

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 2022

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**

<b>Trustees</b>	Mr J C Salisbury, Chairman
	Mr A Cramerotti, Gallery Director
	Mr E Williams
	Ms V Griffiths
	Mr G Robbins
	Mrs H Weaver
	Mr A Bernardi
	Mr D Lloyd
	Ms S Cockrill (resigned 24 March 2022)
	Mr I Thomas (resigned 22 July 2022)
	Mr M Pavey (resigned 24 March 2022)
	Mrs S Shotter (resigned 5 May 2022)
<b>Secretary</b>	Mr A Cramerotti, Gallery Director
<b>Charity Registration Number</b>	507842
<b>Company Registration Number</b>	01378599
<b>Registered Office</b>	The charity is incorporated in England and Wales.
	Oriel Mostyn 12 Vaughan Street Llandudno Conwy LL30 1AB
<b>Auditor</b>	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 2022**

The trustees, who are directors for the purposes of company law, present their strategic report for the year ended 31 March 2022, in compliance with s414C of the Companies Act 2006.

#### **Financial review**

During the year the charity had total incoming resources of £836,851 (2020/21: £824,257) and total resources expended of £1,061,035 (2020/21: £760,906) resulting in a net decrease in funds of £224,184 (2020/21: £63,351 increase in funds). During the period, depreciation accounted for £161,295 (2020/21: £165,042) of the expenditure.

2021/22, because of the on-going coronavirus epidemic, the Gallery remained closed until mid-April 2021. It remained on partial opening hours until the start of the new season in October 21. Trading Income for the year was £95,752 (2020/21: £37,934).

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

#### ***Policy on reserves***

The Trustees' Reserves Policy states that having given due consideration to the operational profile of the charity, Gallery Council has decided 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 reserve equivalent to 3 months' operational expenditure plus the redundancy costs of all staff members. This figure has been calculated to be £140k. Establishing this reserve is the key basis of the programme schedule that has been adopted by the Gallery Council. The Gallery continues toward establishing this level of funds which is not yet met.

#### ***Financial and risk management objectives and policies***

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

#### **Plans for future periods**

##### ***Forecast***

A four year forecast to 2024 was prepared based on actual results to September 2021, however due to the uncertainty presented by the Covid 19 pandemic forecasted financial results have been difficult to conform to. In response to this The Gallery has sought to realign its financial results with those forecasted to 2024 by; closely tracking and controlling project spends, identifying potential savings in employee and exhibition costs, regular monitoring grant and trading income and continuing to build on and improve financial reporting systems in place.

##### ***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 2022**

#### ***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 8 December 2022 and signed on its behalf by:

.....  
Mr J C Salisbury  
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 2022.

#### **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.

##### ***COVID-19***

The restrictions and hesitancy caused by COVID-19 continued to effect visitor numbers and sales. The full lock-down implemented by the Welsh Government on December 20th 2020 continued until 27th April 2021. When the gallery re-opened there were restrictions in place regarding visitor numbers and a designated route through the galleries had to be followed. In November/December 2021 the emergence of the more severe Omicron version of COVID-19 did not result in closure but more severe restrictions were imposed. Most of the education initiatives - such as the Portfolio sessions with 14-18 year olds - were delivered virtually.

##### ***Objectives, strategies and activities***

##### ***Art in Wales***

During this financial year, and despite the knock-off effects of 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 2021/22 we received 19,034 on site visitors, and 36,830 website visitors who made 127,325 page impressions.

##### ***Exhibitions***

Nick Hornby, Richard Wathen, Hannah Quinlan and Rosie Hastings' ran until June 2021

Tarek Lakhrissi: My Immortal - July - September 2021

The Mobile Feminist Library: In Words, In Action, In Connection - July - September 2021

Jacqueline de Jong: The Ultimate Kiss - October 2021 - February 2022

Anthemata - October 2021 - February 2022

The Wig - February - June 2022

Angharad Williams - February - June 2022

## **Mostyn Gallery Limited**

### **Trustees' Report**

#### ***Artistic Programme Events***

Events during the reporting period:

Children's Workshop, Sunday Art Club: Looking with Colour, 13 March 2022  
Children's Workshop, Sunday Art Club: Looking with Colour QUIET SESSION 13 March 2022

Artist talk: Angharad Williams in conversation with Juliette Desorgues, 19 February 2022

Digital event, McKenzie Wark Podcast series: The Artist-Publisher  
In conversation with Deluge Books, 6 February 2022

Children's Workshop, Sunday Art Club: Accidental Printing Workshop, 6 February 2022  
Children's Workshop, Sunday Art Club: Accidental Printing Workshop, QUIET SESSION  
6 February 2022

Digital event, McKenzie Wark Podcast series: The Artist-Publisher, In conversation with Julieta Aranda  
5 February 2022

Digital event, McKenzie Wark Podcast series: The Artist-Publisher, In conversation with Hedi El Kholti  
4 February 2022

Digital event, McKenzie Wark Podcast series: The Artist-Publisher, In conversation with GB Jones  
3 February 2022

Digital event, McKenzie Wark Podcast series: The Artist-Publisher, In conversation with Jacqueline de Jong, 2  
February 2022

Digital event, McKenzie Wark Podcast series: The Artist-Publisher, Introduction with Juliette Desorgues  
1 February 2022

Digital event, Dylan Huw: Presennols Writing Commission, 18 January 2022

Digital event, Reba Maybury: THE MEDIA STORM or HOW TO DESTROY A DOMINATRIX?  
Writing Commission, 7 December 2021

Learning Resource, Jacqueline de Jong - The Ultimate Kiss Activities Learning resource pack  
9 November 2021

Learning Resource, Daniella Valz Gen - Create your own myth / POEM & SPELL  
Learning Resource Pack, 9 November 2021

Digital event, Nat Raha: after Tarek Lakhri's 'My Immortal', Writing Commission, 21 September 2021

Digital event, Roy Claire Potter: Sharing the Trouble of Listening, Writing Commission, 21 September 2021

Lola Olufemi: In Words, In Action, In Connection activities, Learning resource pack  
13 August 2021

Antoine Simeão Schalk & Danniell Tostes: We are a community Learning Resource

## **Mostyn Gallery Limited**

### **Trustees' Report**

#### ***Retail and Commercial Operations***

Our popular curated showcase exhibitions continued in Gallery 1. Some of these showcases were extended due to the COVID-19 lockdowns.

- Gifts from Wales and the borders - 10/11/20 to 02/05/21. A collection of curious and colourful contemporary craft and print featuring ceramics, glass, jewellery and printmaking inspired by wondrous landscapes, people and creatures.
- The Birds and the Bees - 29/05/21 to 26/09/21. A collection of work featuring all things related to birds and bees, from ceramics, textiles, jewellery and printmaking made by talented artists and makers from Wales and across the UK.
- Gifts from Wales and the Borders - 09/10/21 to 06/02/22. For our seasonal showcase this winter, we selected some of the very best craftspeople and artists working in Wales and the Borders.
- Contemporary Craft at Mostyn - 19/02/22 to 05/06/22. A celebration of craftspeople who supply our shop, featuring artists and makers from all over the UK.

#### ***Retail Gallery***

Work began in January 2022 to relocate the space used for showcases to the meeting room. Gallery 1 which previously housed the showcase would be transformed into the Project Space.

The dividing wall between the shop and meeting room was removed and the area refurbished using existing fixtures and fittings to create the new Retail Gallery space. The new space provides improved access and flow for customers to the retail offer and allows staff the monitor the showcase better.

#### ***North Wales Contemporary Craft and Print Fairs***

The Fairs have been paused due to COVID-19 and the uncertainties for forward planning that it has created.

#### ***Christmas Window***

Each year we advertise a commission to decorate our windows over the festive period. Due to the pandemic and lockdowns the decision was made in 2020 to pause the commission and produce an in-house display. The display created by our Retail Manager, Barry Morris, was so successful that the decision was made to continue with in-house displays.

#### ***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***

Wrexham Glyndwr University, with whom we have an MoU, returned to in person teaching during the 2021/22 academic year, and we hosted a group of students in October 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.

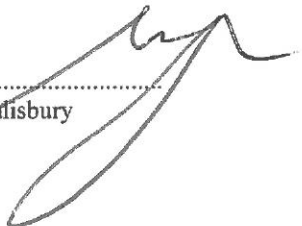
The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements 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 8 December 2022 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 2022, 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 2022 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 8), 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](http://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

8 December 2022

## Mostyn Gallery Limited

### Statement of Financial Activities for the Year Ended 31 March 2022 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted £	Restricted £	Total 2022 £
<b>Income and Endowments from:</b>				
Donations and legacies	3	472,488	249,312	721,800
Charitable activities	4	100	-	100
Other trading activities	5	95,752	-	95,752
Investment income	6	15	-	15
Other income	7	19,184	-	19,184
Total Income		<u>587,539</u>	<u>249,312</u>	<u>836,851</u>
<b>Expenditure on:</b>				
Raising funds	8	(58,227)	-	(58,227)
Charitable activities	9	<u>(664,827)</u>	<u>(337,981)</u>	<u>(1,002,808)</u>
Total Expenditure		<u>(723,054)</u>	<u>(337,981)</u>	<u>(1,061,035)</u>
Net expenditure		(135,515)	(88,669)	(224,184)
Transfers between funds		<u>(44,344)</u>	<u>44,344</u>	<u>-</u>
Net movement in funds		(179,859)	(44,325)	(224,184)
<b>Reconciliation of funds</b>				
Total funds brought forward	24	<u>3,140,941</u>	<u>169,351</u>	<u>3,310,292</u>
Total funds carried forward	24	<u>2,961,082</u>	<u>125,026</u>	<u>3,086,108</u>

The notes on pages 16 to 31 form an integral part of these financial statements.

## Mostyn Gallery Limited

### Statement of Financial Activities for the Year Ended 31 March 2022 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted £	Restricted £	Total 2021 £
<b>Income and Endowments from:</b>				
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
<b>Total Income</b>		<b>585,567</b>	<b>238,690</b>	<b>824,257</b>
<b>Expenditure on:</b>				
Raising funds	8	(37,404)	-	(37,404)
Charitable activities	9	(626,267)	(97,235)	(723,502)
<b>Total Expenditure</b>		<b>(663,671)</b>	<b>(97,235)</b>	<b>(760,906)</b>
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
<b>Reconciliation of funds</b>				
Total funds brought forward		3,228,612	18,329	3,246,941
Total funds carried forward	24	3,140,941	169,351	3,310,292

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

# Mostyn Gallery Limited

(Registration number: 01378599)  
Balance Sheet as at 31 March 2022

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	16	3,003,424	3,163,013
<b>Current assets</b>			
Stocks	17	16,196	16,430
Debtors	18	67,627	58,951
Cash at bank and in hand	19	188,867	179,885
		272,690	255,266
<b>Creditors: Amounts falling due within one year</b>	20	(178,665)	(96,646)
<b>Net current assets</b>		94,025	158,620
<b>Total assets less current liabilities</b>		3,097,449	3,321,633
<b>Creditors: Amounts falling due after more than one year</b>	21	(11,341)	(11,341)
<b>Net assets</b>		3,086,108	3,310,292
<b>Funds of the charity:</b>			
<b>Restricted income funds</b>			
Restricted funds	24	125,026	169,351
<b>Unrestricted income funds</b>			
Unrestricted funds		2,961,082	3,140,941
<b>Total funds</b>	24	3,086,108	3,310,292

The financial statements on pages 12 to 31 were approved by the trustees, and authorised for issue on 8 December 2022 and signed on their behalf by:

.....  
Mr J C Salisbury  
Trustee

The notes on pages 16 to 31 form an integral part of these financial statements.



## Mostyn Gallery Limited

### Statement of Cash Flows for the Year Ended 31 March 2022

	Note	2022 £	2021 £
<b>Cash flows from operating activities</b>			
Net cash (expenditure)/income		(224,184)	63,351
<b>Adjustments to cash flows from non-cash items</b>			
Depreciation	8	161,295	165,043
Investment income	6	(15)	(8)
		(62,904)	228,386
<b>Working capital adjustments</b>			
Decrease/(increase) in stocks	17	234	(782)
Increase in debtors	18	(8,676)	(28,544)
Increase/(decrease) in creditors	20	83,881	(38,887)
Decrease in deferred income	20	-	(9,000)
Net cash flows from operating activities		12,535	151,173
<b>Cash flows from investing activities</b>			
Interest receivable and similar income	6	15	8
Purchase of tangible fixed assets	16	(1,706)	-
Net cash flows from investing activities		(1,691)	8
<b>Cash flows from financing activities</b>			
Repayment of capital element of finance leases and HP contracts	22	(1,862)	(7,454)
Net increase in cash and cash equivalents		8,982	143,727
Cash and cash equivalents at 1 April	19	179,885	36,158
Cash and cash equivalents at 31 March	19	188,867	179,885

The notes on pages 16 to 31 form an integral part of these financial statements.

## **Mostyn Gallery Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2022**

#### **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 8 December 2022.

#### **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 2022**

#### ***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.

#### **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.

## **Mostyn Gallery Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2022**

#### **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.

#### **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.

## **Mostyn Gallery Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2022**

#### **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.

##### ***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 2022

#### *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 2022

#### 3 Income from donations and legacies

	Unrestricted		Total	Total
	General	Restricted	2022	2021
	£	£	£	£
Donations and legacies;				
Donations from individuals	7,322	-	7,322	27,995
Grants, including capital grants;				
Government grants	37,197	-	37,197	46,290
Non government grants	427,969	249,312	677,281	665,307
	<u>472,488</u>	<u>249,312</u>	<u>721,800</u>	<u>739,592</u>

#### 4 Income from charitable activities

	Unrestricted		Total	Total
	General		2022	2021
	£		£	£
Exhibitions	<u>100</u>		<u>100</u>	<u>37,123</u>

#### 5 Income from other trading activities

	Unrestricted		Total	Total
	General		2022	2021
	£		£	£
Trading income;				
Shop income	95,752		95,752	37,934
	<u>95,752</u>		<u>95,752</u>	<u>37,934</u>

## Mostyn Gallery Limited

### Notes to the Financial Statements for the Year Ended 31 March 2022

#### 6 Investment income

	Unrestricted funds General £	Total 2022 £	Total 2021 £
Interest receivable and similar income; Interest receivable on bank deposits	15	15	8

#### 7 Other income

	Unrestricted General £	Total 2022 £	Total 2021 £
Cafe rental	500	500	-
Room hire	60	60	-
Museums and galleries exhibition tax relief	18,624	18,624	9,600
	<u>19,184</u>	<u>19,184</u>	<u>9,600</u>

#### 8 Expenditure on raising funds

##### a) Costs of trading activities

	Unrestricted General £	Total 2022 £	Total 2021 £
Costs of goods sold	58,227	58,227	37,404
	<u>58,227</u>	<u>58,227</u>	<u>37,404</u>



## Mostyn Gallery Limited

### Notes to the Financial Statements for the Year Ended 31 March 2022

#### 9 Expenditure on charitable activities

	Note	Unrestricted		Total	Total
		General	Restricted	2022	2021
		£	£	£	£
Publicity costs		15,460	-	15,460	9,170
Premises costs		97,063	207	97,270	113,789
Exhibition program		49,293	283,660	332,953	85,392
Travel and subsistence		1,523	13,086	14,609	1,143
Office costs		32,101	1,749	33,850	29,571
Sundry expenses		13,461	-	13,461	14,800
Bank charges		1,820	-	1,820	2,030
Interest payable		756	-	756	2,941
Depreciation		160,914	-	160,914	165,043
Staff costs		286,186	39,279	325,465	293,373
Governance costs	10	6,250	-	6,250	6,250
		<u>664,827</u>	<u>337,981</u>	<u>1,002,808</u>	<u>723,502</u>

## Mostyn Gallery Limited

### Notes to the Financial Statements for the Year Ended 31 March 2022

#### 10 Analysis of governance and support costs

##### Governance costs

	Unrestricted funds General £	Total 2022 £	Total 2021 £
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 (outgoing)/incoming resources for the year include:

	2022 £	2021 £
Operating leases - other assets	36,250	35,236
Audit fees	6,250	6,250
Other non-audit services	2,993	1,591
Depreciation of fixed assets	161,295	165,042
Finance charges payable	<u>756</u>	<u>2,941</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 £47,516 (2021: £42,024) and £610 (2021: £709) 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 £Nil (2021: £120).

## Mostyn Gallery Limited

### Notes to the Financial Statements for the Year Ended 31 March 2022

#### 13 Staff costs

The aggregate payroll costs were as follows:

	2022 £	2021 £
<b>Staff costs during the year were:</b>		
Wages and salaries	299,087	275,687
Social security costs	15,475	13,094
Pension costs	5,125	4,363
Other staff costs	5,778	229
	<u>325,465</u>	<u>293,373</u>

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

	2022 No	2021 No
Average numbers	<u>22</u>	<u>22</u>

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

#### 14 Auditors' remuneration

	2022 £	2021 £
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 2022

#### 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 £
<b>Cost</b>			
At 1 April 2021	4,726,549	124,747	4,851,296
Additions	-	1,706	1,706
Disposals	-	(916)	(916)
At 31 March 2022	<u>4,726,549</u>	<u>125,537</u>	<u>4,852,086</u>
<b>Depreciation</b>			
At 1 April 2021	1,575,200	113,083	1,688,283
Charge for the year	157,552	3,743	161,295
Eliminated on disposals	-	(916)	(916)
At 31 March 2022	<u>1,732,752</u>	<u>115,910</u>	<u>1,848,662</u>
<b>Net book value</b>			
At 31 March 2022	<u>2,993,797</u>	<u>9,627</u>	<u>3,003,424</u>
At 31 March 2021	<u>3,151,349</u>	<u>11,664</u>	<u>3,163,013</u>

Included within the net book value of land and buildings above is 2,993,797 (2021 - £3,151,349) in respect of leaseholds.

Plant and machinery held under hire purchase and finance lease agreements had a net book value of £nil (2021 - £2).

#### 17 Stock

	2022 £	2021 £
Stocks	<u>16,196</u>	<u>16,430</u>

#### 18 Debtors

	2022 £	2021 £
Trade debtors	3,193	1,121
Prepayments	14,188	14,183
Other debtors	<u>50,246</u>	<u>43,647</u>
	<u>67,627</u>	<u>58,951</u>

## Mostyn Gallery Limited

### Notes to the Financial Statements for the Year Ended 31 March 2022

#### 24 Funds

	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2022 £
<b>Unrestricted funds</b>					
<i>General</i>					
General	3,140,941	587,539	(723,054)	(44,344)	2,961,082
<b>Restricted funds</b>					
B Borzello Female Perspective	6,000	-	(3,000)	(3,000)	-
Criw Celf	-	129,275	(124,846)	(2,864)	1,565
Foyle Foundation	8,402	14,500	(22,902)	-	-
Learning and Curatorial Fund	38,467	-	(38,525)	58	-
Jacqueline de Jong Exhibition	7,447	34,261	(63,365)	21,657	-
Angharad Williams Exhibition	3,000	14,000	(24,535)	7,535	-
Garfield Weston Culture Fund	106,035	-	(3,228)	(13,500)	89,307
Project Space	-	47,626	(21,784)	-	25,842
Anathemata Exhibition	-	5,000	(12,372)	7,372	-
Cultural Professionals Connection	-	2,500	(13,086)	10,586	-
Creativity is Mistakes	-	2,150	(1,630)	-	520
Temporary Atlas	-	-	(148)	-	(148)
Frances Disley Project	-	-	(3,050)	10,000	6,950
Podcast Digital Project	-	-	(5,510)	6,500	990
<b>Total restricted funds</b>	<u>169,351</u>	<u>249,312</u>	<u>(337,981)</u>	<u>44,344</u>	<u>125,026</u>
<b>Total funds</b>	<u><u>3,310,292</u></u>	<u><u>836,851</u></u>	<u><u>(1,061,035)</u></u>	<u><u>-</u></u>	<u><u>3,086,108</u></u>

# Mostyn Gallery Limited

## Notes to the Financial Statements for the Year Ended 31 March 2022

	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2021 £
<b>Unrestricted funds</b>					
<i>General</i>					
General	3,228,612	585,567	(663,671)	(9,567)	3,140,941
<b>Restricted</b>					
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)	-	-
Garfield 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	-
<b>Total restricted funds</b>	<u>18,329</u>	<u>238,690</u>	<u>(97,235)</u>	<u>9,567</u>	<u>169,351</u>
<b>Total funds</b>	<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 2022

#### 25 Analysis of net assets between funds

	Unrestricted funds General £	Restricted funds £	Total funds at 31 March 2022 £
Tangible fixed assets	2,996,448	6,976	3,003,424
Current assets	48,505	224,185	272,690
Current liabilities	(72,530)	(106,135)	(178,665)
Creditors over 1 year	(11,341)	-	(11,341)
Total net assets	<u>2,961,082</u>	<u>125,026</u>	<u>3,086,108</u>
	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>

#### 26 Financial instruments

##### Categorisation of financial instruments

	2022 £	2021 £
Financial assets that are debt instruments measured at amortised cost	256,494	238,836
Financial liabilities measured at amortised cost	(190,006)	(107,987)