

TRS GALLERY

INDEPENDENTLY EXAMINED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

Company Number: 06988365

Charity Number: 1152968

The Royal Standard
Northern Lights
5 Mann Street
Liverpool
L8 5AF

**TRS GALLERY
ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2021**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

TRUSTEES

M Hooper
R Stockill
J Buso (appointed 21st February 2022)
A Kelly (Chair) (appointed 21st February 2022)
S Mercer (appointed 21st February 2022)
S Mohamad Noor (appointed 21st February 2022)
M O'Brien (appointed 21st February 2022)
J Schofield (appointed 21st February 2022)
M Ball (resigned 1st January 2022)
M Brewster (resigned 29th October 2021)
D Evans (resigned 01/01/2022)
Y Karcheva (resigned 29th October 2021)
L Payot (resigned 1st January 2022)

REGISTERED OFFICE

5 Mann Street,
Liverpool, L8 5AF

COMPANY NUMBER

06988365

CHARITY NUMBER

1152968

BANKERS

HSBC

INDEPENDENT EXAMINER

Matthew Brown, CPFA
Adding Value Consultancy Ltd
Bluecoat Chambers
School Lane Liverpool L1 3BX

**TRS GALLERY
ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2021**

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**TRS GALLERY
ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2021**

TRUSTEES' REPORT

The trustees present their report and accounts for the year ended 31 August 2021 for the TRS Gallery, which is also known as The Royal Standard.

PRINCIPAL ACTIVITIES

The charitable company develops, promotes and advances the arts, including visual arts, craft and design, video, sound and digital arts and performance art.

CHARTIABLE OBJECTIVES

The charitable company aims to:

- Provide affordable studio spaces and supportive community to emerging artists
- Showcase exciting, innovative exhibitions and events
- Work with the most outstanding recent graduates and emerging artists as well as more established practitioners and other artist-led initiatives
- Develop a dynamic and challenging gallery programme
- Build national audiences; and
- Develop existing local and national relationships.

The charitable company aims to support and develop:

- New audiences: locally, nationally and internationally
- Opportunities for participation in arts activities; and
- Curatorial knowledge and resources.

SUMMARY OF ACTIVITIES UNDERTAKEN TO FURTHER THE OBJECTS

The charitable company will pursue these aims by the following principles:

- Provide equality of opportunity, in both its work in the arts and the development of the organisation
- Implement financial planning and increase paid capacity in the team to better support finances, governance, and studio management operations
- Consult with community to better inform programme and serve the needs of the community
- Developing existing partnerships with organisations; and
- Creating and sustaining a mixed funding base

PUBLIC BENEFIT STATEMENT

In considering the objectives and activities, the Trustees have considered Charity Commission guidance on public benefit to ensure that the organisation is meeting its public benefit requirements.

**TRS GALLERY
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TRUSTEES' REPORT

ORGANISATION AND LEGAL STATUS

The charity is a company limited by guarantee and registered as a Charity. The charitable company is controlled by its governing document, memorandum of articles incorporated on 12th August 2009 as amended by special resolution(s) dated 8th March 2013 as registered at Companies House on 5th April 2013.

The organisation is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is £1.

TRUSTEES AND THEIR APPOINTMENT AND TRAINING

The charitable company is governed by a Board of Trustees, who are also its Directors. Members of the Board of Trustees during the year are listed above.

Trustees are recruited based on a regular review if skills considered necessary and ongoing discussion between the existing Board of Trustees. Numbers are limited and the charitable company has a policy of a rolling Trusteeship/Directorship to keep the charitable company focused and forward thinking. The current Board has a range of skills including business management, sales, fundraising, arts education, art practice, curatorial practice, digital, and arts administration. This year we took on five new trustees to further diversify these skills, specifically with an aim of getting more artistic representation on the Board which has been achieved through the appointment of two current studio members, one of whom is a former Artist Lead.

ACHIEVEMENTS AND PERFORMANCE DURING THE YEAR

The charitable company delivered several programmes and events in the year attracting new and existing audiences to the gallery and studios. Due to covid-19 and lockdown, the organisation's focus was supporting its immediate community of artists through the period and delivering online activity. However, we were able to re-open to the public in May 2021 as part of Culture Liverpool's LightNight.

Significant progress has been made with the former M&S space in Bootle provided to us in 2020 by Axis Web. While there were significant operational hurdles to overcome, predominantly to do with the health & safety within the space, as well as insurance updates, and business modelling, the space is now open to TRS studio members. It is currently functioning as a cooperatively run space whereby any artist using the space is also responsible for the day to day running of the space. This is currently being formalised and once this is in place, it is hoped that we will be able to open the space to non-TRS members through an associates scheme. This will be discussed further under future plans.

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After securing ACE Emergency Funding to provide reduced rent to studio artists during 2020, we gradually increased back to full rent at the start of 2021. While this resulted in some instability in terms of studio capacity during the first half of 2021, since then we have been at a stable full capacity, and a place of secure financial stability. Three successful fundraisers were held, two of which took on a traditional auction format, highlighting the work of studio members and local artists, and generating funds for TRS. The third was a celebration of TRS's sixteenth birthday and took the form of a ticketed performance event. Since reopening in May, we have been able to get back to in person programming, collaborating with numerous local groups and showcasing the work of studio members. During May 2021 - April 2022, we have held 15 exhibitions and performance events, along with three successful fundraiser events in the gallery. Some programme highlights include:

LightNight Play: Exquisite Corpse - May 2021

As part of Culture Liverpool, exploring LightNight's theme of 'Play' TRS studio members formed groups and re-interpreted the game 'Exquisite Corpse', creating collective works and not revealing their shared creations to each other until the show.

BlackFest Festival 2021: Visual Arts Launch - September - October 2021

As part of BlackFest 2021, TRS hosted the visual arts strand, comprising a month long residency and subsequent exhibition with artist Gold Akanbi. Gold Akanbi is a British-Nigerian, neurodiverse multidisciplinary artist. Her numerous disciplines act as interdependent ecologies that are used to create whole worlds.

Youcef Hadjazi: Trauma Then, Trauma Now - October 2021

Youcef Hadjazi's project Trauma Then, Trauma Now explores collective and transgenerational trauma in post-colonial nations by focusing on the Algerian Civil War, often known as 'The Black Decade'.

Phelgm - January 2022

Since May 2021, Phlegm has been running as an alternative space for creative self-education. Participants responded to bi-weekly prompts, took part in workshops, and shared and received peer feedback during informal Zoom crits. During this one night exhibition, TRS showcased the final works produced by the participants of this alternative educational space.

Summer & Winter Auctions - August & December 2021

Both of the traditional summer and winter auctions were particularly successful, generating significant funds for TRS and showcasing the work of studio members as well as local artists.

LJMU Residency Scheme

As part of our long-standing relationship with Liverpool School of Art and Design, we provide new graduates with a residency space at our studios for a 4 month period. In that time, they have access to our facilities, and we work with them to help support their development through events. For the 2021/2022 academic year, we supported three recent graduates: Gold Akanbi, Charlie Donnelly-Dobson, and Jessica Povall.

**TRS GALLERY
ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2021**

TRUSTEES' REPORT

FUTURE PLANS

The Royal Standard's organisational development has been hindered due to the Pandemic; like many organisations, we are a year behind and slowly moving our attention externally again after 18 months of internal focus; focusing on the immediate community of artists we are working with. While we have been able to reinstate programming and open the gallery to the public again, our long term organisational development has been put on hold.

Strategic planning work initiated in 2019 that was put on pause during the pandemic is starting to be picked back up, and our mission and goals as an organisation remain the same. We are consistently looking for ways to improve TRS's services to benefit its artists, volunteers, and wider community of emerging practitioners. The tangible steps and goals outlined in our Business Plan and forecast, produced by Andrea Nixon and Jim Buso in 2019, are still attainable but have been delayed due to the pandemic. With the addition of five new Trustees, it is felt that TRS is now in a position to put together a new Business Plan taking into account the significant changes that have occurred since the initial work in 2019.

Our main focus and priority will be on continuing to support artists through pandemic recovery, through access to opportunities, support with funding, and increased opportunities to have a say and participate in the shaping of our programme. The programme committee started last year to give studio artists a say in what they think should be shown in the gallery and what would support their artistic development as a group has continued to grow, with many new studio members getting involved, most of whom are new graduates and emerging professionals.

We are aiming to take on a paid position to support our team of volunteers and take on some of the tasks that the current team struggle with capacity for. This will predominantly include financial and operational tasks, freeing up more time for the Artist Leads to focus on programme, studio support, and marketing. With more of a focus on these areas, it is hoped that the voluntary roles will be both more attractive to new candidates who are taken on on a rolling two year basis, and will be more beneficial to supporting their career aims, providing more time to work on creative projects.

Access to a former M&S retail space in Bootle granted by Axis-Web offers a unique space for our studio artists and the wider artistic community to come to produce work at scale and have access to affordable space which is near impossible within the city. The open plan space offers the chance for artists to work collaboratively and bounce round new ideas and thinking, rather than working in silos. Currently the space is being used by a selection of TRS artists and is offered to any new members who join. It is predominantly being used for larger scale physical works as well as performances, and is fast becoming a hub of experimentation and collaboration. Going forward, an associates scheme will be set up whereby artists and creatives who don't hold a studio at TRS can pay a small monthly fee to gain access to the Bootle space, as well as the facilities at our city centre site including the workshop, social space, and gallery.

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TRUSTEES' REPORT

FUTURE PLANS (continued)

We will also continue to work alongside LJMU in the facilitation of the Poly Residency Scheme, helping to support emerging young artists within the city region. This year, we will continue this relationship and explore ways we can work with MA students, and tap into networks further afield in Bootle. We are exploring the potential of developing relationships with Hugh Baird University and College, providing their students with access to space, and the energy and expertise of more experienced artists.

We are also keen to consult with the community in terms of what they would like from us as an organisation when planning our future programme for 2022. We plan to hold a series of consultancy sessions in our gallery space, inviting artists, peers, community members and organisations in to discuss the role we play in the community, collect views on what they would like to see and how our programme can better reflect them and their interests.

GOING CONCERN

The financial statements have been prepared on a going concern basis. The trustees have considered the level of funds held and the expected level of income and expenditure for the twelve months from authorising these financial statements. The trustees assess the charity to be a going concern based on review of financial performance of the current year to date, the management accounts forecast for the remainder of the financial year, and longer-term plans and forecasts for 2022/23 and beyond. As a result, the trustees are satisfied that these accounts can be prepared on a going concern basis.

ORGANISATIONAL DEVELOPMENT

Although hindered by the pandemic, we are still working towards building a more sustainable and resilient future as an organisation. We are focusing primarily on how our activity can support emerging artists from our Artist Leads to our studio artists and wider community of local artists and participants. We have started to grow our programme again, but with more dedicated time and space given to our studio members - using our external resources to support our internal community. Internally, our main focus is still to gain financial support in the form of an Operations and Financial Manager to remove the burden on our Artist Leads which hinders the opportunity to develop creative ideas, support our studio artists, and work on networking with the local community. While we have partial funding secured to support this role, further funding, consultation and support are needed to achieve this – work which will be undertaken by trustees, consultants, and critical friends.

**TRS GALLERY
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TRUSTEES' REPORT

RISK MANAGEMENT

The main risks to which the charitable company is exposed as identified by the Trustees have been considered and systems have been established to mitigate those risks.

FINANCIAL REVIEW

Incoming resources for the year totalled £51,442 (2020: £105,574) of which £2,960 (2020: £51,447) related to funding for projects upon which restrictions are placed. Total expenditure in the year was £56,804 (2020: £68,925), leaving a deficit for the year of £5,361 (2020: surplus £36,649). At 31 August 2021, the charitable company's reserves were £25,042 (2020: £30,403) of which £12,276 (2020: £12,276) represented restricted funds.

RESERVES POLICY

The purpose of the Reserves Policy for is to ensure the financial stability of the organisation and that it maintains a viable operating position to deliver on its charitable objectives. Based on the current operating expenditure the Target Operating Reserve is set at £12,500 which is equivalent to three months of operating cash expenses.

Definitions, Targets and Reporting:

The Operating Reserve is intended to provide an internal source of unrestricted funds for unforeseen situations such as a sudden increase in expenses, one-time unbudgeted expenses, unanticipated loss in funding/rental income, or uninsured losses. The Reserve may also be used for one-time, nonrecurring expenses that will build long-term capacity, such as staff development, research and development, or investment in infrastructure. Operating Reserves are not intended to replace a permanent loss of funds or eliminate an ongoing budget gap.

The target minimum Operating Reserve Fund is equal to three months of average operating cash expenses. The calculation of average monthly expenses excludes any costs associated with the delivery of arts related activities which are to be funded from Restricted funds and do not therefore form part of the Operating Reserve Calculation.

The amount of the Operating Reserve Fund target minimum will be calculated each year after approval of the annual budget, and reported by the Finance Sub-Committee to the Full Trustee meeting for formal approval. The Operating Reserve is a live target that will be monitored as part of the Full Trustee meeting cycle.

Funding of Reserves:

The Operating Reserve Fund should be funded with surplus unrestricted operating funds. The Trustees may from time to time direct that a specific source of revenue be set aside for Operating Reserves. Examples may include eligible grant funding with unrestricted access to the funds; donations; and sponsorship related to artistic activity.

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TRUSTEES' REPORT

RESERVES POLICY (continued)

Use of Reserves:

Use of the Operating Reserves requires three steps:

1. Identification of appropriate use of reserve funds - The Trustees and Directors will identify the need for access to reserve funds and confirm that the use is consistent with the purpose of the reserves as described in this Policy. This step requires analysis of the reason for the shortfall, the availability of any other sources of funds before using reserves, and evaluation of the time period that the funds will be required and replenished.

2. Authority to use operating reserves - A request to use Operating Reserves will be submitted to Trustees for approval as part of a Full Trustee meeting agenda item. The request should include the analysis and determination of the use of funds and plans for replenishment.

The organisation's goal is to replenish the funds used within twelve months to restore the Operating Reserve Fund to the target minimum amount. If the use of Operating Reserves will take longer than 12 months to replenish, the request will be scrutinized more carefully. The Trustees will approve or modify the request and authorise transfer from the fund. This will be recorded as a minute within the Full Trustee meeting report

3. Reporting and monitoring - A nominated Director is responsible for ensuring that the Operating Reserve Fund is maintained and used only as described in this Policy. Upon approval for the use of Operating Reserve funds, the Director will maintain records of the use of funds and plan for replenishment. He/she will provide regular reports to the Finance Committee and trustees of progress to restore the Fund to the target minimum amount. The use and current status/level of Operating Reserves will be an Agenda item at the Full Trustee meeting

Actual Operating Reserve:

As of 30 August 2018 the total unrestricted funds available to be ring-fenced for Operating Reserves fell short of the three-month target. The key issue affecting the reserves of the charitable company relate to the relocation of the charitable company in 2017, leading to costs being greater than anticipated. A financial strategy was put in place in 2018 to bring current reserves closer to the target figure.

A number of actions have now been implemented. These include:

- Increasing the rent from studio members by 10%
- Recruiting new trustees and advisors with specific financial and governance skills
- Strengthen existing institutional studio tenants and source new partnerships with scope for a premium rental income
- Increase the submission of grant applications including a significant application to the Arts Council which will include a core cost element to support unrestricted expenditure costs; and,
- Appointment of full-time support from the John Lewis secondment programme.

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TRUSTEES' REPORT

RESERVES POLICY (continued)

A Finance Sub-Committee has been established to review and monitor the actions above and to report into a strengthened Trustee committee. Despite the challenges presented, the Trustees are confident the actions presented will support the improvement of the current reserve to meet more closely with the Target Operating Reserve over time.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year. In preparing those financial statements, the Trustees should follow best practice and:

- select suitable accounting policies and then apply them consistently
- observe the methods and principle in the Charities SORP
- make judgements and estimates that are reasonable and prudent
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue as a going concern
- state whether applicable accounting standards have been followed, subject to any material departure disclosed and explained in the financial statements.

The Trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

APPROVAL

This report has been prepared in accordance with the Charities Act 2011, Companies Act 2006, Accounting and Reporting by Charities; Statement of Recommended Practice (SORP 2015) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1st January 2015).

This report was approved by the Board of Trustees on 17th May 2022 and signed on their behalf:

Alex Christey-Kelly

Trustee

**TRS GALLERY
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INDEPENDENT EXAMINER'S STATEMENT

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES

I report to the trustees on our examination of the accounts for the year ended 30 August 2021.

Responsibilities and basis of report

As the charity trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act'). The trustees consider that an audit is not required for this year under section 144(2) of the Act and that an independent examination is needed.

I report in respect of my examination of the Trust's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Matthew Brown, CPFA
Adding Value Consultancy Ltd
Accountants and Financial Management Consultants
Date: 17th May 2022

TRS GALLERY
ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2021

STATEMENT OF FINANCIAL ACTIVITIES

		Unrestricted funds	Restricted funds	2021 Total	2020 Total
Income and endowments from:					
Donations and legacies	2	702	2,960	3,662	65,087
Other Trading activities	3	47,780	-	47,780	40,487
Total Income and endowments		48,482	2,960	51,442	105,574
Expenditure:					
Expenditure on charitable activities	4	53,137	2,960	56,097	68,104
Fundraising	5	707	-	707	821
Total Expenses		53,844	2,960	56,804	68,925
Net Income/(Expenditure)		(5,361)	0	(5,361)	36,649
Net income/(expenditure) for the year		(5,361)	0	(5,361)	36,649
Total funds brought forward		18,127	12,276	30,403	(6,246)
Net funds carried forward		12,766	12,276	25,042	30,403

The Statement of Financial Activities includes all gains and losses recognised during the year. All income and expenditure relate to continuing operations.

TRS GALLERY
ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2021

BALANCE SHEET AS AT 31 AUGUST 2021

	Notes	2021		2020	
		£	£	£	£
FIXED ASSETS					
Tangible Fixed Assets	7		-		-
CURRENT ASSETS					
Debtors (amounts falling due within one year)	8	5,018		1,689	
Cash at bank and in hand		<u>22,613</u>		<u>40,074</u>	
		27,632		41,763	
CREDITORS: Amounts falling due within one year	9	<u>(2,589)</u>		<u>(11,360)</u>	
NET CURRENT LIABILITIES			25,042		30,403
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>25,042</u>		<u>30,403</u>
RESERVES					
Unrestricted funds	11		12,766		18,127
Restricted funds	12		<u>12,276</u>		<u>12,276</u>
			<u>25,042</u>		<u>30,403</u>

For the year ending 31 August 2021 the company was entitled to exemption under section 477 of the Companies Act relating to small companies. 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 the preparation of accounts.
These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Approved by the board of trustees on 17th May 2022 and signed on their behalf:

Alex Christey-Kelly

Trustee

TRS GALLERY
ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2021

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

1a. Basis of Accounting

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (SORP 2015) (effective 1st January 2015), Charities Act 2011 and the Companies Act 2006.

The accounts are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £.

1b. Fund accounting

Unrestricted funds are the charitable company's free reserves available for the Trustees to apply in accordance with the charitable company's charitable objectives.

Restricted funds are subject to specific restrictive conditions imposed by the donor. All restricted funds are accounted for as restricted income and expenditure for the purposes is charged to the fund.

1c. Income recognition

All income is recognised once the charitable company has entitlement to the income, there is sufficient certainty of receipt and so it is probable that the income will be received, and the amount of income receivable can be measured reliably.

Donations and legacies comprise of donations and general grants which are recognised in the accounts when received, with the exception of known legacies which are accounted for when their receipt is certain.

Other trading income relates to all fundraising events and is recognised when the amounts are certain.

1d. Expenditure recognition

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charitable company to that expenditure, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

TRS GALLERY
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NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES (continued)

All expenditure is accounted for on an accruals basis. All expenses, including support costs and governance costs, are allocated or apportioned to the applicable expenditure headings in the Statement of Financial Activities. Support and governance costs are applied to unrestricted funds unless specifically included in the restrictions, as specified by the donor.

Expenditure on charitable activities relate to the operation of the charitable company comprising of direct charitable expenditure to meet the objectives of the charitable company. Support and governance costs relate to the management and operation of the organisation and also compliance with constitutional and statutory requirements in producing the annual report. These are dealt with in the Statement of Financial Activities when payment has been approved by the charitable company.

1e. Tangible fixed assets

Tangible fixed assets are stated in the balance sheet as cost or revaluation less accumulated depreciation. Capital expenditure of £100 and above is treated as a fixed asset. Depreciation is provided to write off the cost of each asset over its expected useful life as below:

Improvements to property	25% per annum straight line basis
Plant and machinery	25% per annum straight line basis

1f. Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

1g. Financial instruments

The charitable company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charitable company's balance sheet when the charitable company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1h. Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

TRS GALLERY
ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2021

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES (continued)

1j. Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

1k. Derecognition of financial liabilities

Financial liabilities are derecognised when the charitable company's contractual obligations expire or are discharged or cancelled.

1l. Taxation

Income and gains are exempt from taxation as they are received and applied for charitable purposes only. The charitable company benefits from various exemptions from taxation afforded by tax legislation and is not liable to corporation tax on income or gains falling within those exemptions.

1m. Critical accounting estimates and judgements

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

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

TRS GALLERY
ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2021

NOTES TO THE ACCOUNTS

2. INCOME AND ENDOWMENTS FROM DONATIONS AND LEGACIES

	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
Donations and sponsorship	702	-	702	3,640
Grants Receivable	-	2,960	2,960	61,447
	702	2,960	3,662	65,087

	2021 £	2020 £
Analysis of grants receivable:		
Arts Council England	-	14,960
Frolich	-	9,847
Arts Council England - Emergency Grant	2,960	26,640
Liverpool City Council	-	10,000
	2,960	61,447

3. INCOME AND ENDOWMENTS FROM OTHER TRADING ACTIVITIES

	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
Fundraising	2,447	-	2,447	4,598
Rents Receivable	45,333	-	45,333	35,889
	47,780	-	47,780	40,487

4. EXPENDITURE ON CHARITABLE ACTIVITIES

	Direct Charitable Expenditure 2021 £	Support Finance & Governanc 2021 £	Total 2021 £	Total 2020 £
Operation of an artists' gallery and exhibitions	22,270	33,826	56,097	68,104
	22,270	33,826	56,097	68,104

TRS GALLERY
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NOTES TO THE ACCOUNTS

4. EXPENDITURE ON CHARITABLE ACTIVITIES (continued)

	2021	2020
	£	£
Direct Charitable Expenditure		
Fees and other costs	-	-
Insurance	562	554
Operating Leases	17,315	18,762
Project Costs	1,050	13,474
Rates and water	-	341
Website & advertising	1,147	178
Subscriptions & office costs	2,196	378
Depreciation	-	2,154
Release of capital grant	-	(2,155)
	<u>22,270</u>	<u>33,686</u>

	2021	2020
	£	£
Support Finance & Governance		
Accountancy and legal fees	3,947	3,121
Bank charges	357	77
Write off and provision of rental income arrears	2,707	1,644
Insurance	843	831
Operating leases	25,972	28,143
Rates and water	-	511
Training	-	90
	<u>33,826</u>	<u>34,417</u>

Total expenditure on Charitable Activities	<u>56,097</u>	<u>68,103</u>
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£2,960 (2020: £48,964) of the above expenditure relates to restricted funding.

All costs, unless easily identifiable, have been apportioned between Charitable Activities and Support Costs at 40% and 60% respectively. This ratio is considered by the Trustees to fairly reflect the split of expenditure undertaken within the charity.

5. EXPENDITURE ON FUNDRAISING ACTIVITIES

	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
Events	707	-	707	821
	<u>707</u>	<u>-</u>	<u>707</u>	<u>821</u>

TRS GALLERY
ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2021

NOTES TO THE ACCOUNTS

6. TRUSTEES REMUNERATION AND BENEFITS

No Trustees were remunerated during the year.

No Trustees expenses (2020: nil) were paid in the year to cover travel expenses.

7. TANGIBLE FIXED ASSETS

	Improvements to property £	Plant and machinery £	Total £
Cost			
At 31 August 2020	8,619	2,406	11,025
At 31 August 2021	8,619	2,406	11,025
Depreciation			
At 31 August 2020	8,619	2,406	11,025
At 31 August 2021	8,619	2,406	11,025
Net Book Value			
At 31 August 2021	-	-	-
At 31 August 2020	-	-	-

8. DEBTORS

	2021 £	2020 £
Amounts falling due within one year:		
Rental debtors	3,310	1,689
Other debtors	1,689	-
Prepayments	19	-
	<u>5,018</u>	<u>1,689</u>

TRS GALLERY
ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2021

NOTES TO THE ACCOUNTS

9. CREDITORS: amounts falling due within one year

	2021	2020
	£	£
Accruals	2,455	7,036
Deferred Income	96	4,324
Other creditors	39	-
	<u>2,589</u>	<u>11,360</u>

10. LEASING AGREEMENTS

The charitable company had outstanding commitments for future minimum lease payments which fall due as follows:

	2021	2020
	£	£
Within one year	36,002	49,680
Two to five years	0	41,400
	<u>36,002</u>	<u>91,080</u>

11. UNRESTRICTED FUNDS

	Brought forward	Incoming resources	Outgoing resources	Carried forward
	£	£	£	£
General Fund	18,127	48,482	(53,844)	12,766
	<u>18,127</u>	<u>48,482</u>	<u>(53,844)</u>	<u>12,766</u>

12. RESTRICTED FUNDS

	Brought forward	Incoming resources	Outgoing resources	Carried forward
	£	£	£	£
Frolich Estate	9,847		-	9,847
Community Foundation for Merseyside	2,429	-	-	2,429
Arts Council England Emergency Grant		2,960	(2,960)	-
	<u>12,276</u>	<u>2,960</u>	<u>(2,960)</u>	<u>12,276</u>

These are the monies given to the charitable company to be spent for specific purposes.

TRS GALLERY
ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2021

NOTES TO THE ACCOUNTS

12. RESTRICTED FUNDS (continued)

Arts Council England Emergency Recovery Grant allowed us to provide reduced rent to studio artists to reduce the financial pressures placed on our community of artists, many of whom had their finances dramatically reduced due to loss of freelance work and commissions.

Estate of the Late Mrs AF Frohlich - Bequest granted to contribute towards hiring a permanent Studio Manager & supporting residency scheme for HEI graduates.

Community foundation for Merseyside funding will be used to fund artistic and creative exhibitions specifically aimed at people who are aged 65 and over.

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	General Unrestricted funds £	Restricted funds £	Total Funds £
Tangible Fixed Assets	-	-	-
Net Current Assets/(liabilities)	12,766	12,276	25,042
	<u>12,766</u>	<u>12,276</u>	<u>25,042</u>

14. RELATED PARTY TRANSACTIONS

Trustees L Payot, S Mohamad Noor and M O'Brien are also studio holders.

There were no other material related party transactions during the year which require disclosure (2020: none).

TRS GALLERY
ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2021

DETAILED STATEMENT OF FINANCIAL ACTIVITIES

This page does not form part of the statutory financial statements

Incoming Resources for the year ending 31 August 2021	2021 £	2020 £
Donations and legacies		
Donations and sponsorship	702	3,640
Grants	2,960	61,447
	<u>3,662</u>	<u>65,087</u>
Other trading activities		
Fund raising events	2,447	4,598
Rents receivable	45,333	35,889
	<u>47,780</u>	<u>40,487</u>
Total Incoming Resources	<u>51,442</u>	<u>105,574</u>
 Expenditure for the year ending 31 August 2021	 2021 £	 2020 £
Fundraising		
Events	707	821
Charitable Activities		
Fees and other costs	-	-
Insurance	562	554
Operating Leases	17,315	18,762
Project Costs	1,050	13,474
Rates and water	0	341
Website & Advertising	1,147	178
Subscription & office costs	2,196	378
Depreciation	-	2,154
Release of capital grant	-	(2,155)
	<u>22,270</u>	<u>33,686</u>
Support costs - management		
Insurance	843	831
Operating leases	25,972	28,143
Rates and water	-	511
Training	-	90
	<u>26,815</u>	<u>29,575</u>
Finance Costs		
Bank Charges	357	77
Write off and provision of rental income arrears	2,707	1,644
Governance Costs		
Governance Costs - Accountancy	3,947	3,121
Total resources expended	<u>56,804</u>	<u>68,924</u>
Net Income/ (Expenditure)	<u>(5,361)</u>	<u>36,650</u>