

Company registration number: 01310070

Charity registration number: 273785

Newlyn Art Gallery Limited

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 March 2025

Newlyn Art Gallery Limited

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Newlyn Art Gallery Limited

Trustees Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 March 2025.

Objectives and activities

Objects and aims

The company is an educational charity with the object of advancing education of the general public in the visual arts. This object is met by the maintenance of Newlyn Art Gallery & The Exchange for the public exhibition of visual art, multi-year education programmes, the provision of lectures, classes, and conferences calculated to advance education in visual art.

Objectives, strategies and activities

Through a programme of exhibitions and ambitious education projects, exploring the role of arts in social change, Newlyn Art Gallery Ltd promotes the understanding and appreciation of contemporary art. In the course of the programme the gallery collaborates with other organisations in the area and nationally to promote visual art. This core activity has not changed during the year.

Public benefit

Our main activities are described below. Our charitable activities focus on providing an ambitious programme of exhibitions, learning projects and other activities undertaken to further our charitable purposes for the public benefit.

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Newlyn Art Gallery Limited

Trustees Report

Achievements and performance

Our main gallery programming during the year to 31 March 2025, reflected our ongoing commitment to bringing national, and occasionally international, work to West Cornwall, often to shine a light on our own hyper-local context, and the unique, sometimes hidden histories of this place. At the forefront of our minds is always our stated commitment to social change, which is often foregrounded in our main gallery exhibitions or in the associated programmes we develop.

We began the year with the final weeks of our exhibition Storm Warning, developed in partnership with Focal Point Gallery, Southend-on-Sea. The project reflected our ongoing commitment to supporting the work of artists with an activist agenda; on this occasion, a project that sought to investigate aspects of the climate crisis, prompted by a reflection on specific issues of relevance to both galleries' very different coastal locations.

We opened our summer season of shows in May, presenting Melanie Manchot's acclaimed film work STEPHEN, at The Exchange, and Nicola Bealing's extraordinary installation Dead-man's Fingers at Newlyn.

Melanie Manchot's film and installation brought together a small cast of professional actors with 20 participants from a Liverpool addiction recovery centre, including the lead actor Stephen Giddings. The art gallery presentation included an installation of multiple televisions introducing the characters and the people who play them, through a series of monologues and auditions, before entering the cinematic screening of STEPHEN.

Dead-man's Fingers is a body of work made during lockdown when, to Bealing, total immersion in an alien world seemed a logical response to darkness beyond the studio door. The works developed into an intense investigation of heightened, imagined submarine landscapes.

During her daily lockdown walks, initially, with no purpose in mind, Bealing began gathering boat fenders, buoys, and crab pots that washed up on Cornish beaches. As her collection grew, she began experimenting, crafting them into creatures and macabre suspended sculptures that, over time, grew into a vast single installation, which we presented alongside her paintings of coral, bones, and underwater assemblages.

Both shows captivated and intrigued audiences.

For our winter season, Cat Gibbard, one of our Programme Curators and Learning Leads, curated a major two-site exhibition entitled Social Fabric. The exhibition of textile-based art presented the work of contemporary female artists whose practices revalue old wisdoms and techniques using traditional textile skills with fresh perspectives.

At the heart of the exhibition was The Workroom. Inspired by the Newlyn Industrial Needlework Classes of the 1890s. The ambitious programme of workshops in the space sought to equip participants with the knowledge and skills to produce objects of utility, comfort, and warmth.

In celebration of Cornwall's rich textile heritage, FEAST funded a programme of activities led by textile artist and Falmouth University PhD student, Vicki Aimers. Working in partnership with five regional museums: Penlee House Gallery & Museum (Penzance), Royal Cornwall Museum (Truro), Museum of Cornish Life (Helston), and Perranzabuloe and St Agnes Museums, Vicki developed a series of practical workshops exploring the skills and techniques used to create some of the intriguing textile pieces held in their collections. These workshops traced connections back to the Newlyn Industrial Classes of the 1890s, engaging a total of 75 participants, with additional support from six Falmouth University undergraduate students.

Newlyn Art Gallery Limited

Trustees Report

During the year, we continued to develop our partnership with DASH, to create opportunities for disabled people to thrive within arts organisations. DASH is a Disabled led visual arts charity. It creates opportunities for Disabled artists to develop their creative practice. These opportunities take many forms, from high-quality commissions to community-based workshops. We are working with them, as one of a number of gallery partners across England, to deliver the Future Curators Programme. We expect to appoint a Future Curator onto our programming team towards the end of 2025.

We continued our work with schools to strengthen their delivery of a creative curriculum. We supported many schools' visits to the gallery during the year, providing young people with inspiring encounters with contemporary art and artists; however, our determination to impact strategically within schools remained our key focus.

As an illustration of this, we worked with partners at the Truro Penwith Academy Trust in supporting a STEAM curriculum in their proposed new secondary school at Perranporth. A multi-year project was devised, intervening in three feeder primary schools to strengthen their arts curriculum. Funding was secured from the Paul Hamlyn Foundation to support the three-year project. Unfortunately, the incoming Labour government decided to suspend the construction of all new schools, pending a review, the outcome of which is still awaited.

James Green, the gallery's Director, continued in his role as a Trustee of the Truro Penwith Academy Trusts, which operates over 35 primary and secondary schools across West Cornwall. During the year, Bettina Wenzel, our Programme Producer, joined the Local Monitoring Committee of our closest primary school, Newlyn School, helping to foster greater links between the gallery and young people in our community.

One of our continuing successes is our programme of work to support older and isolated members of our community through their regular participation in our tailored programmes, most notably our Tea, Cake & Art strand. We now deliver two activities most weeks, and welcome people with Dementia and their carers, as well as carers who would like to attend on their own.

Developing funding relationships with multiple trusts and foundations remains a key piece of work to support our activities and core costs. This year, we received grant awards from the Foyle Foundation, Headley Trust, FEAST, the Norman Family Trusts, the Cotton Workers War Memorial Family Trust, Little Parc Owl Trust, and we began relations with other funders that have since been agreed, most notably the Bloomberg Philanthropies' Digital Accelerator Programme. In addition, we received sponsorship support from the London Stock Exchange Group.

Trustees would like to thank all of these organisations for the vital support they provided during the year.

Between April 2024 and March 2025, we attracted 42,728 gallery visits, including visitors to our café and shops, with Nicola Bealing's summer show at Newlyn proving particularly popular, in spite of the fine weather. During hotter weather, we find audiences prioritise visits to open-air destinations in Cornwall. This is a 4% increase on the prior year and reflects a return to pre-pandemic attendances.

Newlyn Art Gallery Limited

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We have seen a significant increase in our reach, views, and profile visits across our social media in the period. Instagram 'accounts reached' increased by 565.8% with the biggest spikes associated with the Social Fabric exhibition. The show included the work of 12 artists, all of whom were active on social platforms, with these collaborations increasing our reach substantially. Another significant spike in reach was a call-out for artists for The Picture Room. Facebook visits increased by 203% and we gained a substantial spike in interactions with a celebratory post about John Passmore Edward's Birthday, which received 660 reactions and reached 37.4k accounts alone. Content reactions have increased by 376.5% on Facebook, and Instagram profile visits are up by 257.7%.

We continue to seek to reduce our environmental impact

We remain strongly committed to reducing our carbon footprint, this year, and have become active members of the Gallery Climate Coalition (GCC). The GCC is an international community of arts organisations working to reduce our sector's environmental impacts. GCC's primary goal is to facilitate a reduction of the sector's CO2e emissions by a minimum of 50% by 2030, as well as promoting zero waste.

Our work in this area continues to be driven by our Green Team, its membership comprising of a diagonal slice through our organisation, including board and volunteer representation. The Team regularly reviews and updates our Carbon Reduction Action Plan, challenging organisational behaviours and celebrating progress when it is made. Our recently updated action plan is a public document, available on our website.

During the year, we have seen a modest reduction in our energy consumption.

Newlyn Art Gallery & The Exchange combined:

Energy 64 tonnes CO2e (2013/14)
 Energy 19 tonnes CO2e (2018/19)
 Energy 39 tonnes CO2e (2020/21)
 Energy 67 tonnes CO2e (2021/22)
 Energy 54 tonnes CO2e (2022/23)
 Energy 52 tonnes CO2e (2023/24)
 Energy 49 tonnes CO2e (2024/25)

Newlyn Art Gallery Limited

Trustees Report

Infrastructure

Much of our work is delivered from our two buildings, Newlyn Art Gallery in Newlyn and The Exchange in Penzance. Both are historic buildings dating from 1895 and the 1930s (and significantly extended in the 1950s), respectively. Both buildings were substantially altered in 2006, as part of major capital works linked to the organisation's relaunch in 2007. 18 years on, both buildings now require significant investment to avoid the need for major works in the future, and to ensure we remain able to respond to the changing needs of the communities we serve. We are currently undertaking exploratory works at both sites to inform applications for funding from a number of sources.

Health & Safety

The gallery regularly reviews Health & Safety issues across our activities. Health & Safety is a standing item at both our weekly staff meeting and regular Board Meetings. We contract the services of Peninsula, who provide expert advice and conduct an annual site visit to both galleries, when necessary, developing an action plan of works to be addressed.

Staffing

The gallery has a team averaging 35 employees during the year, both full and part-time, and is supported by an expert team of around 45 volunteers, who are the first point of contact for many of our visitors.

In March 2024 we secured funding from the Foyle Foundation to create two part-time posts to support digital activities. Xavia Smith joined as Digital Marketing Producer, focusing on social media, managing the gallery's accounts, and creating engaging content to promote the gallery's varied activities to a growing online audience. Adam Goodwin has joined as Digital Producer, creating new digital content including short films, podcasts, and interpretation materials for the gallery's exhibitions and events. Both positions were funded for an initial 12-month period.

In spring 2025, additional resources were identified that enable us to extend the term of the Digital Marketing Producer role. Digital marketing has become an increasingly important tool for the gallery, enabling us to attract new visitors and engage more actively with those remote from our bases in West Cornwall.

In April 2024, we secured funding from the Headley Trust. This will enable us to retain Rebecca English in her part-time role as Programme Curator. Funding will cover her salary through 2027.

In July 2024 we appointed a permanent part-time Senior Finance Manager to replace the service previously contracted from Hall for Cornwall.

Trustees would like to thank the staff and volunteers for their exceptional work over the period of this report.

Newlyn Art Gallery Limited

Trustees Report

Financial review

Building a stable foundation to weather challenges ahead

Over recent years we have managed to eliminate our historic deficit and build free reserves, in line with our Reserves Policy. 2024/25 has been a challenging year, with increasing costs, a difficult trading environment and greater competition for funding from all grant awarding bodies. However, action taken to restructure the organisation in the previous year meant that we were able to respond to these challenges effectively.

Whilst our financial position is now stable, trustees recognise it is likely to take a number of years to reach our current free reserves target.

The National Picture

The sector view is that in spite of the change in government following the July 2024 General Election, the future economic landscape will remain testing, with no increases in funding from governmental sources anticipated until well into 2028 at the earliest.

Competition for funding from trusts and foundations is likely to remain intense for the foreseeable future, and whilst inflation rates are returning to more typical levels, real household disposable income (RHDl) per person fell 2.2 per cent in 2022-23 - the largest year-on-year drop in living standards since records began in the 1950s. The Office for Budget Responsibility estimates that RHDl per person has averaged at 2 percent growth in 2023-24 and 2024-25. But they forecast average growth of only half a percent a year from 2025-26 to 2029-30.

Arts Council England recognises that the next few years will pose challenges for many arts organisations, including those in the National Portfolio. They are therefore realistic about the outputs that funded organisations can be expected to deliver during this period. Helpfully, in January 2024, Arts Council England announced their commitment to extend the current NPO funding agreement for a further fourth year. In June 2025, ACE confirmed that we would be in the 2026/27 portfolio. Then, in July 2025, it was announced that all NPOs that will receive 2026/27 Extension funding will be eligible to apply for a further year's extension to their funding, for 2027/28. The simple applicant process for this extension will open in January 2026.

In October 2025, Cornwall Council confirmed that they will extend their current funding agreements with clients through their Culture and Creative Investment Programme (CCIP), providing security of funding until March 2027.

These extensions of existing funding agreements with our two key revenue funders provide us with a degree of financial security that is very welcome.

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Trustees Report

Key figures and movement of funds

Incoming resources at £733,736 (2024: £771,373) fell by £37,637.

Total expenditure decreased by £148,736 from £991,279 (2024) to £842,543 in the 2025 year. The total decrease is represented by a decrease to unrestricted spending of £112,881 and a decrease to restricted spending of £35,855. The decrease to restricted spending reflects the timing of restricted resources that were booked to income in previous years on an entitlement to receive basis and that were then deployed in accordance with restrictions in the following years. The deficit of £108,807 is split between an operational (unrestricted) deficit of £74,590, including depreciation of £61,928, while the deficit relating to restricted expenditure against funds held was £34,217, including depreciation of £44,000.

Policy on reserves

The gallery had a cumulative surplus at 31 March 2025 of £103,812 (2024: £148,179). This figure is known as free reserves, being unrestricted general funds not held in tangible fixed assets or heritage assets. The relevant amounts are shown in note 24. Free reserves are the funds freely available to support the gallery's activities.

Whilst the free reserves decreased by £44,367 in the year ended 31 March 2025, the operational deficit on unrestricted funds was £74,590.

Currently the level of free reserves required to cover running costs for 3 to 6 months is £167,512 - £335,025, based on unrestricted expenditure less depreciation within unrestricted funds in the period. The gallery currently holds free reserves below this target level. In order to ensure the organisation builds sufficient reserves to meet its policy requirements, the Gallery Director and Trustees are developing a recovery plan as part of its future financial planning. This will include undertaking a review of the target free reserves figure. It is anticipated that it may take 3 to 5 years to rebuild reserves to the required levels, so a multi-year plan is needed.

Principal funding sources

The gallery's largest single source of funding was from Arts Council England, which provided funding in respect of core costs. Similarly, Cornwall Council currently provides revenue funding of £18,750 under the existing agreement.

The other two main sources of income are received from trusts and foundations and from earned income sources, including ticketed entry and ticketed events, café and shop revenue, and commercial and private hires of spaces and equipment.

As reported above, we have been very successful in securing additional, multi-year restricted funding from other trusts and foundations. Individual philanthropy remains an important part of the organisation's income; however, the economic impact of the Covid-19 pandemic continues to make fundraising generally more challenging.

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Plans for future periods

The gallery's vision, mission, and values remain rooted in the organisation's history and the principles of its founder, the philanthropist John Passmore Edwards.

He saw culture as 'a ladder the poor might climb', to help them rise out of deprivation and override a prevailing dearth of ambition in a place such as Newlyn at the end of the 19th century.

Over recent years, our focus has been on reactivating these founding principles, contributing to debate among contemporary arts organisations and curators as to how art and the art institution can perform both a societal and civic function and be relevant to prevailing social and political issues.

The following values, vision, and mission emerged from these processes:

Values:

Change-making
Rooted in place
Part of a global art conversation

Vision:

We believe that art can inspire and drive change.

Mission:

To connect Cornwall with the visual arts internationally, for the benefit of the community and the development of artists.

The impact of the Covid-19 pandemic on communities across Cornwall and further afield is still being felt, perhaps most profoundly in our education system. The murder of George Floyd and the rise of the Black Lives Matter movement have also profoundly affected many of the communities we work with and support.

In May 2025, the government announced stricter eligibility criteria for the daily living component of the Personal Independent Payment (PIP), a freeze and reduction in the health element of Universal Credit, and the replacement of the Working Capability Assessment with the PWP assessment for Universal Credit. We acknowledge the challenges this presents for many in our community, disabled people within our organisation, and organisations with whom we collaborate. We will continue our work with them and offer support where we can.

Over the next 12 months, our gallery and off-site programmes will continue to support four thematic areas of investigation:

- Arts Education
- Well-Being
- Activism
- The Hyper-Local and the Internationally Connected

Our off-site programme will focus on our continuing work in schools across Cornwall, aiming to achieve strategic change in the way arts subjects are taught, particularly at the primary level. In the year ahead, we highlight world-class practice by artists living in our immediate communities, including the work of Abigail Reynolds and Libita Sibungu.

Newlyn Art Gallery Limited

Trustees Report

Structure, governance and management

Nature of governing document

The charity is controlled by its governing document, our articles of association, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Recruitment and appointment of trustees

The board administers the charity and meets five times per year or as required. The Finance Committee meets regularly with the Director, Deputy Director, and Finance Team. Other working groups, such as a Public Programme Group, meet as required. Their membership is drawn from the board. Members of the board are elected at the Annual General Meeting and retire by rotation every three years. Elected members of the board are trustees and directors of the charity.

Induction and training of trustees

New trustees are provided with a tour of the organisation's two sites, where they have an opportunity to meet the gallery staff and volunteers. They also meet with the Chair and Gallery Director and are briefed on the history and the future plans of the organisation. New board members are also required to sign a Statement of Directors' Obligations and Code of Conduct, which helps to clarify their individual and collective responsibilities to the company.

Arrangements for setting key management personnel remuneration

Staff remuneration is discussed by the Finance Committee as part of our annual budget-setting process, with proposals brought to the full Board for approval.

Major risks and management of those risks

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The trustees have conducted a review of the major risks to which the charity is exposed, and systems have been established to mitigate those risks. This assessment is reviewed at each Board Meeting as a standing item.

The current major risks that trustees have considered include, unanticipated costs resulting in the need to draw on limited free reserves, risks associated with cyber threat, and an increased risk of our Newlyn site being impacted by tidal surge.

Newlyn Art Gallery Limited

Trustees Report

Reference and Administrative Details

Charity Registration Number 273785

Company Registration Number 01310070

	The charity is incorporated in England & Wales.
Registered Office	The Exchange Princes Street Penzance Cornwall TR18 2NL
Auditor	PKF Francis Clark Statutory Auditor Lowin House Tregolls Road Truro Cornwall TR1 2NA

Trustees and officers

The trustees and officers serving during the year and since the year end were as follows:

Trustees:	M Barrett (resigned 25 November 2024)
	M R Bird (resigned 24 November 2025)
	H Buckingham
	G Buenfeld - Murley
	J Bulman (resigned 24 November 2025)
	V Button (resigned 25 November 2024)
	A Cosma (appointed 25 November 2024)
	J Faram (appointed 25 November 2024)
	A Ghadiali (appointed 25 November 2024)
	B Naughton-Rumbo (resigned 25 November 2024)
	O Owczarek (appointed 25 November 2024)
	N Scott (resigned 24 November 2025)
	L Tait (resigned 25 November 2024)
	J Twomlow (appointed 25 November 2024)
	N Williams
	A Green (appointed 24 November 2025)
	S Trenerry (appointed 24 November 2025)
	G Jackson (appointed 24 November 2025)

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Trustees Report

Secretary: N Scott (resigned 24 November 2025)
O Owczarek (appointed 24 November 2025)

Gallery Director: J Green

Observers: A Proctor, Arts Council England

Small companies provision statement

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

Statement of trustees' responsibilities

The trustees (who are also the directors of Newlyn Art Gallery Limited for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

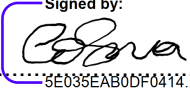
Disclosure of information to auditor

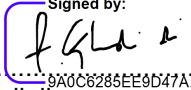
Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Newlyn Art Gallery Limited

Trustees Report

The annual report was approved by the trustees of the charity on 16 December 2025 12:07 GMT and signed on its behalf by:

Signed by:

.....
A Cosma
Trustee

Signed by:

.....
A Ghadiali
Trustee

Newlyn Art Gallery Limited

Independent Auditor's Report to the Members of Newlyn Art Gallery Limited

Opinion

We have audited the financial statements of Newlyn Art Gallery Limited (the 'charity') for the year ended 31 March 2025, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Newlyn Art Gallery Limited

Independent Auditor's Report to the Members of Newlyn Art Gallery Limited

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Statement of trustees' responsibilities (set out on page 11), the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor responsibilities for the audit of the financial statements

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

Newlyn Art Gallery Limited

Independent Auditor's Report to the Members of Newlyn Art Gallery Limited

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

As part of our audit planning we obtained an understanding of the legal and regulatory framework that is applicable to the charity and the sector in which it operates to identify the key laws and regulations affecting the entity. The key laws and regulations we identified were health and safety, food safety, data protection, employment law, and compliance with grant funding conditions. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, primarily the Companies Act 2006, Charities Act 2011 and compliance with the Charities Statement of Recommended Practice.

We discussed with management how the compliance with these laws and regulations is monitored and discussed policies and procedures in place. We also identified the individuals who have responsibility for ensuring that the entity complies with laws and regulations and deals with reporting any issues if they arise.

We assessed the susceptibility of the charity's financial statements to material misstatement, including how fraud might occur as part of the audit planning process. We determined that these risks are low considering the fact that the charity operates on a not for profit basis and so there would be no motivation for management to influence performance for individual gain.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved the following:

- * We reviewed legal and professional costs to identify any non-compliance or legal costs in relation to non-compliance.
- * We reviewed the board minutes for anything unusual.
- * We made enquires to management regarding their knowledge of any non-compliance with laws and regulations that could affect the financial statements.
- * We reviewed a sample of expenditure to confirm it has been incurred and allocated to the appropriate fund.
- * We reviewed the risk register for anything unusual.
- * We audited the risk of management override of controls through testing journal entries and other adjustments for appropriateness.

As part of our enquiries we discussed with management whether there have been any known instances, allegations or suspicions of fraud of which there were none.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements. This risk increases the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements as we are less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Newlyn Art Gallery Limited

Independent Auditor's Report to the Members of Newlyn Art Gallery Limited

Use of our report

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

PKF Francis Clark

.....
Darren Perry BA (Hons) ACA DChA (Senior Statutory Auditor)
PKF Francis Clark, Statutory Auditor

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Cornwall
TR1 2NA

Date: 17 December 2025

Newlyn Art Gallery Limited

Statement of Financial Activities for the Year Ended 31 March 2025 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2025 £
Income and Endowments from:					
Donations and legacies	3	59,305	6,244	-	65,549
Charitable activities	4	445,648	70,105	-	515,753
Other trading activities	5	151,251	-	-	151,251
Investment income	6	1,183	-	-	1,183
Total income		<u>657,387</u>	<u>76,349</u>	<u>-</u>	<u>733,736</u>
Expenditure on:					
Raising funds	7	(102,935)	(150)	-	(103,085)
Charitable activities	8	<u>(629,042)</u>	<u>(110,416)</u>	<u>-</u>	<u>(739,458)</u>
Total expenditure		<u>(731,977)</u>	<u>(110,566)</u>	<u>-</u>	<u>(842,543)</u>
Net expenditure		<u>(74,590)</u>	<u>(34,217)</u>	<u>-</u>	<u>(108,807)</u>
Net movement in funds		(74,590)	(34,217)	-	(108,807)
Reconciliation of funds					
Total funds brought forward (as restated)		<u>1,925,965</u>	<u>1,482,146</u>	<u>527,373</u>	<u>3,935,484</u>
Total funds carried forward	23	<u><u>1,851,375</u></u>	<u><u>1,447,929</u></u>	<u><u>527,373</u></u>	<u><u>3,826,677</u></u>

The notes on pages 21 to 43 form an integral part of these financial statements.

Newlyn Art Gallery Limited

Statement of Financial Activities for the Year Ended 31 March 2025 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

		Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2024 £
	Note	(As restated)			(As restated)
Income and Endowments from:					
Donations and legacies	3	62,732	4,343	-	67,075
Charitable activities	4	463,383	62,953	-	526,336
Other trading activities	5	173,726	3,565	-	177,291
Investment income	6	671	-	-	671
Total income		<u>700,512</u>	<u>70,861</u>	<u>-</u>	<u>771,373</u>
Expenditure on:					
Raising funds	7	(154,064)	(13)	-	(154,077)
Charitable activities	8	<u>(690,794)</u>	<u>(146,408)</u>	<u>-</u>	<u>(837,202)</u>
Total expenditure		<u>(844,858)</u>	<u>(146,421)</u>	<u>-</u>	<u>(991,279)</u>
Net expenditure		(144,346)	(75,560)	-	(219,906)
Transfers between funds		<u>38,077</u>	<u>(38,077)</u>	<u>-</u>	<u>-</u>
Net movement in funds		(106,269)	(113,637)	-	(219,906)
Reconciliation of funds					
Total funds brought forward		<u>2,032,234</u>	<u>1,595,783</u>	<u>527,373</u>	<u>4,155,390</u>
Total funds carried forward	23	<u><u>1,925,965</u></u>	<u><u>1,482,146</u></u>	<u><u>527,373</u></u>	<u><u>3,935,484</u></u>

All of the charity's activities derive from continuing operations during the above two periods.

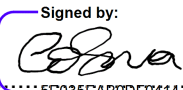
The funds breakdown for 2025 and 2024 is shown in note 23.

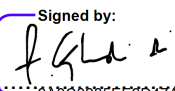
Newlyn Art Gallery Limited

(Registration number: 01310070)
Balance Sheet as at 31 March 2025

	Note	2025 £	2024 £ (As restated)
Fixed assets			
Tangible assets	14	3,173,273	3,247,496
Heritage assets	15	527,373	527,373
Investments	16	82,117	82,117
		<u>3,782,763</u>	<u>3,856,986</u>
Current assets			
Stocks	17	20,028	26,000
Debtors	18	147,284	172,083
Cash at bank and in hand		34,566	66,638
		<u>201,878</u>	<u>264,721</u>
Creditors: Amounts falling due within one year	19	<u>(81,815)</u>	<u>(94,718)</u>
Net current assets		<u>120,063</u>	<u>170,003</u>
Total assets less current liabilities		3,902,826	4,026,989
Creditors: Amounts falling due after more than one year	20	<u>(76,149)</u>	<u>(91,505)</u>
Net assets		<u>3,826,677</u>	<u>3,935,484</u>
Funds of the charity:			
Endowment funds		527,373	527,373
Restricted income funds			
Restricted funds	23	1,447,929	1,482,146
Unrestricted income funds			
Unrestricted funds		<u>1,851,375</u>	<u>1,925,965</u>
Total funds	23	<u>3,826,677</u>	<u>3,935,484</u>

The financial statements on pages 17 to 43 were approved by the trustees, and authorised for issue on 16 December 2025 12:22:07 GMT and signed on their behalf by:

Signed by:

 5E035EAB0DF0414...
 A Cosma
 Trustee

Signed by:

 9A0C6286EE9D47A...
 A Ghadiali
 Trustee

The notes on pages 21 to 43 form an integral part of these financial statements.

Newlyn Art Gallery Limited

Statement of Cash Flows for the Year Ended 31 March 2025

	Note	2025 £	2024 £
Cash flows from operating activities			
Net cash expenditure		(108,807)	(219,906)
Adjustments to cash flows from non-cash items			
Depreciation	7	105,927	106,458
Investment income	6	(1,183)	(671)
Loss on disposal of tangible fixed assets		4,214	-
		<u>151</u>	<u>(114,119)</u>
Working capital adjustments			
Decrease in stocks	17	5,972	6,750
Decrease in debtors	18	24,799	77,763
(Decrease)/increase in creditors	19	(16,706)	6,643
(Decrease)/increase in deferred income	20	<u>(1,000)</u>	<u>1,000</u>
Net cash flows from operating activities		<u>13,216</u>	<u>(21,963)</u>
Cash flows from investing activities			
Interest receivable and similar income	6	1,183	671
Purchase of tangible fixed assets	14	<u>(35,918)</u>	<u>(11,189)</u>
Net cash flows from investing activities		(34,735)	(10,518)
Cash flows from financing activities			
Repayment of loans and borrowings	19	<u>(10,553)</u>	<u>(10,044)</u>
Net decrease in cash and cash equivalents		(32,072)	(42,525)
Cash and cash equivalents at 1 April		<u>66,638</u>	<u>109,163</u>
Cash and cash equivalents at 31 March		<u><u>34,566</u></u>	<u><u>66,638</u></u>

All of the cash flows are derived from continuing operations during the above two periods.

Newlyn Art Gallery Limited

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

1 Charity status

The charity is limited by guarantee, incorporated in England & Wales, and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £10 towards the assets of the charity in the event of liquidation.

The address of its registered office is:

The Exchange
Princes Street
Penzance
Cornwall
TR18 2NL

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

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

Basis of preparation

Newlyn Art Gallery Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

Newlyn Art Gallery Limited

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

Reclassification of comparative amounts

A prior period restatement has been made to align the income from Museum, Galleries and Exhibition tax relief claims to the accounting year in which they relate. The impact of the restatement on the financial statements is:

An increase to unrestricted income of £8,033

An increase to unrestricted general funds brought forward of £67,683

An increase to accrued income of £75,472

In addition a prior period restatement has also been made to correct the balance on the Arts Council fund which relates to a restricted fixed asset. The restatement aligns the balances in the fund with the net book value and depreciation charged on the asset. The impact of the restatement on the financial statements is:

A decrease to unrestricted general funds brought forward of £663,893

An increase to restricted funds brought forward of £663,893.

An increase to unrestricted expenditure of £46,760

A decrease to restricted expenditure of £46,760

A prior period restatement has also been made to adjust the classification of balances associated with income received as agent. The impact of the restatement is:

A decrease to unrestricted income of £13,236

A decrease to unrestricted expenditure of £13,236

Key sources of estimation uncertainty

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 ongoing 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.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities include the inputs and estimates used in determining the fair value of investments and heritage assets and the estimates used in determining the carrying amount of the defined benefit scheme liability, including discount rate.

Income and endowments

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Newlyn Art Gallery Limited

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

Donations and legacies

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Grants receivable

Income from government and other grants is recognised when the charity has entitlement to the funds, any performance conditions attached to the grant have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income from other charitable activities is recognised when the goods and services have been provided.

Other trading activities

Trading income is recognised when the goods have been provided, typically at the point of sale, or as services are performed. Rental income is recognised on a straight line basis over the term of the rental agreement.

Investment income

Interest income is recognised using the effective interest rate method.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources.

Raising funds

These are costs incurred in attracting voluntary income and those incurred in trading activities that raise funds.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs

Support costs comprise the costs of governance including audit fees and finance costs. These are wholly allocated to charitable activities on the basis that they are incurred in support of the charitable company's pursuance of its charitable activities.

Newlyn Art Gallery Limited

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

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Tangible fixed assets are initially measured at cost, and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Freehold property	2% on cost
Leasehold land and buildings	2% on cost
Tools and equipment	10% on cost
Computer equipment	25% on cost

Newlyn Art Gallery Limited

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

Heritage assets

Heritage assets are measured at valuation and comprise the collection of artworks held in support of the Gallery's primary objective of increasing knowledge, understanding and appreciation of art. These are primarily paintings and drawings, with some prints and medals.

The majority are housed at The Exchange, Princes Street, Penzance, TR18 2NL and the remainder at Penlee House Gallery and Museum, Morrab Road, Penzance, TR18 4HE. These works are not for sale and comprise the Permanent Collection, Langley medals and all items on loan to Penlee House Gallery and Museum.

The trustees consider the Heritage assets to have indeterminate lives and a high residual value, hence the trustees do not consider it necessary to charge depreciation.

Fixed asset investments

The Gallery holds two collections of works as investments, the Reuss Collection and Reserve Collection. These are available for sale and held primarily for investment gain or income generation and thus cannot be classified as heritage assets. These investments are measured at fair value.

Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss (if any).

Stock

Stock are stated at the lower of cost and estimated selling price less costs to complete and sell.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Newlyn Art Gallery Limited

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

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees discretion in furtherance of the objectives of the charity.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Endowment funds, comprising a collection of paintings and artefacts held for the benefit of the charity, are subject to specific conditions by donors that the capital must be maintained by the charity.

Pensions and other post retirement obligations

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate. Differences between contributions payable in the year and contributions actually paid are shown within creditors in the balance sheet.

The charitable company also make payments to a defined benefit scheme, the Pension Scheme for Administration and Technical Staff in the Arts ("the scheme"), which has ceased to accrue pension benefits but has a deficit in its fund. The charitable company remains liable for its portion of the deficit in the Scheme funds. The assets of the Scheme are administered by a trustee, in a fund independent from those of the charitable company.

The Scheme is a multi-employer scheme and the charitable company is unable to identify its share of the underlying assets and liabilities. There is a funding agreement in place to eliminate that element of the deficit in the Scheme which is relative to the charitable company. The funding liability is reassessed based on triennial actuarial valuations, with the last one being 2022.

A liability has been recognised in the balance sheet equal to the net present value of future deficit reduction payments. The payments are discounted to present value using the market yield on high quality corporate bonds which currently equates to 5.4% (2024: 4.7%). The pension costs charged to the profit and loss are the finance costs representing the unwinding of the discount. Further details relating to the pension schemes are set out in note 23.

Financial instruments

Classification

The charity 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 charity's balance sheet when the charity 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.

Newlyn Art Gallery Limited

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

Recognition and measurement

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.

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 payments 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.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

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

3 Income from donations and legacies

	Unrestricted funds £	Restricted funds £	Total 2025 £
Donations and legacies;			
Donations including admissions	58,020	6,244	64,264
Subscriptions	1,285	-	1,285
	<u>59,305</u>	<u>6,244</u>	<u>65,549</u>
	Unrestricted funds £	Restricted funds £	Total 2024 £
Donations and legacies;			
Donations including admissions	60,776	4,343	65,119
Subscriptions	1,956	-	1,956
	<u>62,732</u>	<u>4,343</u>	<u>67,075</u>

Newlyn Art Gallery Limited

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

4 Income from charitable activities

	Unrestricted funds £	Restricted funds £	Total 2025 £
Arts Council of England Grants	368,417	-	368,417
Other grant income	-	167	167
Cornwall Council grants	18,750	-	18,750
Trusts and foundations project grants	2,481	69,938	72,419
Other charitable activity income	56,000	-	56,000
	<u>445,648</u>	<u>70,105</u>	<u>515,753</u>
	Unrestricted funds £ (As restated)	Restricted funds £ (As restated)	Total 2024 £ (As restated)
Arts Council of England Grants	368,417	-	368,417
Other grant income	-	19,903	19,903
Cornwall Council grants	18,750	-	18,750
Trusts and foundations project grants	350	43,050	43,400
Trusts and foundations revenue grants	123	-	123
Other charitable activity income	75,743	-	75,743
	<u>463,383</u>	<u>62,953</u>	<u>526,336</u>

5 Income from other trading activities

	Unrestricted funds £	Total 2025 £	
Trading income;			
Shop and Cafe income	112,919	112,919	
Other income from other trading activities	<u>38,332</u>	<u>38,332</u>	
	<u>151,251</u>	<u>151,251</u>	
	Unrestricted funds £ (As restated)	Restricted funds £	Total 2024 £
Trading income;			
Shop and Cafe income	141,465	-	141,465
Fundraising events	2,970	3,565	6,535
Other income from other trading activities	<u>29,291</u>	<u>-</u>	<u>29,291</u>
	173,726	3,565	177,291

Newlyn Art Gallery Limited

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

6 Investment income

	Unrestricted funds £	Total 2025 £
Interest receivable and similar income;		
Interest receivable on bank deposits	1,183	1,183
	<u>1,183</u>	<u>1,183</u>
	Unrestricted funds £	Total 2024 £
Interest receivable and similar income;		
Interest receivable on bank deposits	671	671
	<u>671</u>	<u>671</u>

7 Expenditure on raising funds

a) Costs of trading activities

	Unrestricted funds £	Restricted funds £	Total 2025 £
Costs of goods sold	62,626	150	62,776
Staff Costs	23,630	-	23,630
Cafe Cleaning and Waste Disposal	12,438	-	12,438
Cafe Cleaning Expenses	395	-	395
Shop Repairs and Renewals	250	-	250
Cafe Repairs and Renewals	121	-	121
Cafe Equipment Rental	3,475	-	3,475
	<u>102,935</u>	<u>150</u>	<u>103,085</u>

Newlyn Art Gallery Limited

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

	Unrestricted funds £ (As restated)	Restricted funds £	Total 2024 £
Costs of goods sold	69,531	13	69,544
Staff Costs	65,962	-	65,962
Cafe Cleaning and Waste Disposal	14,098	-	14,098
Cafe Cleaning Expenses	657	-	657
Shop Repairs and Renewals	11	-	11
Cafe Repairs and Renewals	765	-	765
Cafe Equipment Rental	3,040	-	3,040
	<u>154,064</u>	<u>13</u>	<u>154,077</u>

8 Expenditure on charitable activities

	Activity undertaken directly £	Activity support costs £	2025 £	2024 £
Staff costs	411,478	-	411,478	477,683
Depreciation and impairment	105,928	-	105,928	106,456
Telephone	-	4,950	4,950	4,331
Postage	-	2,219	2,219	3,387
Advertising	-	6,223	6,223	10,017
Utilities and property maintenance	-	50,385	50,385	38,886
Repairs and renewals	-	22,380	22,380	23,155
Event costs (excluding staff costs)	8,658	-	8,658	7,299
Education (excluding staff costs)	10,426	-	10,426	29,400
Exhibitions (excluding staff costs)	36,732	-	36,732	39,668
Sundry expenditure	-	-	-	5,620
Travel and subsistence	-	6,559	6,559	10,976
Consultancy, legal and professional	-	1,841	1,841	5,284
Bank charges	-	3,556	3,556	4,236
Irrecoverable VAT	-	15,602	15,602	10,829
Hire of equipment	-	5,116	5,116	4,130
Insurance	-	10,210	10,210	10,039
Other charitable expenditure	-	1,069	1,069	1,117
Loss on disposal of fixed assets	-	4,214	4,214	-
Interest payable	-	2,168	2,168	3,035
Other support costs	-	3,374	3,374	-
Share of governance costs	-	26,370	26,370	41,654
	<u>573,222</u>	<u>166,236</u>	<u>739,458</u>	<u>837,202</u>

Newlyn Art Gallery Limited

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

£614,589 (2024: £690,855) of the above expenditure was attributable to unrestricted funds and £110,416 (2024: £146,347) to restricted funds.

9 Analysis of governance and support costs

Governance costs

	Unrestricted funds £	Total 2025 £
Audit fees		
Audit of the financial statements	17,200	17,200
Other fees paid to auditors	3,920	3,920
Other governance costs	5,250	5,250
	<u>26,370</u>	<u>26,370</u>
	Unrestricted funds £	Total 2024 £
Audit fees		
Audit of the financial statements	17,900	17,900
Other fees paid to auditors	5,655	5,655
Other governance costs	18,099	18,099
	<u>41,654</u>	<u>41,654</u>

Newlyn Art Gallery Limited

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

10 Net incoming/outgoing resources

Net outgoing resources for the year include:

	2025	2024
	£	£
Audit fees	17,200	17,900
Other non-audit services	3,920	5,655
Loss on disposal of tangible fixed assets	4,214	-
Depreciation of fixed assets	<u>105,927</u>	<u>106,458</u>

11 Trustees remuneration and expenses

During the year the charity made the following transactions with trustees:

G Buenfeld - Murley

£64 (2024: £Nil) of expenses were reimbursed to G Buenfeld - Murley during the year.

At the balance sheet date the amount due to G Buenfeld - Murley was £64.

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any other benefits from the charity during the year.

Newlyn Art Gallery Limited

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

12 Staff costs

The aggregate payroll costs were as follows:

	2025 £	2024 £ (As restated)
Staff costs during the year were:		
Wages and salaries	378,087	459,127
Social security costs	24,015	32,073
Pension costs	32,970	33,781
Other staff costs	36	18,668
	<u>435,108</u>	<u>543,649</u>

Included within pension costs for the year is a charge of £14,453 (2024: £8,647) in relation to the net present value adjustment of the defined benefit pension scheme.

The monthly average number of persons (including senior management / leadership team) employed by the charity during the year expressed as average headcount was as follows:

	2025 No	2024 No (as restated)
Employees	<u>35</u>	<u>38</u>

The restatement to staff costs reflects the splitting out of £18,647 of redundancy payments from wages and salaries costs to other staff costs. The restatement to average staff numbers has been made to include staff on zero hour contracts.

No employee received emoluments of more than £60,000 during the year or the prior year (as restated).

The total employee benefits of the key management personnel of the charity were £66,115 (2024 - £118,442), where the 2024 disclosure has been restated to include salaries of gallery directors only.

Newlyn Art Gallery Limited

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

13 Taxation

The charity is a registered charity and is therefore exempt from taxation.

14 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Computer equipment £	Total £
Cost				
At 1 April 2024	4,699,531	106,444	88,960	4,894,935
Additions	-	35,918	-	35,918
Disposals	(5,122)	-	-	(5,122)
At 31 March 2025	<u>4,694,409</u>	<u>142,362</u>	<u>88,960</u>	<u>4,925,731</u>
Depreciation				
At 1 April 2024	1,496,557	70,841	80,041	1,647,439
Charge for the year	94,099	6,588	5,240	105,927
Eliminated on disposals	(908)	-	-	(908)
At 31 March 2025	<u>1,589,748</u>	<u>77,429</u>	<u>85,281</u>	<u>1,752,458</u>
Net book value				
At 31 March 2025	<u>3,104,661</u>	<u>64,933</u>	<u>3,679</u>	<u>3,173,273</u>
At 31 March 2024	<u>3,202,974</u>	<u>35,603</u>	<u>8,919</u>	<u>3,247,496</u>

Included within the net book value of land and buildings above is £1,849,511 (2024 - £1,908,391) in respect of freehold land and buildings and £1,255,150 (2024 - £1,294,583) in respect of leaseholds.

The lease held on Newlyn Art Gallery was renegotiated in 2006. The revised lease term is 99 years. The freehold of The Exchange Building was purchased in July 2006 with funds secured from a number of grant making bodies. The principal funders were ERDF Objective 1 and Arts Council England.

Newlyn Art Gallery Limited

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

15 Heritage assets

	Art £	Total £
Cost		
At 1 April 2024	<u>527,373</u>	<u>527,373</u>
At 31 March 2025	527,373	527,373
Depreciation		
At 31 March 2025	<u>-</u>	<u>-</u>
Net book value		
At 31 March 2025	<u>527,373</u>	<u>527,373</u>

In 1979, John Halkes, then Director of Newlyn Art Gallery, initiated the first serious review of Newlyn School painting between 1880 and 1900. By 1985 his work had resulted in a major showing at the Barbican Art Gallery in London, while in Newlyn a second survey show dealt with 1900 to 1930. Halkes set out to begin a collection, attracting gifts from collectors and heirs and soliciting bequests from the Gallery's supporters. The Gallery was built in 1895 and has been showing work by artists attracted to West Cornwall ever since then; under Halkes' Directorship it was established as a publicly funded contemporary art gallery. It has since achieved a high reputation for its programme of exhibitions and education work but the idea of building a collection was lost along the way. It proved an impossible task with extremely limited staff and resources, and while a concentration upon current work was a condition of revenue funding.

The small group of art works John Halkes acquired are now on loan to the Penlee House Museum & Art Gallery in Penzance, where a specialisation in Newlyn School and related art has developed, and where this work is almost always on view. Other works given or bequeathed over the years have included works on paper by Charles Breaker and Bryan Wynter.

The Gallery's external valuer, David Lay FRICS, carried out a full valuation of the collection of artworks as at 31 March 2020. The valuation was based on commercial markets, including recent transaction information from auctions where similar types of paintings are regularly being purchased. The trustees are of the opinion that there was no material change in fair value during the year to 31 March 2025. The trustees have already appointed a valuer to provide an updated valuation for the year ended 31 March 2026.

This valuation represents a significant estimate and the estimation uncertainties inherent in this valuation have a significant risk of resulting in a material adjustment to the carrying amount of these assets in a future period.

Newlyn Art Gallery Limited

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

16 Fixed asset investments

Other investments

	Other investments £	Total £
Cost or Valuation		
At 1 April 2024	82,117	82,117
At 31 March 2025	82,117	82,117
Net book value		
At 31 March 2025	82,117	82,117
At 31 March 2024	82,117	82,117

17 Stock

	2025 £	2024 £
Stocks	20,028	26,000

18 Debtors

	2025 £	(As restated) 2024 £
Trade debtors	1,133	2,388
Prepayments	14,401	14,366
Accrued income	131,750	155,329
	147,284	172,083

19 Creditors: amounts falling due within one year

	2025 £	2024 £
Bank loans	11,169	10,045
Trade creditors	12,960	13,562
Other taxation and social security	9,404	9,295
Other creditors	18,888	16,326
Accruals	29,394	44,490
Deferred income	-	1,000
	81,815	94,718

Newlyn Art Gallery Limited

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

Included in other creditors is the current element of the net present value of the future pension deficit reduction payments £14,640 (2024: £11,148) as required by FRS 102. (See note 23).

20 Creditors: amounts falling due after one year

	2025 £	2024 £
Bank loans	16,672	28,349
Other creditors	59,477	63,156
	<u>76,149</u>	<u>91,505</u>

Other creditors represents the non-current portion of the net present value of future pension deficit reduction payments as required by FRS102. (See note 23).

Loans and overdrafts

Lloyds Bank plc holds a first legal charge over the freehold land and buildings at The Exchange, Princes Street, Penzance.

In addition to the charge disclosed above, the Arts Council England holds a debenture securing £1,200,000 and all other monies due or to become due from the charitable company to the Arts Council England. This is secured by a charge over the freehold property in Penzance and the leasehold property in Newlyn.

The loan is repayable in 12 consecutive monthly instalments representing principal and interest.

The rate of interest payable on the loan during the Capped Rate Period, which ran until 3 July 2022, was the lower of:

- a) 3.60% over Base rate per annum, and
- b) the Capped Rate, being 4.95%

Following the end of the Capped Rate Period, the rate of interest payable is 3.10% over Base Rate per annum.

Newlyn Art Gallery Limited

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

21 Obligations under leases and hire purchase contracts

Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2025 £	2024 £
Other		
Within one year	4,610	4,240
Between one and five years	6,400	5,503
	<u>11,010</u>	<u>9,743</u>

22 Pension and other schemes

Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charity to the scheme and amounted to £18,517 (2024 - £25,134).

Contributions totalling £2,459 (2024 - £2,989) were payable to the scheme at the end of the year and are included in creditors.

Defined benefit pension schemes

The charitable company contributed to a defined benefit scheme; the “Pension Scheme for Administration and Technical Staff in the Arts” up to 14 December 2012 when the scheme was close to future accrual. The charitable company remains liable for its portion of the deficit in the scheme funds. The assets of the scheme are administered by a trustee, in a fund independent from those of the charitable company.

The scheme is a multi-employer scheme and the charitable company is unable to identify its share of the underlying assets and liabilities. As noted in the Accounting Policies there is funding agreement in place to eliminate that element of the deficit in the scheme which is relative to the charitable company.

The scheme is classified as a ‘last-person standing arrangement’. Therefore, the company is potentially liable for other participating employers’ obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

The triennial valuation as at 31 March 2022 was agreed on 23 June 2023 and estimated a funding shortfall of £2,947,000 (2019 valuation: £2,299,000). An updated recovery plan was approved at the same time to account for the updated valuation as well as a decrease in the number of remaining participating employers. Under the updated recovery plan Newlyn Art Gallery, as one of several employers responsible for funding this shortfall, has agreed to pay monthly contributions of £1,220 from 1 July 2023 to 31 March 2031 (previous plan: £779 from 1 July 2017 to 31 May 2027).

Newlyn Art Gallery Limited

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

A liability has been recognised in the balance sheet equal to the net present value of these future deficit reduction payments. The payments are discounted to present value using a yield curve derived from AA rated bonds in the iBoxx Sterling Corporate Bond Index, this gave a rate of 5.4% (2024: 4.7%). The net present value of the sum of the remaining monthly contributions as at 31 March 2025 is £74,117 (2024: £74,304) and this has been recorded as a liability in the balance sheet with £14,640 (2024: £11,148) in creditors falling due within one year and £59,477 (2024: £63,156) in creditors falling due after one year.

Newlyn Art Gallery Limited

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

23 Funds

	Balance at 1 April 2024 £ (As restated)	Incoming resources £	Resources expended £	Balance at 31 March 2025 £
Unrestricted funds				
<i>General</i>				
Unrestricted fund	1,925,965	657,387	(731,977)	1,851,375
Restricted funds				
Arts Council England	1,469,710	-	(44,000)	1,425,710
Tea, Cake and Art	12,436	9,349	(10,696)	11,089
Happiness Commissions	-	5,500	(5,010)	490
Foyle Foundation	-	32,500	(26,645)	5,855
The Headley Trust	-	20,000	(20,000)	-
Norman Family	-	1,000	-	1,000
Cotton Industry	-	5,000	(730)	4,270
FEAST	-	3,000	(3,485)	(485)
Total restricted funds	1,482,146	76,349	(110,566)	1,447,929
Endowment funds				
<i>Permanent</i>				
Endowment fund	527,373	-	-	527,373
Total funds	3,935,484	733,736	(842,543)	3,826,677

Newlyn Art Gallery Limited

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

	Balance at 1 April 2023 £ (As restated)	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2024 £ (As restated)
Unrestricted funds					
General					
Unrestricted fund	2,032,234	700,512	(844,858)	38,077	1,925,965
Restricted					
Arts Council England	1,513,710	-	(44,000)	-	1,469,710
Tea, Cake and Art	(6,535)	13,208	(3,280)	9,043	12,436
Jerwood	12,456	3,000	(12,430)	(3,026)	-
Arts Council Collection	(25,694)	40,000	(19,965)	5,659	-
Weston Culture	11,091	-	-	(11,091)	-
National Portrait Gallery	(18)	-	-	18	-
Kickstart Grant	10,293	-	(2,167)	(8,126)	-
JAFMO	(289)	-	-	289	-
Paul Hamlyn	46,167	-	(46,633)	466	-
Peer to Peer	3,293	-	(3,293)	-	-
ACC Workforce					
Development Grant	31,309	-	-	(31,309)	-
Storm Warning	-	14,653	(14,653)	-	-
Total restricted funds	1,595,783	70,861	(146,421)	(38,077)	1,482,146
Endowment funds					
Permanent					
Endowment fund	527,373	-	-	-	527,373
Total funds	4,155,390	771,373	(991,279)	-	3,935,484

A restatement has been processed to correct the balance held on the Arts Council fund. This fund balance represents a restricted fixed asset and the restatement has been made to align the fund balance with the asset net book value as well as the depreciation expenditure allocated against the fund.

Newlyn Art Gallery Limited

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

Restricted funds

Arts Council England - funding was provided to purchase and renovate the freehold property that houses the Exchange Gallery. The funding is secured over the property and the security expires in 2026, which is 20 years after the building was acquired.

Tea, Cake and Art - is an artist-creator-led creative social group for older or isolated people to meet and spend time with others. It runs twice weekly in the autumn and spring. Funded by Cornwall Social Inclusion Fund, Cllr McKenna's Community Fund, McLay's Dementia Trust (2024-25) and donations from individuals.

Happiness Commissions project: Mbili and Foyle Foundation - the first year (2024-25) of a proposed longer term project, The Happiness Commissions, whose aim is to build sustained relationships with 5 key partner organisations. Use of our own programme (including Melanie Manchot's STEPHEN, a significant artwork addressing addiction issues), and outreach to create the first of our Happiness Commissions' cohorts.

Foyle Foundation - grant to support a full-time digital producer for 12 months to May 2025 plus related programme costs.

Headley Trust - support towards the costs of the programme curator for the Skills Assembly Project. The Skills Assembly Project (no longer known under that title) is a three-year collaborative programme with built-in legacy outcomes that makes an offer of active participation to a broad range of young people aged 16-25 in West and Mid Cornwall. In 2024-25, the young persons' groups were WILD and Trelya.

Norman Family Charitable Trust - support of young people from disadvantaged West Cornwall communities to create garments using art and design, and develop skills and confidence that will serve them in their daily lives. The grant was used to set up and equip the textile workroom that supported the sessions with young people's groups as described above as part of Social Fabric.

Cotton Industry War Memorial Trust - funding for The Workroom project to support disadvantaged young people to gain practical knowledge around garment production as part of Social Fabric.

FEAST - two strands of learning and engagement work associated with the gallery exhibition Social Fabric: A series of workshops out at, and in partnership with, five regional museums exploring their textile archives and delivering practical textile workshops with gallery groups; a series of progressive haptic textile workshops in-gallery delivered over the course of the exhibition to young people's groups: Trelya, WILD Young Parents and Newlyn School.

Endowment funds

Endowment funds represent assets which must be held permanently by the charity. Income arising from endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses on the assets form part of the fund.

This fund relates to the Heritage assets valued at £527,373 by David Lay FRICS in March 2020.

Newlyn Art Gallery Limited

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

24 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Endowment funds Permanent £	Total funds at 31 March 2025 £
Tangible fixed assets	1,747,563	1,425,710	-	3,173,273
Heritage assets	-	-	527,373	527,373
Fixed asset investments	82,117	-	-	82,117
Current assets	179,659	22,219	-	201,878
Current liabilities	(81,815)	-	-	(81,815)
Creditors over 1 year	(76,149)	-	-	(76,149)
Total net assets	<u>1,851,375</u>	<u>1,447,929</u>	<u>527,373</u>	<u>3,826,677</u>

	Unrestricted funds £ (As restated)	Restricted funds £ (As restated)	Endowment funds Permanent £	Total funds at 31 March 2024 £ (As restated)
Tangible fixed assets	1,777,786	1,469,710	-	3,247,496
Heritage assets	-	-	527,373	527,373
Fixed asset investments	82,117	-	-	82,117
Current assets	252,285	12,436	-	264,721
Current liabilities	(94,718)	-	-	(94,718)
Creditors over 1 year	(91,505)	-	-	(91,505)
Total net assets	<u>1,925,965</u>	<u>1,482,146</u>	<u>527,373</u>	<u>3,935,484</u>

The gallery had a cumulative surplus at 31 March 2025 of £118,265 (2024: £148,179). This figure is known as free reserves, being unrestricted general funds not held in tangible fixed assets or heritage assets. Free reserves are the funds freely available to support the gallery's activities.

25 Analysis of net funds

	At 1 April 2024 £	Financing cash flows £	At 31 March 2025 £
Cash at bank and in hand	<u>66,638</u>	<u>(32,072)</u>	<u>34,566</u>
Net cash	<u>66,638</u>	<u>(32,072)</u>	<u>34,566</u>

26 Related party transactions

There were no related party transactions in the year.