

# **TRS GALLERY**

## **INDEPENDENTLY EXAMINED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 AUGUST 2023**

Company Number: 06988365

Charity Number: 1152968

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

**TRS GALLERY  
ACCOUNTS FOR THE YEAR ENDED 30 AUGUST 2023**

**TRUSTEES and DIRECTORS**

M Hooper  
J Buso  
S Mohamad Noor  
M O'Brien  
Dr J Schofield  
A Christey-Kelly (Chair)  
S Mercer (resigned 6<sup>th</sup> April 2023)  
E Harris (appointed 6<sup>th</sup> April 2023)  
D Lally (appointed 6<sup>th</sup> April 2023)  
M Retallick (appointed 6<sup>th</sup> April 2023)

**REGISTERED OFFICE**

5 Mann Street, Northern Lights, 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 30 AUGUST 2023**

**CONTENTS**

	<b>Page</b>
Report of the Trustees	3
Independent Examiner's Statement	11
Statement of Financial Activities	12
Balance Sheet	13
Notes to the Accounts	14-20
Detailed Statement of Financial Activities	21

**TRS GALLERY  
ACCOUNTS FOR THE YEAR ENDED 30 AUGUST 2023**

**TRUSTEES' REPORT**

The trustees present their report and accounts for the year ended 30 August 2023 for 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.

**CHARITABLE OBJECTIVES**

The charitable company aims to:

- Provide affordable studio spaces and supportive community to 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 local, national and international audiences; and
- Develop existing local, national and international 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 30 AUGUST 2023**

**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 three new trustees to further diversify these skills, specifically with an aim of strengthening links with other arts organisations and teaching institutions (the new Trustees work for Tate, National Museums Liverpool, and Manchester School of Art).

**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 22/23 period of activity has been to re-establish operational good practices, build studio membership capacity/activity and start a conversation on future plans.

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 30 AUGUST 2023**

**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. This has included a monthly newsletter showcasing the work of studio members and providing a platform for promoting events and exhibitions.

The 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. There are some issues with a small minority of studio holders falling into rent arrears. As such we are working with those studio members to agree a payment plan to clear arrears. We are also looking at redrafting contracts to set out a policy for managing future arrears. This will include the requirement of a deposit, rent payments in advance, and a three-month termination trigger if holders do not engage in resolving any incurred arrears.

Work has also begun on rebuilding and consolidating links and support with other partner organisations across Merseyside. This is supported with the recruitment of three new Trustees who have good links to some of the more established arts organisations across the region.

From September 2022 - August 2023, one successful fundraiser was held, which took on a traditional auction format, highlighting the work of studio members and local artists, and generating funds for TRS.

As part of our long-standing relationship with Liverpool School of Art and Design, we have provided access to our facilities, and have worked with the LJMU graduates to help support their development through events. For the 2022/2023 academic year, we supported 3 recent graduates.

During 2022 - 2023, we have held over 30 exhibitions, workshops and performance events. Some programme highlights include:

- Homotopia creative skills zine workshop - Aug 29, 2023
- Biennial 2023: Karesansui: Dan O'Dempsey - Aug 18, 2023 – Aug 27, 2023
- Biennial 2023: Post Factum: Cos Ahmet & Gary Finnegan - Aug 10, 2023 – Aug 12, 2023
- Biennial 2023: Y Bala: Anna Jane Houghton and Abbie Bradshaw - Jul 28, 2023 – Aug 3, 2023
- Biennial 2023: Maeve Thompson - Jul 21, 2023 – Jul 25, 2023
- Biennial 2023: ¡Gender Dada!: Kelly Stubbs - Jul 20, 2023
- Biennial 2023: Sorry, Did You Miss Me?: Stephanie Trujillo - Jul 16, 2023 – Jul 19, 2023
- Biennial 2023: Phelgm: Ellie Hoskins - Jul 13, 2023
- Biennial 2023: Set To Default: Daniel Halsall - Jul 6, 2023 – Jul 12, 2023
- Biennial 2023: The Case FOR FORCING: Luke George - Jun 30, 2023 – Jul 3, 2023
- Homotopia Creative skills workshop: photography - Jun 27, 2023
- Biennial 2023: How to Wear HIGH Heels: Elisa Sallis and Xanthe Tilzley - Jun 23, 2023 – Jun 25, 2023
- Dingle Community Print Collage Workshop: SOCIAL SPACE) - Jun 21, 2023
- Biennial 2023: From Point A to Point B: Elizabeth Challinor - Jun 16, 2023

**TRS GALLERY**  
**ACCOUNTS FOR THE YEAR ENDED 30 AUGUST 2023**

**TRUSTEES' REPORT**

- Biennial 2023: Under the Cracked Lid of The Beetroot Man: Freddy Francké - Jun 9, 2023 – Jun 11, 2023
- DYSPLA Neurodivergent Aesthetics VR/AR - May 18, 2023 – May 20, 2023
- My Home Mon Pays: Eurovision 2023 - May 10, 2023 – May 13, 2023
- No Rhyme No Reason - May 5, 2023
- Conversations With Painting - Apr 21, 2023
- Havin' A Go - Apr 7, 2023
- Passage - Mar 24, 2023
- 5 To Midnight - Mar 16, 2023
- The Timeline - Feb 24, 2023 – Feb 25, 2023
- Head in the Clouds - Feb 12, 2023 – Feb 23, 2023
- Praxis: A Graduate Programme Exhibition by Axisweb - Feb 3, 2023
- Swap Shop - Jan 30, 2023
- Knit, Knot, and Knatter - Jan 21, 2023
- Taking Up Space - Jan 20, 2023
- GLISK - Nov 18, 2022
- they say everyone has to start somewhere.... - Oct 28, 2022 – Nov 3, 2022
- Space Cowboy Studio Show - Oct 14, 2022
- Do They Owe Us A Living? - Aug 17, 2022 – Sep 24, 2022

## **FUTURE PLANS**

The Royal Standard's organisational development remains under constant review as we look for ways to improve TRS's services to benefit its artists, volunteers, and the wider community of emerging practitioners. A review of the historic Business Plan is to be conducted to agree a set of 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 potential 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.

Consideration is ongoing on the benefits of 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.

Discussions will also be launched to consider a strategy to facilitate a move from Northern Lights in the next two 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.

**TRS GALLERY  
ACCOUNTS FOR THE YEAR ENDED 30 AUGUST 2023**

**TRUSTEES' REPORT**

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 2023-24. 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 build our profile and connections with wider arts-led partner organisations in the city and beyond through artist exchange programmes and 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.

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.

**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. Although the current financial year saw an operating deficit, this was due to a backdated charge of £41,387 from the landlord relating to prior year rents and service charges. We are currently in discussion with the landlord to agree the appropriateness of the charges and to negotiate a payment plan to clear these arrears if necessary.

Plans are being put in place to increase and diversify income and to control expenditure. The trustees assess the charity to be an ongoing 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 future years. As a result, the trustees are satisfied that these accounts can be prepared on an ongoing concern basis.

**TRS GALLERY  
ACCOUNTS FOR THE YEAR ENDED 30 AUGUST 2023**

**TRUSTEES' REPORT**

**ORGANISATIONAL DEVELOPMENT**

We remain focused on how our activity can support artists from our Artist Leads to our studio artists and a wider community of local artists and participants. Internally, our main focus is still to develop and support Artist Leads as the custodians of operational, financial and programme management but with support from Trustees when needed. Further consideration is still under review on the benefit 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.

**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. One of the key short term risks identified has been a rise in studio rent arrears and a review of policy and procedures to mitigate this risk has been initiated.

**FINANCIAL REVIEW**

Incoming resources for the year totalled £52,973 (2022: £61,448) of which £0 (2022: £2,429) related to funding for projects upon which restrictions are placed. Total expenditure in the year was £100,683 (2022: £57,193), leaving a deficit for the year of £47,710 (2022: surplus £4,309). At 30 August 2023, the charitable company's reserves were £-22,668 (2022: £29,531) of which £9,847 (2022: £9,847) represented restricted funds.

**RESERVES POLICY**

The purpose of the Reserves Policy 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 30 AUGUST 2023**

**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 Artist Leads 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 Artist Lead 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 Artist Lead will maintain records of the use of funds and plan for replenishment. He/she will provide regular reports to the Finance Sub-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

**TRS GALLERY  
ACCOUNTS FOR THE YEAR ENDED 30 AUGUST 2023**

**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> September 2024 and signed on their behalf:



S Mohamad Noor

Trustee

**TRS GALLERY  
ACCOUNTS FOR THE YEAR ENDED 30 AUGUST 2023**

**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 2023.

**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 although I must draw your attention to page 7 of the Trustees Report regarding going concern.



Matthew Brown, CPFA  
Adding Value Consultancy Ltd  
Accountants and Financial Management Consultants

Date: 9<sup>th</sup> September 2024

**TRS GALLERY**  
**ACCOUNTS FOR THE YEAR ENDED 30 AUGUST 2023**

**STATEMENT OF FINANCIAL ACTIVITIES**  
**(incorporating income and expenditure account)**

	Notes	Unrestricted Funds £	Restricted Funds £	2023 Total £	2022 Total £
<b>Income and endowments from:</b>					
Donations and legacies	2	0	0	0	30
Other Trading activities	3	52,973	0	52,973	61,418
<b>Total Income and endowments</b>		<u>52,973</u>	<u>0</u>	<u>52,973</u>	<u>61,448</u>
<b>Expenditure:</b>					
Expenditure on charitable activities	4	99,645	0	99,645	56,452
Fundraising	5	1,038	0	1,038	687
<b>Total Expenses</b>		<u>100,683</u>	<u>0</u>	<u>100,683</u>	<u>57,139</u>
<b>Net (Expenditure)/Income</b>		<b>(47,710)</b>	<b>0</b>	<b>(47,710)</b>	<b>4,309</b>
Transfers between funds		0	0	0	0
<b>Net (Expenditure)/Income for the year</b>		<b>(47,710)</b>	<b>0</b>	<b>(47,710)</b>	<b>4,309</b>
Total Funds brought forward		19,504	9,847	25,042	25,042
<b>Net funds carried forward</b>		<u><b>(28,206)</b></u>	<u><b>9,847</b></u>	<u><b>(22,668)</b></u>	<u><b>29,351</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 30 AUGUST 2023**

**BALANCE SHEET AS AT 31 AUGUST 2023**

Company Number: 06988365

	Notes	2023 £	2022 £
<b>FIXED ASSETS</b>			
Tangible Fixed Assets	7	0	0
<b>CURRENT ASSETS</b>			
Debtors (amounts falling due within one year)	8	1,504	4,343
Cash at bank and in hand		22,759	29,011
		<u>24,263</u>	<u>33,353</u>
<b>CREDITORS: Amounts falling due within one year</b>	9	<u>(42,622)</u>	<u>(4,002)</u>
<b>NET CURRENT LIABILITIES</b>		(18,359)	29,351
<b>TOTAL ASSETS LESS LIABILITIES</b>		<u>(18,359)</u>	<u>29,351</u>
<b>RESERVES</b>			
Unrestricted funds - General Fund	11	(28,206)	19,504
Restricted Funds	12	9,847	9,847
		<u>(18,359)</u>	<u>29,351</u>

For the year ending 30 August 2023 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 9th September 2024 and signed on their behalf:



S Mohamad Noor  
Trustee

**TRS GALLERY**  
**ACCOUNTS FOR THE YEAR ENDED 30 AUGUST 2023**

**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 30 AUGUST 2023**

**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 30 AUGUST 2023**

**NOTES TO THE ACCOUNT**

**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 30 AUGUST 2023**

**NOTES TO THE ACCOUNTS**

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

	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £	<i>Total Funds 2022 £</i>
Donations and sponsorship	0	-	0	30
Grants Receivable	-	0	0	0
	<u>-</u>	<u>-</u>	<u>-</u>	<u>30</u>

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

	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £	<i>Total Funds 2022 £</i>
Fundraising	5,392	-	5,392	7,708
Event Hire	1,500	-	1,500	1,868
Rents Receivable	46,081	-	46,081	51,843
	<u>52,973</u>	<u>-</u>	<u>52,973</u>	<u>61,419</u>

**4. EXPENDITURE ON CHARITABLE ACTIVITIES**

	Direct Charitable Expenditure 2023 £	Support Finance & Governance 2023 £	Total 2023 £	<i>Total 2022 £</i>
Operation of an artists' gallery and exhibitions	40,812	58,833	99,645	56,452
	<u>40,812</u>	<u>58,833</u>	<u>99,645</u>	<u>56,452</u>

**TRS GALLERY**  
**ACCOUNTS FOR THE YEAR ENDED 30 AUGUST 2023**

**NOTES TO THE ACCOUNTS**

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

<b>Direct Charitable Expenditure</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Fees and other costs	-	-
Insurance	670	542
Operating Leases	34,025	16,299
Project Costs	3,602	2,162
Rates and water	444	911
Website & advertising	76	400
Subscriptions & office costs	1,995	3,417
Depreciation	-	-
	<u>40,812</u>	<u>23,731</u>
 <b>Support Finance &amp; Governance</b>	 <b>2023</b>	 <b>2022</b>
	<b>£</b>	<b>£</b>
Accountancy, professional and legal fees	2,606	2,023
Bank charges	465	528
Write off of rental income arrears	1,871	2,480
Insurance	1,006	813
Independent Examination fees	1,180	1,062
Operating leases	51,038	24,448
Rates and water	667	1,367
	<u>58,833</u>	<u>32,721</u>

In the year £0 (2022: £2,429) 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>2023</b>	<b>2023</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Events	1,038	-	1,038	687
	<u>1,038</u>	<u>-</u>	<u>1,038</u>	<u>687</u>

**TRS GALLERY**  
**ACCOUNTS FOR THE YEAR ENDED 30 AUGUST 2023**

**NOTES TO THE ACCOUNTS**

**6. TRUSTEES REMUNERATION AND BENEFITS**

No Remuneration or expenses were incurred (2022: £247.07).

**7. TANGIBLE FIXED ASSETS**

	Improvements to property £	Plant and machinery £	Total £
<b>Cost</b>			
At 31 August 2022	8,619	2,406	11,025
At 30 August 2023	<u>8,619</u>	<u>2,406</u>	<u>11,025</u>
<b>Depreciation</b>			
At 31 August 2022	8,619	2,406	11,025
At 30 August 2023	<u>8,619</u>	<u>2,406</u>	<u>11,025</u>
<b>Net Book Value</b>			
At 30 August 2023	-	-	-
At 31 August 2022	-	-	-

**8. DEBTORS**

Amounts falling due within one year:	2023 £	2022 £
Rental Debtors	1,227	4,343
Other Debtors	0	0
Prepayments	<u>277</u>	<u>0</u>
	<u>1,504</u>	<u>4,343</u>

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

Amounts falling due within one year:	2023 £	2022 £
Accruals	42,567	3,512
Deferred Income	0	0
Trade Creditors	<u>55</u>	<u>492</u>
	<u>42,622</u>	<u>4,004</u>

**TRS GALLERY**  
**ACCOUNTS FOR THE YEAR ENDED 30 AUGUST 2023**

**NOTES TO THE ACCOUNTS**

**11. UNRESTRICTED FUNDS**

	Brought Forward £	Incoming Resources £	Outgoing Resources £	Transfer from restricted reserve £	Carried Forward £
General Fund	19,504	52,973	100,683	0	-28,206
	<u>19,504</u>	<u>52,973</u>	<u>100,683</u>	<u>0</u>	<u>-28,206</u>

**12. RESTRICTED FUNDS**

	Brought Forward £	Incoming Resources £	Outgoing Resources £	Transfer to unrestricted reserve	Carried Forward £
Frolich Estate	9,847	0	0		9,847
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>9,847</u>	<u>0</u>	<u>0</u>	<u>0</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.

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

	General Unrestricted Funds £	Restructed Funds £	Total Funds £
Tangible Fixed Assets	0	0	0
Net Current Assets/(Liabilities)	<u>-28,206</u>	<u>9,847</u>	<u>-18,359</u>
	<u>-28,206</u>	<u>9,847</u>	<u>-18,359</u>

**14. RELATED PARTY TRANSACTIONS**

Trustee S Mohamad Noor is also a studio holder.

There were no other material related party transactions during the year which require disclosure (2022: none).

**TRS GALLERY**  
**ACCOUNTS FOR THE YEAR ENDED 30 AUGUST 2023**

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES**

This page does not form part of the statutory financial statements

<b>Incoming Resources for the year ending 30 August 2023</b>	<b>Notes</b>	<b>2023 £</b>	<b>2022 £</b>
<b>Donations and legacies</b>			
Donations and Sponsorship	2	0	30
Grants	3	0	0
		<u>0</u>	<u>30</u>
 <b>Other Trading Activities</b>			
Donations and Sponsorship	2	5,392	7,707
Event Hire		1,500	1,868
Rents Receivable	3	46,081	51,843
		<u>52,973</u>	<u>61,418</u>
 Total Incoming Resources		<u>52,973</u>	<u>61,448</u>
 <b>Expenditure for the year ending 30 August 2023</b>	<b>Notes</b>	<b>2023 £</b>	<b>2022 £</b>
<b>Fundraising</b>			
Events	2	1,038	687
 <b>Charitable Activities</b>			
Insurance		670	542
Operating Leases		34,025	16,299
Project Costs		3,602	2,162
Rates and Water		444	911
Website and Advertising		76	400
Subscription and office costs		1,995	3,417
		<u>40,812</u>	<u>23,731</u>
 <b>Support Costs</b>			
Insurance		1,006	813
Operating Leases		51,038	24,448
Rates and Water		667	1,367
		<u>52,711</u>	<u>26,628</u>
 <b>Finance Costs</b>			
Bank Charges		465	528
Write off and provision of rental income arrears		1,871	2,480
 <b>Governance Costs</b>			
Governance - accountancy and professional fees		3,786	3,085
 Total Resources Expended		<u>100,683</u>	<u>57,139</u>
 Net Income/(Expenditure)		<u>-47,710</u>	<u>4,309</u>