

Company registration number: 01378599

Charity registration number: 507842

Mostyn Gallery Limited

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 March 2021

Aston Hughes Limited
Chartered Accountants and Statutory Auditors
Selby Towers
29 Princes Drive
Colwyn Bay
North Wales
LL29 8PE

Mostyn Gallery Limited

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Mostyn Gallery Limited

Reference and Administrative Details

Trustees

Mr J C Salisbury, Chairman
Mr A Cramerotti, Gallery Director
Mr E Williams
Ms S Cockrill
Mr I Thomas
Ms V Griffiths
Mr G Robbins
Mr M Pavey
Mrs H Weaver
Mr A Bernardi
Mr D Lloyd
Mrs S Shotter

Secretary

Mr A Cramerotti, Gallery Director

Charity Registration Number

507842

Company Registration Number

01378599

The charity is incorporated in England and Wales.

Registered Office

Oriel Mostyn
12 Vaughan Street
Llandudno
Conwy
LL30 1AB

Auditor

Aston Hughes Limited
Chartered Accountants and Statutory Auditors
Selby Towers
29 Princes Drive
Colwyn Bay
North Wales
LL29 8PE

Mostyn Gallery Limited

Strategic Report for the Year Ended 31 March 2021

The trustees, who are directors for the purposes of company law, present their strategic report for the year ended 31 March 2021, in compliance with s414C of the Companies Act 2006.

Financial review

During the year the charity had total incoming resources of £824,257 (2019/20: £787,780) and total resources expended of £760,906 (2019/20: £974,353) resulting in a net decrease in funds of £63,351 (2019/20: £186,573). During the period, depreciation accounted for £165,043 (2019/20: £163,099) of the expenditure.

2020/21, because of the coronavirus epidemic, was in no way a typical year. When we have been able to re-open, numbers have been restricted. Bearing all this in mind, revenue income from the retail gallery has been very positive. We have also been successful in our applications for project funding with major grants being received from the Art Fund and Garfield Weston.

The trustees consider the financial state of affairs of the charity to be satisfactory.

Policy on reserves

The trustees have reviewed and adopted a policy for holding reserves, having given due consideration to the operational profile of the charity the board feel that it is appropriate to hold a reserve that would allow the charity to discharge its liabilities and close its operation in an orderly fashion should it be unable to continue its activities. The trustees feel that in practical terms this would represent holding a cash reserve equivalent to 3 months' cash operational expenditure plus the redundancy costs of all staff members. This figure has been calculated to be £250,000. Establishing this reserve is the key basis of the programme schedule that has been adopted by the Gallery Council.

Financial and risk management objectives and policies

Mostyn Gallery Ltd.'s Business Plan identifies the following financial objective:

Plans for future periods

Forecast 2021/24

This forecast is based on actual results to September 2021 and forecast thereafter. Forecast operating profit before depreciation for the year to March 2022 is £1,060. Savings in employee and exhibition costs, together with amounts of trading income continue to be monitored regularly. Forecasts may be affected should further closedowns be called.

We have not been charging rental for the café during the COVID impacted period. From January 2022 the café reopens with new tenants and a stepped formula for rental charges has been agreed to allow the new franchisee to develop the business.

Future plans

The Trustees have agreed a robust programme schedule that consolidates the excellent work done over the past four years in terms of financial controls and stability. This will be complemented by a concerted effort to increase MOSTYN's capability in terms of attracting corporate and individual giving.

Mostyn Gallery Limited

Strategic Report for the Year Ended 31 March 2021

Principal risks and uncertainties

The trustees have assessed the major risks to which the charitable company is exposed, and, are satisfied that systems are in place to mitigate exposure to those major risks.

The strategic report was approved by the trustees of the charity on 6 December 2021 and signed on its behalf by:

.....
Mr J C Salisbury
Trustee

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke, positioned over the dotted line and the name of the trustee.

Mostyn 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 2021.

Objectives and activities

Objects and aims

Mostyn Gallery Limited is a social not for profit organisation, which exists to create value for society by improving its citizens' wellbeing through exhibitions and publications, learning and lifelong education, engagement and audience participation.

Mostyn Gallery Limited brings the best of international contemporary art to Wales, nurtures Welsh artists and advocates for art and artists.

Objectives, strategies and activities

Art in Wales

During this financial year, and despite the various periods of closure required for the Covid-19 pandemic, Mostyn Gallery Limited has maintained its position as the leading visual arts organisation in Wales increasing the reach, ambition and recognition of its artistic programme as well as its impact on the local community. In 2020/21 we received 7,700 on-site visitors in addition to 11,267 interactions through our digital commissions and 26,965 unique viewers (interaction through various pages) via our website.

Exhibitions

Soon after the inauguration of Athena Papadopoulos and Kiki Kogelnik's exhibitions on 14 March 2020, we had to close the building due to the Covid-19 pandemic. We decided to extend the two new shows throughout the Summer until 23 October 2020 in so allowing some in-person audience attendance. Both shows secured a good media coverage, despite being inaccessible for most of the exhibition duration. We then mounted an Autumn-Winter exhibition season with three new shows: the first UK institutional solo exhibitions by Nick Hornby and Richard Wathen, and the co-production with Focal Point Gallery and Humber Street Gallery of Hannah Quinlan and Rosie Hastings' solo show - all opening on 14 November 2020. Unfortunately, soon after that we had to close the building again because of the pandemic, and once again we extended the duration of the season through Spring 2021, closing it on 20 June 2021. The positive aspect of this long exhibition time was the amount of media coverage generated, especially in relation to Nick Hornby's presentation.

Artistic Programme Events

The pandemic and the closure of the building presented an opportunity to re-imagine what an art institution without its building may be - now and in the future. We focused our efforts in bringing the organisation to the people, rather than expecting the other way around. We brought on board new artistic formats, new funders and new audiences alike. In a time of crisis, Mostyn Gallery Ltd thrived with renewed energy not only through its engagement and outreach activities (art boxes and education packs delivered to local primary and secondary schools to help them deliver their curriculum) but also by establishing relations with new funding schemes that allowed us to deliver externally-curated digital programmes, including a series of digital workshop (EDGE Digital Skills), radio series (Montez Press Radio and LUMIN Radio/Local 37), a streamed TV series (MycoTV), and an Instagram TV programme (Queer Is Not A Label). As outlined above in the 'Art in Wales' section, the audience responded: approx. 30% of our previous footfall in the galleries were recouped as online interaction users over the same period. Based on this evidence, Mostyn Gallery Ltd then secured substantial funding from Garfield Weston to re-design and enhance the whole of MOSTYN digital platform: website, social media channels, in-house digital services, online production capabilities and digital residencies/commissions. This overhaul is not in the planning phase. ACW flagged it as an example of creativity and entrepreneurship under economic and cultural restraint.

Mostyn Gallery Limited

Trustees' Report

Retail and Commercial Operations

Our popular curated showcase exhibitions continued in Gallery 1:

- Wonderland - 01/02/20 to 31/10/20. A collection of curious and colourful contemporary craft and print featuring ceramics, glass, jewellery and printmaking inspired by wondrous landscapes, people and creatures.
- Gifts from Wales and the borders - 10/11/20 to 02/05/21. For our seasonal showcase this winter, we have selected some of the very best craftspeople and artists working in Wales and the Borders.

North Wales Contemporary Craft and Print Fairs

Due to the pandemic and restrictions in place we were unable to hold either Fairs or in-person events.

Christmas Window

Each year we advertise a commission to decorate our Christmas windows. Due to the pandemic and lockdowns the decision made to pause the commission for Christmas 2020. A display was produced in-house with a "gingerbread house" version of MOSTYN building incorporating the now media-famous Llandudno goats.

Support for artists

The focus of our retail gallery is on the mutual support that this can engender. The majority of sales within our retail gallery are of work created by artists and craftspeople over 50% of whom are based in Wales. There are three sets of beneficiaries from this. People in North Wales have the chance to buy and then display beautifully created pieces of art and craftwork; MOSTYN benefits from a percentage of the income with the larger percentage of that income supporting the ongoing careers of the artists who created the work.

New initiatives

At the beginning of this financial year we were in discussion with Wrexham Glyndwr University about the establishment of three MA courses based upon the Visual Arts: MA Creative Production and Curatorial Practice (with direct input from MOSTYN), MA Art and Wellbeing, and MA Interdisciplinary Practice. During the Autumn/Winter 2020 the three courses were validated and the authorization was granted. The starting term for the MA is October 2021.

COVID-19

We closed the gallery on March 23rd 2020 as part of the nationwide lock-down in response to the Covid-19 pandemic. Shop staff were put on furlough with the rest of the staff continuing to work either at the gallery, if necessary, or from home for the period of lock-down. The shop and retail gallery reopened on 30th July and the café and galleries on 13th August. Welsh Government called a fortnight firebreak closure in October 2020 and then on December 20th a full lock-down was implemented which lasted until 27th April 2021.

Public benefit

The trustees confirm that they have complied with the requirements of section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Mostyn Gallery Limited

Trustees' Report

Structure, governance and management

Nature of governing document

Mostyn Gallery Ltd is a company limited by guarantee as defined by the Companies Act 2006. It is a registered charity. The company was established in 1979 under a Memorandum of Association, which established the objects and powers of the charitable company and is governed under the Articles of Association.

Charity constitution

The trustees meet three times a year and are responsible for the management and strategic leadership of the charity and ensuring that the charity devotes all of its resources and assets towards meeting its objectives. All of the trustees are members of the company and guaranteed to contribute £1 in the event of a winding up.

Recruitment and appointment of trustees

Mostyn Gallery Council members are recruited according to the skills required as identified by Council. A broad and diverse recruitment process is adopted and governance training is given regularly to members via professional bodies. A skills audit is undertaken annually to ensure the organisation has the breadth of skill needed to govern the organisation.

Decision making

All decisions on policy and strategy are made by the Gallery Council and recorded in the minutes of the Council meetings. Day to day responsibility for the management of the charity is delegated to the Gallery Director, Alfredo Cramerotti. Individual Trustees take particular interest in aspects of the business relating to their skills and expertise and provide mentorship and support in relation to these.

Induction and training of trustees

The charity has a policy and procedure for the induction of volunteers and trustees. When necessary, the company provides training in order for Trustees to maintain appropriate knowledge of their role and responsibility as trustees under Company Law and Charity Commission guidelines.

Arrangements for setting key management personnel remuneration

The Director of the Gallery (Mr A Cramerotti) is a Trustee. The salary of the Director is agreed by Gallery Council who make the appointment. Expenses incurred by the Director are monitored by the Chair of Gallery Council. All other Trustees are unpaid except for expenses incurred directly on the charity's behalf.

Major risks and management of those risks

The trustees have assessed the major risks to which the charitable company is exposed, and, are satisfied that systems are in place to mitigate exposure to those major risks.

Mostyn Gallery Limited

Trustees' Report

Statement of Trustees' Responsibilities

The trustees (who are also the directors of Mostyn Gallery Limited for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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 its incoming resources and application of resources, including its income and expenditure, 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 UK Accounting Standards 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 adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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.

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.

The annual report was approved by the trustees of the charity on 6 December 2021 and signed on its behalf by:

.....
Mr J C Salisbury
Trustee



Mostyn Gallery Limited

Independent Auditor's Report to the Members of Mostyn Gallery Limited

Opinion

We have audited the financial statements of Mostyn Gallery Limited (the 'charity') for the year ended 31 March 2021, 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 2021 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 the provisions available for small entities, in the circumstances set out in note to the financial statements, 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.

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.

Mostyn Gallery Limited

Independent Auditor's Report to the Members of Mostyn Gallery Limited

Opinion on other matters 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 Strategic Report and Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Trustees' Report have 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 Strategic Report and 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 7), 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Mostyn Gallery Limited

Independent Auditor's Report to the Members of Mostyn Gallery Limited

We considered the nature of the charity's industry and control environment and reviewed policies and procedures relating to fraud and compliance with laws and regulations. We also enquired with management about their own identification and assessment of the risk of irregularities.

We communicated amongst the audit team areas that may exist within the organisation for fraud or non-compliance with laws and regulations. Where we considered the risks identified may have a direct material effect on the financial statements or operations of the charity audit procedures were carried out. To address the risks identified we discussed matters with key management, inspected board minutes and reviewed documentation where available.

In common with all audits under ISA's (UK) we are also required to perform specific procedures to respond to the risk of fraud and error through management override of controls and in response we incorporated testing of journal entries within the main accounting system and the manual entries made in the client financial reporting system.

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.

Use of our report

This report is made solely to the charitable company's trustees, 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 trustees 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.



G Glenis Hickerton BSc, FCA (Senior Statutory Auditor)
For and on behalf of Aston Hughes Limited, Statutory Auditor

Selby Towers
29 Princes Drive
Colwyn Bay
North Wales
LL29 8PE

6 December 2021

Mostyn Gallery Limited

Statement of Financial Activities for the Year Ended 31 March 2021 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted £	Restricted £	Total 2021 £
Income and Endowments from:				
Donations and legacies	3	500,902	238,690	739,592
Charitable activities	4	37,123	-	37,123
Other trading activities	5	37,934	-	37,934
Investment income	6	8	-	8
Other income	7	9,600	-	9,600
Total Income		585,567	238,690	824,257
Expenditure on:				
Raising funds	8	(37,404)	-	(37,404)
Charitable activities	9	(626,267)	(97,235)	(723,502)
Total Expenditure		(663,671)	(97,235)	(760,906)
Net (expenditure)/income		(78,104)	141,455	63,351
Transfers between funds		(9,567)	9,567	-
Net movement in funds		(87,671)	151,022	63,351
Reconciliation of funds				
Total funds brought forward	24	3,228,612	18,329	3,246,941
Total funds carried forward	24	3,140,941	169,351	3,310,292

The notes on pages 15 to 31 form an integral part of these financial statements.

Mostyn Gallery Limited

Statement of Financial Activities for the Year Ended 31 March 2021 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted £	Restricted £	Total 2020 £
Income and Endowments from:				
Donations and legacies	3	418,913	220,053	638,966
Charitable activities	4	5,914	-	5,914
Other trading activities	5	123,369	-	123,369
Investment income	6	78	-	78
Other income	7	19,453	-	19,453
Total Income		<u>567,727</u>	<u>220,053</u>	<u>787,780</u>
Expenditure on:				
Raising funds	8	(78,095)	-	(78,095)
Charitable activities	9	(655,069)	(241,189)	(896,258)
Total Expenditure		<u>(733,164)</u>	<u>(241,189)</u>	<u>(974,353)</u>
Net expenditure		(165,437)	(21,136)	(186,573)
Transfers between funds		<u>(17,911)</u>	<u>17,911</u>	<u>-</u>
Net movement in funds		(183,348)	(3,225)	(186,573)
Reconciliation of funds				
Total funds brought forward		<u>3,411,960</u>	<u>21,554</u>	<u>3,433,514</u>
Total funds carried forward	24	<u>3,228,612</u>	<u>18,329</u>	<u>3,246,941</u>

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

The notes on pages 15 to 31 form an integral part of these financial statements.

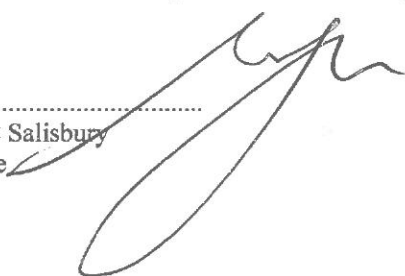
Mostyn Gallery Limited

(Registration number: 01378599)
Balance Sheet as at 31 March 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	16	3,163,013	3,328,056
Current assets			
Stocks	17	16,430	15,648
Debtors	18	58,951	30,407
Cash at bank and in hand	19	179,885	36,158
		<u>255,266</u>	<u>82,213</u>
Creditors: Amounts falling due within one year	20	<u>(96,646)</u>	<u>(150,124)</u>
Net current assets/(liabilities)		<u>158,620</u>	<u>(67,911)</u>
Total assets less current liabilities		3,321,633	3,260,145
Creditors: Amounts falling due after more than one year	21	<u>(11,341)</u>	<u>(13,204)</u>
Net assets		<u>3,310,292</u>	<u>3,246,941</u>
Funds of the charity:			
Restricted income funds			
Restricted funds	24	169,351	18,329
Unrestricted income funds			
Unrestricted funds		<u>3,140,941</u>	<u>3,228,612</u>
Total funds	24	<u>3,310,292</u>	<u>3,246,941</u>

The financial statements on pages 11 to 31 were approved by the trustees, and authorised for issue on 6 December 2021 and signed on their behalf by:

.....
Mr J C Salisbury
Trustee



The notes on pages 15 to 31 form an integral part of these financial statements.

Mostyn Gallery Limited

Statement of Cash Flows for the Year Ended 31 March 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash income/(expenditure)		63,351	(186,573)
Adjustments to cash flows from non-cash items			
Depreciation	8	165,043	163,756
Investment income	6	<u>(8)</u>	<u>(78)</u>
		228,386	(22,895)
Working capital adjustments			
Increase in stocks	17	(782)	(3,241)
(Increase)/decrease in debtors	18	(28,544)	16,286
(Decrease)/increase in creditors	20	(38,887)	31,112
(Decrease)/increase in deferred income	20	<u>(9,000)</u>	<u>9,000</u>
Net cash flows from operating activities		<u>151,173</u>	<u>30,262</u>
Cash flows from investing activities			
Interest receivable and similar income	6	8	78
Purchase of tangible fixed assets	16	-	(15,464)
Sale of tangible fixed assets		<u>-</u>	<u>5</u>
Net cash flows from investing activities		8	(15,381)
Cash flows from financing activities			
Repayment of capital element of finance leases and HP contracts	22	<u>(7,454)</u>	<u>(9,847)</u>
Net increase in cash and cash equivalents		143,727	5,034
Cash and cash equivalents at 1 April	19	<u>36,158</u>	<u>31,124</u>
Cash and cash equivalents at 31 March	19	<u><u>179,885</u></u>	<u><u>36,158</u></u>

The notes on pages 15 to 31 form an integral part of these financial statements.

Mostyn Gallery Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

1 Charity status

The charity is a charity limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

These financial statements were authorised for issue by the trustees on 6 December 2021.

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)) (issued in October 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

Mostyn 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.

Income and endowments

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Mostyn Gallery Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

Deferred income

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Other trading activities

Shop income is recognised as earned (that is, as the related goods or services are provided). Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

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, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Raising funds

These are costs incurred in attracting voluntary income and 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.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

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.

Mostyn Gallery Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

Tangible fixed assets

Individual fixed assets costing £1000.00 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated 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:

Leasehold and other interests in land and buildings: over 30 years

Fixtures & Fittings: 15 - 25% Straight Line Basis

Stock

Stock is valued at the lower of cost and estimated selling price less costs to complete and sell, after due regard for obsolete and slow moving stocks. Cost is determined using the first-in, first-out (FIFO).

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

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.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Mostyn Gallery Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

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.

Non-interest-bearing borrowings are recorded at fair value.

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.

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.

Pensions and other post retirement obligations

The charity operates a defined contribution pension scheme which is a pension plan under which fixed contributions are paid into a pension fund and the charity has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised in the Statement of Financial Activities when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

Mostyn Gallery Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Mostyn Gallery Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

Debt instruments

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

(a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.

(b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.

(c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).

(d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.

(e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.

(f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Mostyn Gallery Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

3 Income from donations and legacies

	Unrestricted		Total 2021	Total 2020
	General £	Restricted £	£	£
Donations and legacies;				
Donations from individuals	15,075	12,920	27,995	4,677
Grants, including capital grants;				
Government grants	46,290	-	46,290	32,600
Non government grants	439,537	225,770	665,307	601,689
	<u>500,902</u>	<u>238,690</u>	<u>739,592</u>	<u>638,966</u>

4 Income from charitable activities

	Unrestricted	Total 2021	Total 2020
	General £	£	£
Exhibitions	<u>37,123</u>	<u>37,123</u>	<u>5,914</u>

5 Income from other trading activities

	Unrestricted	Total 2021	Total 2020
	General £	£	£
Trading income;			
Shop income	<u>37,934</u>	<u>37,934</u>	<u>123,369</u>
	<u>37,934</u>	<u>37,934</u>	<u>123,369</u>

Mostyn Gallery Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

6 Investment income

	Unrestricted funds General £	Total 2021 £	Total 2020 £
Interest receivable and similar income;			
Interest receivable on bank deposits	8	8	78

7 Other income

	Unrestricted General £	Total 2021 £	Total 2020 £
Cafe rental	-	-	8,850
Room hire	-	-	1,000
Museums and galleries exhibition tax relief	9,600	9,600	9,603
	9,600	9,600	19,453

8 Expenditure on raising funds

a) Costs of trading activities

	Unrestricted General £	Total 2021 £	Total 2020 £
Note			
Costs of goods sold	37,404	37,404	77,788
Bad debts written off	-	-	307
	37,404	37,404	78,095

Mostyn Gallery Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

9 Expenditure on charitable activities

		Unrestricted		Total	Total
	Note	General	Restricted	2021	2020
		£	£	£	£
Publicity costs		9,170	-	9,170	14,983
Premises costs		95,902	17,887	113,789	118,297
Exhibition program		40,172	45,220	85,392	223,228
Travel and subsistence		1,143	-	1,143	21,115
Office costs		29,571	-	29,571	29,267
Sundry expenses		14,800	-	14,800	14,913
Bank charges		2,030	-	2,030	4,250
Interest payable		2,941	-	2,941	4,493
Depreciation		165,043	-	165,043	163,762
Legal and professional		-	-	-	1,896
Staff costs		259,245	34,128	293,373	293,804
Governance costs	10	6,250	-	6,250	6,250
		<u>626,267</u>	<u>97,235</u>	<u>723,502</u>	<u>896,258</u>

Mostyn Gallery Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

10 Analysis of governance and support costs

Governance costs

	Unrestricted funds General £	Total 2021 £	Total 2020 £
Audit fees			
Audit of the financial statements	6,250	6,250	6,250
	<u>6,250</u>	<u>6,250</u>	<u>6,250</u>

11 Net incoming/outgoing resources

Net incoming/(outgoing) resources for the year include:

	2021 £	2020 £
Operating leases - other assets	35,236	33,179
Audit fees	6,250	6,250
Other non-audit services	1,591	1,681
Depreciation of fixed assets	165,042	163,762
Finance charges payable	<u>2,941</u>	<u>3,234</u>

12 Trustees remuneration and expenses

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

Mr A Cramerotti

Mr A Cramerotti received remuneration of £42,024 (2020: £42,424) and £709 (2020: £20,918) of expenses were reimbursed to Mr A Cramerotti during the year.

The remuneration and expenses paid to Mr Cramerotti were in respect of day to day management of the charity and fulfilling his role as the gallery director. The transactions disclosed as expenses reimbursed to Mr Cramerotti were travel and subsistence costs incurred by him whilst on business travel using the company credit card.

At the balance sheet date the amount due to Mr A Cramerotti was £120 (2020: £374).

Mostyn Gallery Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

13 Staff costs

The aggregate payroll costs were as follows:

	2021 £	2020 £
Staff costs during the year were:		
Wages and salaries	275,687	269,579
Social security costs	13,094	14,785
Pension costs	4,363	3,725
Other staff costs	229	5,715
	<u>293,373</u>	<u>293,804</u>

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

	2021 No	2020 No
Average numbers	<u>22</u>	<u>22</u>

No employee received emoluments of more than £60,000 during the year.

14 Auditors' remuneration

	2021 £	2020 £
Audit of the financial statements	<u>6,250</u>	<u>6,250</u>

Mostyn Gallery Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

15 Taxation

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

16 Tangible fixed assets

	Land and buildings £	Plant and machinery £	Total £
Cost			
At 1 April 2020	4,726,549	124,747	4,851,296
At 31 March 2021	4,726,549	124,747	4,851,296
Depreciation			
At 1 April 2020	1,417,808	105,432	1,523,240
Charge for the year	157,392	7,651	165,043
At 31 March 2021	1,575,200	113,083	1,688,283
Net book value			
At 31 March 2021	3,151,349	11,664	3,163,013
At 31 March 2020	3,308,741	19,315	3,328,056

Included within the net book value of land and buildings above is 3,151,349 (2020 - £3,308,741) in respect of leaseholds.

Plant and machinery held under hire purchase and finance lease agreements had a net book value of £2 (2020 - £4,249).

17 Stock

	2021 £	2020 £
Stocks	16,430	15,648

18 Debtors

	2021 £	2020 £
Trade debtors	1,121	192
Prepayments	14,183	13,915
Other debtors	43,647	16,300
	58,951	30,407

Mostyn Gallery Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

19 Cash and cash equivalents

	2021 £	2020 £
Cash on hand	58	300
Cash at bank	179,827	35,858
	<u>179,885</u>	<u>36,158</u>

20 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	60,144	94,940
Hire purchase and finance leases	1,862	7,453
Other taxation and social security	20,020	8,727
VAT liability	-	6,926
Other creditors	1,920	4,599
Accruals	12,700	18,479
Deferred income	-	9,000
	<u>96,646</u>	<u>150,124</u>

Amounts due under hire purchase and finance lease agreements are secured against specific fixed assets held by the charity.

21 Creditors: amounts falling due after one year

	2021 £	2020 £
Other loans	11,341	11,341
Hire purchase and finance leases	-	1,863
	<u>11,341</u>	<u>13,204</u>

Amounts due under hire purchase and finance lease agreements are secured against specific fixed assets held by the charity.

Amounts included within other loans relate to a concessionary loan which attracts no interest and is not expected to be repaid.

Mostyn Gallery Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

22 Obligations under leases and hire purchase contracts

The total value of future minimum lease payments was as follows:

	2021 £	2020 £
Within one year	3,478	13,715
In two to five years	-	3,438
	<u>3,478</u>	<u>17,153</u>

Operating lease commitments

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

	2021 £	2020 £
Land and buildings		
Within one year	43,500	43,500
Between one and five years	174,000	174,000
After five years	<u>652,500</u>	<u>696,000</u>
	<u>870,000</u>	<u>913,500</u>
Other		
Within one year	<u>1,000</u>	<u>4,250</u>

23 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 £4,363 (2020 - £3,725). Contributions totalling £(996) (2020 - £(797)) were payable to the scheme at the end of the year and are included in creditors.

Mostyn Gallery Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

24 Funds

	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 31 March 2021 £
Unrestricted funds					
General					
General	3,228,612	585,567	(663,671)	(9,567)	3,140,941
Restricted funds					
Canvas / Edge	9,919	3,000	(12,919)	-	-
B Borzello Female Perspective	3,000	3,000	-	-	6,000
ACW Capital Grant (Refurbishment)	-	12,520	(17,886)	5,366	-
Criw Celf	5,410	-	(5,410)	-	-
Foyle Foundation	-	14,500	(6,098)	-	8,402
Learning and Curatorial Fund	-	40,000	(1,533)	-	38,467
Jacqueline de Jong Exhibition	-	10,000	(2,553)	-	7,447
Angharad Williams Exhibition	-	3,000	-	-	3,000
Tarek Lakhri: My Immortal	-	5,000	(5,000)	-	-
Weston Culture Fund	-	106,750	(715)	-	106,035
R Wathen Book Fund	-	7,262	(7,495)	233	-
Nick Hornby Exhibition Catalogue	-	5,658	(9,399)	3,741	-
ACW Business Organisational Restructure	-	10,000	(10,000)	-	-
ACW Strength through adversity	-	15,000	(15,000)	-	-
Queer is not a label	-	3,000	(3,227)	227	-
Total restricted funds	<u>18,329</u>	<u>238,690</u>	<u>(97,235)</u>	<u>9,567</u>	<u>169,351</u>
Total funds	<u>3,246,941</u>	<u>824,257</u>	<u>(760,906)</u>	<u>-</u>	<u>3,310,292</u>

Mostyn Gallery Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

	Balance at 1 April 2019 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2020 £
Unrestricted funds					
General					
General	3,411,960	567,727	(733,164)	(17,911)	3,228,612
Restricted					
Llawn	515	59,750	(61,235)	970	-
Portfolio Workshop	1,441	-	(3,946)	2,505	-
Melanie Miller/ Processions Workshop	239	-	(264)	25	-
Pages of the Sea	3,068	-	(3,068)	-	-
Josephine Meckseper Exhibition	3,033	-	(3,080)	47	-
Louisa Gagliardi Exhibition	48	-	(50)	2	-
Canvas / Edge	13,210	15,000	(18,291)	-	9,919
D Nelson	-	300	(300)	-	-
Elisabetta Benassi	-	3,231	(3,231)	-	-
B Borzello Female Perspective	-	3,000	-	-	3,000
Athena Papadopulos	-	2,500	(2,500)	-	-
Chiara Camoni	-	3,321	(3,321)	-	-
ACW Capital Grant (Refurbishment)	-	32,527	(46,889)	14,362	-
CIMAM Sydney	-	1,000	(1,000)	-	-
Nobuko Tsuchiya	-	2,000	(2,000)	-	-
El Anatsui	-	2,038	(2,038)	-	-
Kiki Kogelnik	-	6,496	(6,496)	-	-
Criw Celf	-	83,890	(78,480)	-	5,410
Glyndwr	-	5,000	(5,000)	-	-
Total restricted funds	<u>21,554</u>	<u>220,053</u>	<u>(241,189)</u>	<u>17,911</u>	<u>18,329</u>
Total funds	<u>3,433,514</u>	<u>787,780</u>	<u>(974,353)</u>	<u>-</u>	<u>3,246,941</u>

Mostyn Gallery Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

25 Analysis of net assets between funds

	Unrestricted funds General £	Restricted funds £	Total funds at 31 March 2021 £
Tangible fixed assets	3,163,013	-	3,163,013
Current assets	80,935	174,331	255,266
Current liabilities	(91,666)	(4,980)	(96,646)
Creditors over 1 year	(11,341)	-	(11,341)
Total net assets	<u>3,140,941</u>	<u>169,351</u>	<u>3,310,292</u>
	Unrestricted funds General £	Restricted funds £	Total funds at 31 March 2020 £
Tangible fixed assets	3,328,056	-	3,328,056
Current assets	49,884	32,329	82,213
Current liabilities	(136,124)	(14,000)	(150,124)
Creditors over 1 year	(13,204)	-	(13,204)
Total net assets	<u>3,228,612</u>	<u>18,329</u>	<u>3,246,941</u>

26 Financial instruments

Categorisation of financial instruments

	2021 £	2020 £
Financial assets that are debt instruments measured at amortised cost	238,836	66,565
Financial liabilities measured at amortised cost	(107,987)	(163,328)