

# **TRS GALLERY**

## **INDEPENDENTLY EXAMINED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022**

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 2022**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

**TRUSTEES**

M Hooper

J Buso (appointed 21<sup>st</sup> February 2022)

A Kelly (Chair) (appointed 21<sup>st</sup> February 2022)

S Mercer (appointed 21<sup>st</sup> February 2022)

S Mohamad Noor (appointed 21<sup>st</sup> February 2022)

M O'Brien (appointed 21<sup>st</sup> February 2022)

J Schofield (appointed 21<sup>st</sup> February 2022)

R Stockill (resigned 1<sup>st</sup> January 2022)

M Ball (resigned 1<sup>st</sup> January 2022)

M Brewster (resigned 29<sup>th</sup> October 2021)

D Evans (resigned 1<sup>st</sup> January 2022)

Y Karcheva (resigned 29<sup>th</sup> October 2021)

L Payot (resigned 1<sup>st</sup> 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 2022**

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**TRS GALLERY  
ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2022**

**TRUSTEES' REPORT**

The trustees present their report and accounts for the year ended 31 August 2022 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  
ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2022**

**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 12<sup>th</sup> August 2009 as amended by special resolution(s) dated 8<sup>th</sup> March 2013 as registered at Companies House on 5<sup>th</sup> 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.

The focus for the organisation for the 21/22 period of activity has been to re-establish operational good practices, build studio membership capacity/activity and start a conversation on future plans. This has been necessary as we have moved out of the restrictions imposed by Covid-19 over the previous periods and begun to re-build a strong anchor for emerging artists across Liverpool.

Following the recruitment of a new cohort of Artist Leads, work has been ongoing between Trustees and ALs to formalise the way we report on activity. A series of standard reporting templates have been drafted and are used to collect key performance indicators linked to operational, artistic output and financial aspects of the organisation. The intention is for these to be completed on a monthly basis and reported to Trustees quarterly. This will provide transparency on the short to mid-term health of the organisation.

**TRS GALLERY**  
**ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2022**

**TRUSTEES' REPORT**

The Artist Leads have also developed and improved our website to become a dynamic platform that promotes TRS news, events, and information, and showcases studio holders' work.

The current Artist Leads have built a strong demand for studio space which is now at full capacity and with a healthy waiting list which will minimise any risks to rental income linked to void spaces. With the lifting of restrictions, the team have also embraced opportunities to promote studio members' work in the form of a number of in-person exhibitions. A summary of gallery activity is listed below.

Work has also begun on rebuilding and consolidating links and support with other partner organisations across Merseyside. This will form part of the focus for both future activities with Artist Leads and for the recruitment of new Trustees in 2023.

From September 2021 - August 2022, two successful fundraisers were held, which took on a traditional auction format, highlighting the work of studio members and local artists, and generating funds for TRS.

As we look at the short, medium and longer-term priorities of the organisation the team has held an away day, facilitated by Andrea Nixon, where we identified what we will need to do to respond to the coming year. This will be used to inform an updated business plan to be drafted and signed off in mid-2023.

We have also stepped back from the lease with AxisWeb linked to the development of a space for artistic activity in the former M&S store in Bootle. The TRS team supported a small group of artists to establish the space and to ensure some key Health and Safety aspects were addressed. However, the core TRS team felt that the work required to develop and sustain the space in Bootle was a distraction from the core work required at Northern Lights.

As part of our long-standing relationship with Liverpool School of Art and Design, we have re-established the new graduate residency at our studio. In that time, we have provided access to our facilities, and have worked with the graduates to help support their development through events. For the 2021/2022 academic year, we supported 3 recent graduates:

- Gold Akanbi / Autumn 2021 - Spring 2022
- Charlie Donnelly-Dobson / Winter 2021 - Spring 2022
- Jessica Povell / May - September 2022

During 2021 - 2022, we have held 26 exhibitions and performance events. Some programme highlights include:

- **Do They Owe Us A Living?** - Group exhibition co-hosted by the Bluecoat and the University of Liverpool (Art of Management & Organisation conference)
- **TRS Summer Auction Fundraiser** - TRS event
- **Adornments of Fancy** - Luke George
- **'OBSESSIONS'** - Liverpool Community College Photography Department
- **The door is on the latch** - Lucy Archer, Elizabeth Challinor, Max Mallender
- **'Les fenêtres'** - Ryan Murphy
- **Zesty** - TRS studio members exhibition
- **A Preview of Marilyn** - Marilyn Baby

## TRS GALLERY ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2022

- **Charlie's Arty Party** - LJMU Artist in Residence
- **Ali Hunter** - Solo Show
- **Our Super Sweet Sixteenth Birthday Party !!** - TRS event
- **Colourful Stories: A Queer Retelling of Liverpool's History**
- **'If You're Not Busy Living, You're Busy Dying'** - George Welsh
- **Certain Progress** - UAL AP Extended Diploma Art & Design
- **Liverpool Women Speak** - Liverpool Sisterhood
- **Super Last Minute Studio Show** - TRS studio exhibition
- **Be Free Campaign** - Wez Morris, Jed Timms, Lois Tierney and Peter Scott
- **Phlegm** - Aislinn O'Reilly, Annie Dobson, Aoife McCollum, Bobbie Hook and others
- **TRS Winter Auction Fundraiser** - TRS event
- **Is This It?** - John Elcock, Robert Flynn and Margaret O'Brien
- **A Day at the Beach** - Daniel O'Dempsey
- **Trauma Then, Trauma Now** - Youcef Hadjazi
- **VaRt** - 4Wings with SAE
- **BlackFest Festival 2021**, Visual Arts Launch

### FUTURE PLANS

The Royal Standard's organisational development has been hindered by the interruptions caused by Covid-19 and the year has been spent trying to re-establish a good operational regime. Good progress has been made on this and we are now looking to initiate a review of our mid to longer-term development.

We are resuming strategic planning work that was initiated in 2019 but put on pause during the pandemic 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 the wider community of emerging practitioners. The tangible steps and goals outlined in our Business Plan and Forecast, produced by Andrea Nixon and Jim Buso, are still attainable but are in need of a review and refresh to ensure they remain relevant and achievable post-pandemic. To this end, an away day with Trustees and reps for the Artist Lead team was held to help identify our priorities and our capacity to deliver change. This in turn will be used as the starting point for a refreshed business plan to help guide and monitor our medium and longer-term goals.

Our main focus and priority will be on continuing to support artists through access to opportunities, support with funding, and increased opportunities to input and participate in the shaping of our programme.

However, we have a couple of major medium-term priorities that will form the focus of our change management programme. These are the appointment of a temporary paid position and a review of options for a new 'home' following the termination of our lease at Northern Lights in 2026.

We aim to establish a paid position to support our team of volunteers and take on some of the tasks that can challenge the capacity of the team. 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 an increased focus on these areas, it is intended that the voluntary roles will be both more attractive to potential new candidates and more beneficial in supporting their career aims and providing time to work on creative projects.

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**TRUSTEES' REPORT**

Discussions will also be launched to consider a strategy to facilitate a move from Northern Lights in the next three years. This will start with a broad review of location/facility/cost priorities to set a brief of what a successful new home looks like. A full task and action plan will then be developed to set milestone targets that will be monitored on our journey to a new venue.

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.

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 2023. We plan to hold a series of consultancy sessions in our gallery space, inviting artists, peers, community members and organisations to discuss the role we play in the community. We will invite views on what the community would like to see and how our programme can better reflect them and their interests.

We are also looking to re-establish and build our profile and connections with wider arts-led partner organisations in the city and beyond through artist exchange programmes (Generator), studio residency opportunities (LJMU), exhibition/gallery projects (Bluecoat) and studio crits (Bridewell, Convenience). Also, the studio is working on building partnerships with professional businesses such as framing and art supplies services.

Another immediate activity will be for the current Artist Leads to initiate and develop a newsletter to promote the activity of studio members and provide a platform for discussion and debate across the studio community. We are also hoping to significantly develop the fundraising potential of the bi-annual art auctions by building relationships with corporate clients, extending its outreach to professional (non-art) audiences, and nurturing a buyers list that builds cumulatively with each successive event.

Finally, we will run a call for new Trustees to bring new skills and enthusiasm required for the organisation's mid to longer-term goals. In particular, we will look to recruit Trustees who can bring specific legal and accountancy/financial planning experience to the team. We hope to conclude this by mid-2023.

## **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 2023/24 and beyond. As a result, the trustees are satisfied that these accounts can be prepared on a going concern basis.

**TRS GALLERY  
ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2022**

**TRUSTEES' REPORT**

**ORGANISATIONAL DEVELOPMENT**

We remain focussed on how our activity can support emerging artists from our Artist Leads to our studio artists and a wider community of local artists and participants. We have grown our programme following the restrictions imposed by the earlier pandemic, 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. We will also look to broaden the skill set of Trustees with a recruitment call out early in 2023.

**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 £61,448 (2021: £51,442) of which £2,429 (2021: £2,960) related to funding for projects upon which restrictions are placed. Total expenditure in the year was £57,193 (2021: £56,804), leaving a surplus for the year of £6,738 (2021: deficit £5,362). At 31 August 2021, the charitable company's reserves were £19,502 (2021: £25,041) of which £9,847 (2021: £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.

**TRS GALLERY  
ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2022**

**TRUSTEES' REPORT**

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.

**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 2022 the total unrestricted funds available to be ring-fenced for Operating Reserves could be met. This is in part due to careful management of rental/gallery income and Covid related support over the past 2-years. A model for financial reporting has been introduced to ensure clear and transparent levels of unrestricted funds to be held as an Operating Reserve

**TRS GALLERY  
ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2022**

**TRUSTEES' REPORT**

**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 1<sup>st</sup> January 2015).

This report was approved by the Board of Trustees on 9<sup>th</sup> May 2023 and signed on their behalf:

Trustee

**TRS GALLERY  
ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2022**

**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 2022.

**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: 9<sup>th</sup> May 2023

**TRS GALLERY**  
**ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2022**

**STATEMENT OF FINANCIAL ACTIVITIES**

	Notes	Unrestricted Funds £	Restricted Funds £	2022 Total £	2021 Total £
<b>Income and endowments from:</b>					
Donations and legacies	2	30	0	30	3,662
Other Trading activities	3	61,418	0	61,418	47,780
<b>Total Income and endowments</b>		<u>61,448</u>	<u>0</u>	<u>61,448</u>	<u>51,442</u>
<b>Expenditure:</b>					
Expenditure on charitable activities	4	56,452	0	56,452	56,097
Fundraising	5	687	0	687	707
<b>Total Expenses</b>		<u>57,139</u>	<u>0</u>	<u>57,139</u>	<u>56,804</u>
<b>Net Income / (Expenditure)</b>		<b>4,309</b>	<b>0</b>	<b>4,309</b>	<b>(5,362)</b>
Transfers between funds		2,429	(2,429)	0	0
<b>Net Income / (Expenditure) for the year</b>		<b>6,738</b>	<b>(2,429)</b>	<b>4,309</b>	<b>(5,362)</b>
Total Funds brought forward		<u>12,766</u>	<u>12,276</u>	<u>25,042</u>	<u>30,403</u>
<b>Net funds carried forward</b>		<u><b>19,504</b></u>	<u><b>9,847</b></u>	<u><b>29,351</b></u>	<u><b>25,042</b></u>

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 2022**

**BALANCE SHEET AS AT 31 AUGUST 2022**

Company Number: 06988365

	Notes	2022 £	2021 £
<b>FIXED ASSETS</b>			
Tangible Fixed Assets	7	0	0
<b>CURRENT ASSETS</b>			
Debtors (amounts falling due within one year)	8	4,343	5,018
Cash at bank and in hand		29,011	22,613
		<u>33,353</u>	<u>27,631</u>
<b>CREDITORS: Amounts falling due within one year</b>	9	<u>(4,002)</u>	<u>(2,589)</u>
<b>NET CURRENT LIABILITIES</b>		29,351	25,042
<b>TOTAL ASSETS LESS LIABILITIES</b>		<u>29,351</u>	<u>25,042</u>
<b>RESERVES</b>			
Unrestricted funds - General Fund	11	19,504	12,766
Restricted Funds	12	9,847	12,276
		<u>29,351</u>	<u>25,042</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 9<sup>th</sup> May 2023 and signed on their behalf:

Trustee

**TRS GALLERY**  
**ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2022**

**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 1<sup>st</sup> 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**  
**ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2022**

**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 2022**

**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 2022**

**NOTES TO THE ACCOUNTS**

**2. INCOME AND ENDOWMENTS FROM DONATIONS AND LEGACIES**

	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	<i>Total Funds 2021 £</i>
Donations and sponsorship	30	-	30	702
Grants Receivable	-	0	0	2,960
	<u>30</u>	<u>-</u>	<u>30</u>	<u>3,662</u>

**3. INCOME AND ENDOWMENTS FROM OTHER TRADING ACTIVITIES**

	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	<i>Total Funds 2021 £</i>
Fundraising	7,708	-	7,708	2,447
Event Hire	1,868	-	1,868	0
Rents Receivable	51,843	-	51,843	45,333
	<u>61,418</u>	<u>-</u>	<u>61,418</u>	<u>47,780</u>

**4. EXPENDITURE ON CHARITABLE ACTIVITIES**

	Direct Charitable Expenditure 2022 £	Support Finance & Governance 2022 £	Total 2022 £	<i>Total 2021 £</i>
Operation of an artists' gallery and exhibitions	23,731	32,721	56,452	56,097
	<u>23,731</u>	<u>32,721</u>	<u>56,452</u>	<u>56,097</u>

**TRS GALLERY**  
**ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2022**

**NOTES TO THE ACCOUNTS**

**4. EXPENDITURE ON CHARITABLE ACTIVITIES (continued)**

<b>Direct Charitable Expenditure</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Fees and other costs	-	-
Insurance	542	562
Operating Leases	16,299	17,315
Project Costs	2,162	1,050
Rates and water	911	-
Website & advertising	400	1,147
Subscriptions & office costs	3,417	2,196
Depreciation	-	-
	<u>23,731</u>	<u>22,270</u>
 <b>Support Finance &amp; Governance</b>	 <b>2022</b>	 <b>2021</b>
	<b>£</b>	<b>£</b>
Accountancy, professional and legal fees	3,085	3,947
Bank charges	528	357
Write off of rental income arrears	2,480	2,707
Insurance	813	843
Operating leases	24,448	25,972
Rates and water	1,367	0
	<u>32,721</u>	<u>33,826</u>
 Total expenditure on Charitable Activities	 <u>56,452</u>	 <u>56,097</u>

In the year £2,429 (2021: £2,960) 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**

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total Funds</b>	<b>Total Funds</b>
	<b>2022</b>	<b>2022</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Events	687	-	687	707
	<u>687</u>	<u>-</u>	<u>687</u>	<u>707</u>

**TRS GALLERY**  
**ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2022**

**NOTES TO THE ACCOUNTS**

**6. TRUSTEES REMUNERATION AND BENEFITS**

S Mohamad Noor received £202.18 for proceeds relating to the sale of their art work.  
A Kelly was re-imbursed £44.89 for business expenses, no other expenses were re-imbursed for trustees (2021: nil).

**7. TANGIBLE FIXED ASSETS**

	Improvements to property £	Plant and machinery £	Total £
<b>Cost</b>			
At 31 August 2021	8,619	2,406	11,025
At 31 August 2022	8,619	2,406	11,025
<b>Depreciation</b>			
At 31 August 2021	8,619	2,406	11,025
At 31 August 2022	8,619	2,406	11,025
<b>Net Book Value</b>			
At 31 August 2022	-	-	-
At 31 August 2021	-	-	-

**8. DEBTORS**

Amounts falling due within one year:	2022 £	2021 £
Rental Debtors	4,343	3,310
Other Debtors	0	1,689
Prepayments	0	19
	4,343	5,018

**TRS GALLERY**  
**ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2022**

**NOTES TO THE ACCOUNTS**

**9. CREDITORS: amounts falling due within one year**

Amounts falling due within one year:	2022	2021
	£	£
Accruals	3,512	2,455
Deferred Income	0	96
Trade Creditors	492	39
	<u>4,004</u>	<u>2,590</u>

**11. UNRESTRICTED FUNDS**

	Brought Forward £	Incoming Resources £	Outgoing Resources £	Transfer from restricted reserve £	Carried Forward £
General Fund	12,766	61,448	57,139	2,429	19,504
	<u>12,766</u>	<u>61,448</u>	<u>57,139</u>	<u>2,429</u>	<u>19,504</u>

**12. RESTRICTED FUNDS**

	Brought Forward £	Incoming Resources £	Outgoing Resources £	Transfer to unrestricted reserve	Carried Forward £
Frolich Estate	9,847	0	0		9,847
Community Foundation for Merseyside	2,429	0	0	(2,429)	0
	<u>12,276</u>	<u>0</u>	<u>0</u>	<u>(2,429)</u>	<u>9,847</u>

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

- **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.

**TRS GALLERY**  
**ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2022**

**NOTES TO THE ACCOUNTS**

**13. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	General Unrestricted Funds £	Restructured Funds £	Total Funds £
Tangible Fixed Assets	0	0	0
Net Current Assets/(Liabilities)	19,502	9,847	29,349
	<u>19,502</u>	<u>9,847</u>	<u>29,349</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 (2021: none).

**TRS GALLERY**  
**ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2022**

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES**

This page does not form part of the statutory financial statements

<b>Incoming Resources for the year ending 31 August 2022</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Donations and legacies</b>		
Donations and Sponsorship	30	702
Grants	0	2,960
	<u>30</u>	<u>3,662</u>
 <b>Other Trading Activities</b>		
Donations and Sponsorship	7,708	2,447
Event Hire	1,868	0
Rents Receivable	53,710	45,333
	<u>61,418</u>	<u>47,780</u>
 Total Incoming Resources	<u>61,448</u>	<u>51,442</u>
 <b>Expenditure for the year ending 31 August 2022</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Fundraising</b>		
Events	687	707
 <b>Charitable Activities</b>		
Fees and other costs	0	0
Insurance	542	562
Operating Leases	16,299	17,315
Project Costs	2,162	1,050
Rates and Water	911	0
Website and Advertising	400	1,147
Subscription and office costs	3,417	2,196
Depreciation	0	0
	<u>23,731</u>	<u>22,270</u>
 <b>Support Costs</b>		
Insurance	813	843
Operating Leases	24,448	25,972
Rates and Water	1,367	0
Training	0	0
	<u>26,628</u>	<u>26,815</u>
 <b>Finance Costs</b>		
Bank Charges	528	357
Write off and provision of rental income arrears	2,480	2,707
 <b>Governance Costs</b>		
Governance costs - accountancy	3,085	3,947
 Total Resources Expended	<u>57,139</u>	<u>56,803</u>
 <b>Net Income/(Expenditure)</b>	<u><b>4,309</b></u>	<u><b>-5,361</b></u>