

THE DISCERNING EYE LIMITED

(A company limited by guarantee)

DIRECTORS REPORT FOR THE YEAR ENDED 28 FEBRUARY 2022

The Directors, who are also Trustees of the charity for the purposes of the Companies Act, submit their annual report and the financial statements of the Discerning Eye Limited (the company) for the year ended 28 February 2022.

The Directors confirm that the annual report and financial statements of the company comply with current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP12) "Accounting and Reporting by Charities including FR2102, the Financial Reporting Standard applicable in the UK and Republic of Ireland.

Structure, governance and management

a CONSTITUTION

The company is a charitable company limited by guarantee and was set up by a Charity Commission Scheme.

b METHOD OF APPOINTMENT OR ELECTION OF DIRECTORS

The management of the company is the responsibility of the Directors who are elected and co-opted under the terms of the Trust deed.

c ORGANISATIONAL STRUCTURE AND DECISION MAKING

The Directors are responsible for the day to day running of the charity.

d RISK MANAGEMENT

The Directors have assessed the major risks to which the company is exposed, in particular those related to the operations and finances of the company, and are satisfied that systems are in place to mitigate our exposure to the major risks.

Objectives and Activities

a POLICIES AND OBJECTIVES

The company's principal activity during the period was to advance the education of the public in the arts and to encourage public awareness and interest in living British artists and their work.

There have been no changes in the objectives since the last annual report.

a REVIEW OF ACTIVITIES

It was with great pleasure that we returned to the Mall Galleries for the ING Discerning Eye 2021 exhibition. The selection was again done virtually with artists submitting images rather than physical pieces. The Directors were again delighted with the hugely positive response to this approach. This also meant that we were able to build on the learning from the totally virtual exhibition in 2020 and for the first time mount a fully hybrid exhibition with both physical and online viewing available. QR codes were used in gallery for information, for sales and to minimise the need for catalogues and price lists.

We saw a further increase in submissions with almost 7,500 pieces submitted by over 2700 artists. As with the previous year's submissions the proportion of entries from outside London and the South East, which was on average over 80% in physical submission years saw a greater representation of artists from across the nation and regions. An unintended but important outcome of the Covid forced move to virtual submissions is that we have achieved a much greener footprint for the exhibition.

We are very grateful to the selectors for their time and dedication, giving up two days for the selection on Zoom. All were very enthusiastic and worked with us with great energy and good humour.

Sales were very encouraging again with the three Private View nights returning. Our longstanding sponsor ING continues to provide us with great support and their opening night was, as always, a resounding success. The Chair's PV returned for its second year and again saw large numbers of people. Both of these evenings resulted in high sales. We extended the Artists' PV on the third evening to an afternoon and evening event in order to minimise congestion and again had a very positive response to that.

In addition to the exhibition other activity included six hosted webinars for artists on topics including Using Social Media, Entering Open Competitions and Working With Collectors.

The increased submission and the sales have helped boost the financial position of the charity and we have continued to invest some of that increased surplus in a new website, improving governance and in providing further on-line seminars for artists and new and budding collectors.

The Education and Advisory Committee continues to meet to guide the Directors on engagement and potential activities with artists, and to select the Drawing Prize Bursary.

We have appointed two new board members since the year end, Adelaide Damosh an artist and one of the 2021 selectors and Alice Whitehead who works as an art consultant. Both bring a breadth of talent, experience and connections that should prove invaluable to us going forward.

a RESERVE POLICY

The Directors aim to hold adequate resources to provide sufficient working capital for the company. At 28 February 2022, this was approximately 104% (2021 104%) of the budgeted annual expenditure. Cash reserves are held in various current and deposit accounts with CAF Bank, Barclays Bank and Lloyds TSB Bank.

DIRECTORS RESPONSIBILITIES

The Directors are responsible for preparing the Annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing these financial statements the Directors are required to:

1. Select suitable accounting policies and then apply them consistently.
2. Make judgements and estimates that are reasonable and prudent.
3. Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in operation.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with current statutory requirements. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the Directors on 25th October 2022 and signed on its behalf by:



Sarah Hall

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STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 28 FEBRUARY 2022

	Note	2022 £	2021 £
INCOMING RESOURCES			
Incoming resources from generated funds:			
Voluntary income	2	102,500	20,000
Investment income	3	3	75
Incoming resources from charitable activities	4	104,866	81,341
		<u>207,369</u>	<u>101,416</u>
TOTAL INCOMING RESOURCES			
RESOURCES EXPENDED			
Charitable activities	5	167,266	84,774
Governance costs	6	3,013	2,443
		<u>170,279</u>	<u>87,217</u>
TOTAL RESOURCES EXPENDED			
MOVEMENT IN TOTAL FUNDS FOR THE YEAR- NET INCOME FOR THE YEAR			
		37,090	14,199
Total funds brought forward		<u>195,062</u>	<u>180,863</u>
TOTAL FUNDS CARRIED FORWARD		<u>232,152</u>	<u>195,062</u>

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

The notes in pages 8-10 form part of these Financial Statements.

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BALANCE SHEET AS AT 28 FEBRUARY 2022

	Note	2022 £	£	2021 £	£
CURRENT ASSETS					
Debtors	8	720		2,720	
Discerning Eye art work collection		50,787		46,287	
Cash at bank		<u>191,077</u>		<u>154,756</u>	
		242,584		203,763	
CREDITORS: amounts falling due within one year	9	<u>-10,432</u>		<u>-8,701</u>	
			<u>232,152</u>		<u>195,062</u>
NET CURRENT ASSETS			<u>232,152</u>		<u>195,062</u>
CHARITY FUNDS			<u>232,152</u>		<u>195,062</u>
Unrestricted funds	10		<u>232,152</u>		<u>195,062</u>

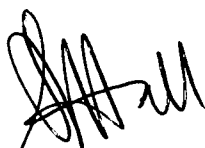
For the year ending 28/02/22 the company was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to small companies regime.

The financial statements were approved by the Directors on 25th October 2022 and signed on their behalf, by



Sarah Hall

The notes on pages 8 to 10 form part of these financial statements

THE DISCERNING EYE LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2022

1 Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical costs convention, with the exception of investments which are included at market value, and in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2015) and applicable accounting standards in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS102), effective 1 January 2015 and the Companies Act 2006.

1.2 Company status

The company is a company limited by guarantee and has no legal share capital. The Members of the company are the Trustees named on page 1. On the event of a winding up every Member may be required to contribute £10 to the charity's assets for payment of the charity's debts and liabilities.

1.3 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 company and which have not been designated for other purposes.

1.4 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the company is legally entitled to the income and the amount can be quantified with reasonable accuracy.

1.5 Resources expended

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated in a basis consistent with the use of the resources.

1.6 Cash flow

The financial statements do not include a cash flow statement because the charitable company, as a small reporting entity, is exempt from the requirement to prepare such a statement under section 7 of the Financial Reporting Standard (FRS102)

2 Voluntary Income

	2022	2021
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Sponsorship	102,500	20,000
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3 Investment Income

Bank interest received	3	75
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4 Incoming Resources from Charitable Activities

Commission on Art exhibition sales, submissions & Membership fees	104,866	81,341
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2022

5 Charitable Activities	2022	2021
	£	£
Agents Fees	24,000	24,000
Agents commission on sales	13,436	8,564
Prize winners payments	5,500	5,500
Catalogue & Newsletter costs	2,400	1,100
Printing costs	0	870
Postage/email mailings & stationery costs	651	756
Exhibition costs	20,266	7,364
Credit card fees	1,291	1,192
C24 Exhibition costs	0	150
Advertising	16,460	15,399
IT/Website costs	10,115	2,180
Submission fees to Agent	18,605	16,000
Transportation of Artists works and other travel costs	2,705	0
The Mall Galleries rent	50,000	0
Insurances	589	564
Storage costs	1,248	1,135
	167,266	84,774

6 Governance Costs

Accountancy/Examiners fees	1,576	1,429
Education costs	150	600
Bank charges	97	67
Sundry expenses	1,190	347
	3,013	2,443

7 Net Incoming Resources

This is stated after charging:

Accountants and examiners costs	1,576	1,429
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During the year Mrs C Enskat received an accountancy fee of £1170
Directors received reimbursement of expenses of £195

8 Debtors

Other debtors	720	2,720
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9 Creditors

Amounts falling due within one year

Other creditors and accruals	10,432	8,702
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2022

10 SUMMARY OF FUNDS

	Brought forward	Incoming resources	Resources expended	Carried forward
	£	£	£	£
General funds	195,062	207,369	170,279	232,152

**Independent Examiner's Report to the Trustees of
The Discerning Eye limited
For the year ended 28 February 2022**

I report on the accounts of the Charity for the year ended 28 February 2022, which are set out on pages 6 to 10

Respective responsibilities of the Directors and examiner

As described on pages 2, 3 and 4, the Trustees, who are also Directors of the company for the purposes of the Companies Act, are responsible for the preparation of the accounts and reports. It is my responsibility to carry out procedures designed to enable me to report my opinion.

Basis of independent examiner's report

My examination was carried out in accordance with section 145 of the Charities Act 2011, in accordance with the general Directions given by the Charity Commission and so my procedures consisted of comparing the accounts with the accounting records kept by the company, and making such limited enquiries of the officers of the company as I considered necessary for the purpose of this report. The company is not required to obtain an audit under statutory requirements so consequently I do not express an audit opinion on these accounts.

Independent examiner's statement

In connection with my examination it is my opinion that the accounts are in agreement with the accounting records kept by the company.

Signed:



Dated: 24/10/22

H Nicholls
7 Fox Lane
Little Bookham
Surrey
KT23 3AT