part of these financial statements.

Manchester City Galleries Trust
(A Company Limited by Guarantee)
Registered number: 03053689

Consolidated Balance Sheet
As at 31 March 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	14	122,233	97,086
Current assets			
Stocks	16	3,996	3,996
Debtors	17	178,187	100,298
Cash at bank and in hand		1,593,675	1,014,072
		1,775,858	1,118,366
Creditors: amounts falling due within one year	18	(410,432)	(164,639)
Net current assets		1,365,426	953,727
Total net assets		1,487,659	1,050,813
Charity funds			
Restricted funds	19	511,211	639,966
Unrestricted funds	19	976,448	410,847
Total funds		1,487,659	1,050,813

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



J M Williams
Trustee

Date: 15 Dec 2022

The notes on pages 20 to 39 form part of these financial statements.

Manchester City Galleries Trust
(A Company Limited by Guarantee)
Registered number: 03053689

Charity Balance Sheet
As at 31 March 2022

	Note	2022 £	2021 £
Fixed assets			
Investments	15	2	2
Current assets			
Debtors	17	340,376	148,672
Cash at bank and in hand		1,173,967	716,487
		<u>1,514,343</u>	<u>865,159</u>
Creditors: amounts falling due within one year	18	(216,218)	(71,395)
Net current assets		<u>1,298,125</u>	<u>793,764</u>
Total net assets		<u><u>1,298,127</u></u>	<u><u>793,766</u></u>
Charity funds			
Restricted funds	19	431,106	449,436
Unrestricted funds			
General funds	19	867,021	344,330
Total unrestricted funds	19	<u>867,021</u>	<u>344,330</u>
Total funds		<u><u>1,298,127</u></u>	<u><u>793,766</u></u>

The Charity's net movement in funds for the year was £504,290 (2021 - £499,965).

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



J M Williams
Trustee

Date: 15 Dec 2022

The notes on pages 20 to 39 form part of these financial statements.

Manchester City Galleries Trust
(A Company Limited by Guarantee)

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

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash used in operating activities	21	<u>643,105</u>	<u>448,167</u>
Cash flows from investing activities			
Dividends, interests and rents from investments		176	88
Proceeds from the sale of tangible fixed assets		5,975	-
Purchase of tangible fixed assets		<u>(69,653)</u>	<u>(79,990)</u>
Net cash used in investing activities		<u>(63,502)</u>	<u>(79,902)</u>
Cash flows from financing activities			
Net cash provided by financing activities		<u>-</u>	<u>-</u>
Change in cash and cash equivalents in the year		579,603	368,265
Cash and cash equivalents at the beginning of the year		<u>1,014,072</u>	<u>645,807</u>
Cash and cash equivalents at the end of the year	22	<u><u>1,593,675</u></u>	<u><u>1,014,072</u></u>

The notes on pages 20 to 39 form part of these financial statements

Manchester City Galleries Trust
(A Company Limited by Guarantee)

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

1. General information

Manchester City Galleries Trust is a company limited by guarantee, registered number 03053689, incorporated in England. It is also a charity, registered number 1048581. The registered address is Manchester Art Gallery, Mosley Street, Manchester, M2 3JL.

The principal activity of the group is raising money to support the projects and programmes of Manchester City Art Gallery.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

Manchester City Galleries Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the Charity and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis.

The Charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements.

The Charity meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemption available to it in respect of its separate financial statements in relation to presentation of a cash flow statement.

2.2 Company status

The Charity is a company limited by guarantee. The members of the company are the Trustees names on page 1. The address of its registered office is Manchester Art Gallery, Mosley Street, Manchester, M2 3JL. In the event of the Charity being wound up, the liability in respect of the guarantees is limited to £1 per member of the Charity.

2.3 Going concern

In deciding to prepare the financial statements on a going concern basis, the Trustees have considered all available information regarding the future for a period of at least 12 months from the date of approval of these financial statements. The Trustees are satisfied that the going concern basis adopted in the preparation of these financial statements is appropriate and that the Group can continue in operational existence for at least the next 12 months.

Manchester City Galleries Trust
(A Company Limited by Guarantee)

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

2. Accounting policies (continued)

2.4 Income

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

Donated services or facilities are recognised when the Group has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the Group of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised. Refer to the Trustees' Report for more information about their contribution.

On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the Charity which is the amount it would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Income from grants and government grants is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service. Revenue from the sale of food and beverages is recognised at the point of sale. Revenue from a contract to provide services is recognised in the period in which the services are provided in.

Manchester City Galleries Trust
(A Company Limited by Guarantee)

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

2. Accounting policies (continued)

2.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Governance costs are those incurred in connection with administration of the Charity and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds. The costs of commercial trading includes the cafeteria and its associated support costs.

Charitable activities and Governance costs are costs incurred on the Charity's operations, including support costs and costs relating to the governance of the Charity apportioned to charitable activities.

2.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.7 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Long-term leasehold property	-
Plant and machinery	- 25% reducing balance
Office equipment	- 25% reducing balance
Computer equipment	- 33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Financial Activities.

Manchester City Galleries Trust
(A Company Limited by Guarantee)

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

2. Accounting policies (continued)

2.8 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

2.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the statement of financial activities.

2.10 Debtors

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

2.11 Cash at bank and in hand

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

2.12 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated Statement of Financial Activities as a finance cost.

2.13 Financial instruments

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

2.14 Operating leases

Rentals paid under operating leases are charged to the Consolidated Statement of Financial Activities on a straight line basis over the lease term.

Manchester City Galleries Trust
(A Company Limited by Guarantee)

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

2. Accounting policies (continued)

2.15 Pensions

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

2.16 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

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

2.17 Value added tax (VAT)

Income is stated net of VAT where applicable. Expenditure is stated net of any recoverable VAT. Any irrecoverable VAT is recognised as a cost against the activity for which the expenditure was incurred.

3. Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgement:

Accruals and deferred income

Accruals and deferred income are entered in the financial statements based on management expectations, taking into account various factors relevant to each item. The Group recognised accruals and deferred income at 31 March 2022 of £315,948 (2021: £127,868).

Depreciation

The Group exercises judgement in estimating the useful economic life of plant and machinery, office equipment and computer equipment. The net book value of fixed assets at the year end totalled £122,253 (2021: £97,086).

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

4. Income from donations and legacies

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Donations	165,951	58,386	224,337	<i>113,066</i>
Government grants	61,071	144,095	205,166	<i>919,575</i>
Total 2022	<u>227,022</u>	<u>202,481</u>	<u>429,503</u>	<u><i>1,032,641</i></u>
<i>Total 2021</i>	<u><i>246,941</i></u>	<u><i>785,700</i></u>	<u><i>1,032,641</i></u>	

5. Income from charitable activities

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Grants receivable	-	157,196	157,196	<i>267,286</i>
Friends income	55,029	-	55,029	<i>28,483</i>
Total 2022	<u>55,029</u>	<u>157,196</u>	<u>212,225</u>	<u><i>295,769</i></u>
<i>Total 2021</i>	<u><i>28,483</i></u>	<u><i>267,286</i></u>	<u><i>295,769</i></u>	

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

6. Income from trading activities

	Unrestricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Catering, events and venue hire	753,089	753,089	310
Corporate membership	-	-	58,750
Total 2022	<u>753,089</u>	<u>753,089</u>	<u>59,060</u>
<i>Total 2021</i>	<u>59,060</u>	<u>59,060</u>	

7. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Income from bank deposits	176	176	88
Total 2022	<u>176</u>	<u>176</u>	<u>88</u>
<i>Total 2021</i>	<u>88</u>	<u>88</u>	

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

8. Expenditure on raising funds

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Cost of sales and administrative expenses	108,217	75,170	183,387	<i>133,199</i>
Wages and salaries	437,240	8,000	445,240	<i>367,455</i>
National insurance contributions	26,252	-	26,252	<i>22,547</i>
Pension costs	7,005	-	7,005	<i>6,387</i>
Depreciation of tangible fixed assets	38,531	-	38,531	<i>10,380</i>
Total 2022	617,245	83,170	700,415	<i>539,968</i>
<i>Total 2021</i>	<i>359,669</i>	<i>180,299</i>	<i>539,968</i>	

9. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	<i>Total 2021 £</i>
Gallery	130,918	-	130,918	<i>3,773</i>
Exhibitions	-	69,825	69,825	<i>45,971</i>
Friends scheme	457	-	457	<i>150</i>
Other fundraising	3,403	-	3,403	<i>147</i>
Acquisitions	-	33,170	33,170	<i>14,737</i>
Governance	19,959	-	19,959	<i>23,261</i>
Total 2022	154,737	102,995	257,732	<i>88,039</i>
<i>Total 2021</i>	<i>27,331</i>	<i>60,708</i>	<i>88,039</i>	

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

10. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Gallery	130,918	-	130,918	3,773
Exhibitions	69,825	-	69,825	45,971
Friends scheme	457	-	457	150
Other fundraising	3,403	-	3,403	147
Acquisitions	33,170	-	33,170	14,737
Governance	-	19,959	19,959	23,261
Total 2022	<u>237,773</u>	<u>19,959</u>	<u>257,732</u>	<u>88,039</u>
<i>Total 2021</i>	<u>64,778</u>	<u>23,261</u>	<u>88,039</u>	

Analysis of support costs

	Governance costs 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Audit fees	11,350	11,350	12,900
Accountancy fees	8,287	8,287	9,323
Bank charges	322	322	1,038
Total 2022	<u>19,959</u>	<u>19,959</u>	<u>23,261</u>
<i>Total 2021</i>	<u>23,261</u>	<u>23,261</u>	

Support costs have been allocated on an actual basis.

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

11. Auditors' remuneration

	2022	<i>2021</i>
	£	£
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	11,350	<i>12,900</i>
Fees payable to the Charity's auditor in respect of:		
Taxation services not included above	550	<i>1,000</i>
	=====	=====

12. Staff costs

	Group	<i>Group</i>
	2022	<i>2021</i>
	£	£
Wages and salaries	445,240	<i>367,455</i>
Social security costs	26,252	<i>22,547</i>
Contribution to defined contribution pension schemes	7,005	<i>6,387</i>
	=====	=====
	478,497	<i>396,389</i>

The average number of persons employed by the Charity during the year was as follows:

	Group	<i>Group</i>
	2022	<i>2021</i>
	No.	<i>No.</i>
Employees	35	<i>26</i>
	=====	=====

No employee received remuneration amounting to more than £60,000 in either year.

13. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (*2021 - £NIL*).

During the year ended 31 March 2022, no Trustee expenses have been incurred (*2021 - £NIL*).

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

14. Tangible fixed assets

Group

	Long-term leasehold property £	Plant and machinery £	Office equipment £	Computer equipment £	Total £
Cost or valuation					
At 1 April 2021	16,825	57,683	33,332	26,275	134,115
Additions	10,460	26,517	4,508	28,168	69,653
Disposals	(5,975)	-	-	-	(5,975)
At 31 March 2022	21,310	84,200	37,840	54,443	197,793
Depreciation					
At 1 April 2021	352	31,112	1,524	4,041	37,029
Charge for the year	3,108	11,843	8,165	15,415	38,531
At 31 March 2022	3,460	42,955	9,689	19,456	75,560
Net book value					
At 31 March 2022	17,850	41,245	28,151	34,987	122,233
<i>At 31 March 2021</i>	<i>16,473</i>	<i>26,571</i>	<i>31,808</i>	<i>22,234</i>	<i>97,086</i>

The Company had no fixed assets.

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

15. Fixed asset investments

	Investments in subsidiary companies £
Charity	
Cost or valuation	
At 1 April 2021	4,002
At 31 March 2022	<u>4,002</u>
Impairment	
At 1 April 2021	4,000
At 31 March 2022	<u>4,000</u>
Net book value	
At 31 March 2022	2
<i>At 31 March 2021</i>	<u>2</u>

Details of the Charity's principal subsidiaries are presented in note 27.

16. Stocks

	Group 2022 £	<i>Group 2021 £</i>
Finished goods and goods for resale	<u>3,996</u>	<u>3,996</u>

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

17. Debtors

	Group 2022 £	<i>Group 2021 £</i>	Company 2022 £	<i>Company 2021 £</i>
Due within one year				
Trade debtors	84,980	84,755	6,875	54,801
Amounts owed by group undertakings	-	-	331,738	93,866
Other debtors	88,482	14,627	1,763	5
Prepayments and accrued income	4,725	916	-	-
	178,187	100,298	340,376	148,672

An impairment loss of £nil (2021: £nil) was recognised in the year against trade debtors.

18. Creditors: Amounts falling due within one year

	Group 2022 £	<i>Group 2021 £</i>	Company 2022 £	<i>Company 2021 £</i>
Trade creditors	18,253	14,587	2,447	5,146
Amounts owed to group undertakings	-	-	-	551
Other taxation and social security	47,804	5,597	-	-
Other creditors	27,827	16,587	7,802	11,724
Accruals and deferred income	316,548	127,868	205,969	53,974
	410,432	164,639	216,218	71,395

	Group 2022 £	<i>Group 2021 £</i>	Company 2022 £	<i>Company 2021 £</i>
Deferred income at 1 April 2021	127,868	244,056	53,974	151,912
Resources deferred during the year	315,948	127,868	205,969	53,974
Amounts released from previous periods	(127,868)	(244,056)	(53,974)	(151,912)
Deferred income at 31 March 2022	315,948	127,868	205,969	53,974

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

19. Statement of funds

Statement of funds - current year

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2022 £
Unrestricted funds					
General Funds	410,847	1,035,316	(771,982)	302,267	976,448
	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2022 £
Restricted funds					
Zochonis Trust	90,000	-	-	(36,424)	53,576
Clore Duffield Foundation (Learning & Engagement)	10,000	6,000	-	-	16,000
Assheton Bennett	15,173	-	-	-	15,173
Deborah Roberts	14,263	-	-	(14,263)	-
Jeremy Deller Film	40,000	-	-	(40,000)	-
Paul Mellon - Speech Acts	3,377	-	(1,000)	-	2,377
Graysons Art Club	16,357	-	-	(16,357)	-
University of Manchester (Suzanne Lacy)	9,400	-	-	(9,400)	-
GMCA (AoR Project)	-	14,000	-	-	14,000
Heritage Lottery Funding - Collecting Cultures	(1,957)	-	-	2,027	70
Derek Jarman	57,250	10,000	(12,509)	-	54,741
Culture Recovery Fund	190,459	144,095	(83,170)	(171,350)	80,034
Headley Trust	-	20,000	-	-	20,000
Francis Winham (Making Conversations)	2,000	-	-	-	2,000
Paul Hamlyn Foundation	27,706	-	(22,615)	(5,036)	55
National Heritage Fund (Trading Stations)	9,800	-	(9,232)	-	568
Sylvia Adams (Healthy Baby Stay & Play)	14,500	-	-	(14,500)	-
Platt Hall Project	(1,863)	36,437	(30,119)	5,036	9,491
Fashion Gallery	120,000	90,000	(16,735)	-	193,265
Other immaterial restricted project funds	23,501	39,145	(10,785)	(2,000)	49,861
	639,966	359,677	(186,165)	(302,267)	511,211
Total of funds	1,050,813	1,394,993	(958,147)	-	1,487,659

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

19. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 April 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 March 2021 £</i>
Unrestricted funds					
General Funds	152,626	334,572	(387,000)	310,649	410,847
Restricted funds					
Zochonis Trust	60,000	30,000	-	-	90,000
Clore Duffield Foundation (Learning & Engagement)	-	10,000	-	-	10,000
Assheton Bennett	15,173	-	-	-	15,173
Deborah Roberts	-	14,263	-	-	14,263
Jeremy Deller Film	-	40,000	-	-	40,000
Paul Mellon - Speech Acts	4,377	-	(1,000)	-	3,377
Graysons Art Club	857	15,500	-	-	16,357
University of Manchester (Suzanne Lacy)	9,400	-	-	-	9,400
Heritage Lottery Funding - Collecting Cultures	(24,592)	23,203	(568)	-	(1,957)
Derek Jarman	-	59,950	(2,700)	-	57,250
Culture Recovery Fund	-	681,407	(180,299)	(310,649)	190,459
Francis Winham (Making Conversations)	2,000	-	-	-	2,000
Paul Hamlyn Foundation	52,215	-	(24,509)	-	27,706
National Heritage Fund (Trading Stations)	9,800	-	-	-	9,800
Sylvia Adams (Healthy Baby Stay & Play)	11,500	3,000	-	-	14,500
Platt Hall Project	6,305	23,763	(31,931)	-	(1,863)
Fashion Gallery	-	120,000	-	-	120,000
Other immaterial restricted project funds	1,001	22,500	-	-	23,501
	<u>148,036</u>	<u>,043,586</u>	<u>(241,007)</u>	<u>(310,649)</u>	<u>639,966</u>
Total of funds	<u>300,662</u>	<u>1,378,158</u>	<u>(628,007)</u>	<u>-</u>	<u>1,050,813</u>

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

19. Statement of funds (continued)

Restricted funds are funds that have been provided in support of specific projects. The Trust holds sufficient resources to enable each fund to be applied in accordance with the restriction and can be itemised as follows:

Zochonis Trust: charitable donation specifically to support the gallery's Learning and Engagement Programme.

Clore Duffield Foundation: charitable donation specifically to support post-covid recovery work with the children and young people.

Ashetton Bennett: donation to support the further development of the gallery's silver collection.

Art Fund: donation towards acquisition of artwork by Deborah Roberts.

S McFayden: donation towards acquisition of artwork by Deborah Roberts.

V&A Purchase Fund: donation towards acquisition of artwork by Deborah Roberts.

Contemporary Art Society: donation towards acquisition of Jeremy Deller film.

The Bloxham Charitable Trust: charitable donation towards acquisition of Jeremy Deller film.

V&A Purchase Fund: donation towards acquisition of Jeremy Deller film.

Paul Mellon - Speech Acts: charitable donation to support of the Speech Acts Exhibition.

Manchester Contemporary Acquisition Fund: donation toward the acquisition of artwork for the Manchester Contemporary Collection.

University of Manchester: Payment of part of ACE grant to support partnership Suzanne Lacy exhibition.

The Art Fund: donation to support the Graysons Art Club exhibition.

Heritage Lottery Funding - Collecting Cultures: grant to develop costume collection.

The Ampersand Foundation: charitable donation to support the Derek Jarman: Protest! exhibitions

Culture Recovery Fund: DCMS grant to support the gallery through closure due to Covid-19 pandemic, including re-start costs and covering commercial losses.

Francis Winham (Making Conversations): grant to support transport and refreshment costs for participants in the Making Conversations engagement programme.

Paul Hamlyn Foundation: Explore and Test grant secured to undertake a learning and engagement project focused on Platt Hall, developing activities and models for the hall's re-imagining as a community museum.

National Heritage Fund (Trading Stations): specific donation for the Trading Stations "How Hot Drinks Shape Our Lives" - Engagement project.

Sylvia Adams (Healthy Baby Stay & Play): grant towards running the Healthy Child Drop-In and Baby Stay & Play events.

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

19. Statement of funds (continued)

ECFC Funding for Platt Hall Project: grant from the Esmeé Fairbairn Collections Fund to fund a project using Platt Hall gallery and its collections to test and develop a new sector leading model as the UK's first fully user-generated museum.

The Clothworkers' Foundation: charitable grant to support the creation of a new Fashion Gallery at Manchester Art Gallery.

The Costume Society: grant towards the conservation of a specific item in the Dandy Style exhibition.

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	122,233	-	122,233
Current assets	1,264,647	511,211	1,775,858
Creditors due within one year	(410,432)	-	(410,432)
Total	976,448	511,211	1,487,659

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Tangible fixed assets	97,086	-	97,086
Current assets	478,400	639,966	1,118,366
Creditors due within one year	(164,639)	-	(164,639)
Total	410,847	639,966	1,050,813

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

21. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2022 £	<i>Group 2021 £</i>
Net income for the year (as per Statement of Financial Activities)	436,846	759,551
Adjustments for:		
Depreciation charges	38,531	10,380
Dividends, interests and rents from investments	(176)	(88)
Decrease in stocks	-	3,991
Increase in debtors	(77,289)	(70,743)
Increase/(decrease) in creditors	245,193	(254,924)
Net cash provided by operating activities	643,105	448,167

22. Analysis of cash and cash equivalents

	Group 2022 £	<i>Group 2021 £</i>
Cash in hand	1,593,675	1,014,072

23. Analysis of changes in net debt

	At 1 April 2021 £	Cash flows £	At 31 March 2022 £
Cash at bank and in hand	1,014,072	579,603	1,593,675
	1,014,072	579,603	1,593,675

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Notes to the Financial Statements
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24. Pension commitments

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £7,050 (2021: £6,387). Contributions totalling £1,577 (2021: £949) were payable to the fund at the balance sheet date and are included in creditors.

25. Operating lease commitments

At 31 March 2022 the Group had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2022 £	<i>Group 2021 £</i>
Not later than 1 year	525	2,499
Later than 1 year and not later than 5 years	-	525
	525	3,024

The Charity had no commitments under non-cancellable operating leases at 31 March 2022.

26. Related party transactions

Key management personnel are considered to be the Trustees of the Manchester City Galleries Trust, the senior management team of Manchester Art Gallery Trading Company Limited and the directors of Manchester Art Gallery Trading Company Limited and Manchester Art Gallery Development Company Limited. None of the directors of Manchester Art Gallery Trading Company Limited nor Manchester Art Gallery Development Company Limited received any remuneration from the Company. None of the Trustees received any remuneration. The senior management team of Manchester Art Gallery Trading Company (who are not directors of the Company) received remuneration of £106,848 (2020: £58,983).

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

27. Principal subsidiaries

The following were subsidiary undertakings of the Charity:

Names	Company number	Registered office	Principal activity	Class of shares	Holding	Included in consolidation
Manchester Art Gallery Trading Company Limited	04465391	Manchester Art Gallery, Mosley Street, Manchester M2 3JL	Catering and events	Ordinary	100%	Yes
Manchester Art Gallery Development Company Limited	11901089	Manchester Art Gallery, Mosley Street, Manchester M2 3JL	Dormant	Ordinary	100%	Yes

The financial results of the subsidiaries for the year were:

Names	Income £	Expenditure £	Profit/(Loss)/ Surplus/ (Deficit) for the year £	Net assets £
Manchester Art Gallery Trading Company Limited	1,068,680	(706,942)	361,738	109,569
Manchester Art Gallery Development Company Limited	-	-	-	1



Issuer HURST Accountants

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Parties involved with this document

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Thu, 15th Dec 2022 16:37:05 UTC	Jo Beggs - Signer (301808e91031a30b86d01ef722604bc2)
Thu, 15th Dec 2022 16:44:16 UTC	John Williams - Signer (38a4ac4d1677ec01d51705dce04bbf5b)
Thu, 15th Dec 2022 17:07:14 UTC	Helen Besant Roberts - Signer (5b69dddce390fdd76c8d7718619b0d55)
Thu, 15th Dec 2022 17:07:14 UTC	Joanne flynn - Copied In (635f4ad5cd7d98c13b701e19305247f2)

Audit history log

Date	Action
Thu, 15th Dec 2022 17:07:14 UTC	The envelope has been signed by all parties. (82.30.251.26)
Thu, 15th Dec 2022 17:07:14 UTC	Sent a copy of the envelope to Joanne flynn (joanne.flynn@hurst.co.uk). (82.30.251.26)
Thu, 15th Dec 2022 17:07:14 UTC	Helen Besant Roberts signed the envelope. (82.30.251.26)
Thu, 15th Dec 2022 17:06:54 UTC	Helen Besant Roberts viewed the envelope. (82.30.251.26)
Thu, 15th Dec 2022 17:06:31 UTC	Helen Besant Roberts viewed the envelope. (82.30.251.26)
Thu, 15th Dec 2022 17:04:45 UTC	Helen Besant Roberts viewed the envelope. (82.30.251.26)
Thu, 15th Dec 2022 16:44:19 UTC	Document emailed to hbr@hurst.co.uk (18.134.158.236)
Thu, 15th Dec 2022 16:44:19 UTC	John Williams viewed the envelope. (81.152.239.188)
Thu, 15th Dec 2022 16:44:16 UTC	Sent the envelope to Helen Besant Roberts (hbr@hurst.co.uk) for signing. (81.152.239.188)
Thu, 15th Dec 2022 16:44:16 UTC	John Williams signed the envelope. (81.152.239.188)
Thu, 15th Dec 2022 16:41:59 UTC	John Williams viewed the envelope. (81.152.239.188)
Thu, 15th Dec 2022 16:37:08 UTC	Document emailed to john@1001thelock.com (18.130.19.134)
Thu, 15th Dec 2022 16:37:07 UTC	Jo Beggs viewed the envelope. (91.235.65.1)
Thu, 15th Dec 2022 16:37:05 UTC	Sent the envelope to John Williams (john@1001thelock.com) for signing. (91.235.65.1)
Thu, 15th Dec 2022 16:37:05 UTC	Jo Beggs signed the envelope. (91.235.65.1)

Thu, 15th Dec 2022 16:35:07 UTC	Jo Beggs viewed the envelope. (91.235.65.1)
Thu, 15th Dec 2022 16:34:57 UTC	Jo Beggs opened the document email. (91.235.65.1)
Thu, 15th Dec 2022 16:34:46 UTC	Jo Beggs opened the document email. (91.235.65.1)
Thu, 15th Dec 2022 15:01:08 UTC	Jo Beggs opened the document email. (40.94.105.126)
Thu, 15th Dec 2022 15:01:07 UTC	Jo Beggs opened the document email. (40.94.89.126)
Thu, 15th Dec 2022 15:00:39 UTC	Document emailed to j.beggs@manchester.gov.uk (13.42.66.68)
Thu, 15th Dec 2022 15:00:36 UTC	Sent the envelope to Jo Beggs (j.beggs@manchester.gov.uk) for signing. (185.20.130.146)
Thu, 15th Dec 2022 14:59:15 UTC	Joanne flynn has been assigned to this envelope (185.20.130.146)
Thu, 15th Dec 2022 14:59:15 UTC	Helen Besant Roberts has been assigned to this envelope (185.20.130.146)
Thu, 15th Dec 2022 14:59:15 UTC	John Williams has been assigned to this envelope (185.20.130.146)
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