

IKON GALLERY LIMITED

Financial Statements

Year ended 31 March 2021

Charity registration number: 528892
Company registration number: 00902136

Ikon Gallery Limited
Financial Statements
Year Ended 31 March 2021

Contents

	Page
Charity Reference and Administrative Details	2
Trustees' Annual Report	3
Independent Auditor's Report	18
Statement of Financial Activities	22
Balance Sheet	23
Statement of Cash Flows	24
Notes to the Financial Statements	25

Ikon Gallery Limited

Charity Reference and Administrative Details

Year Ended 31 March 2021

Charity registration number	528892
Company registration number	00902136
Registered office	1 Oozells Square Brindley Place Birmingham B1 2HS
Auditor	Cooper Parry Group Limited Park View One Central Boulevard Blythe Valley Business Park Solihull B90 8BG
Solicitor	Shakespeare Martineau No. 1 Colmore Square Birmingham B4 6AA
Bankers	Handelsbanken 35 Newhall Street Birmingham B3 3PU
Trustees	Prof H Higson OBE Mr O Longmore (resigned 24 February 2021) Ms J Loynton Mr J Cloughton Ms V Tester (resigned 8 February 2021) Mr N Smith Mr S Kinch Ms K Booth Ms H Randhawa Ms R Chiu
Company Secretary	Ian Hyde
Director of the Gallery	Jonathan Watkins

Ikon Gallery Limited

Trustees' Annual Report

Year Ended 31 March 2021

The Trustees present their report (incorporating the directors' report) and the audited financial statements of the charity for the year ended 31st March 2021. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and 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.

Trustees of the charity

The directors of the charitable company are its trustees for the purposes of charity law. The trustees who have served during the year and since the year end were as follows:

Prof H Higson OBE
Mr O Longmore (resigned 24 February 2021)
Ms J Loynton
Mr J Claughton
Ms V Tester (resigned 8 February 2021)
Mr N Smith
Mr S Kinch
Ms K Booth
Ms H Randhawa
Ms R Chiu

Risk Management

The charity has a risk management strategy which comprises:

- A review of the risks that the charity may face;
- The establishment of systems and procedures to mitigate those risks identified;
- The implementation of procedures designed to minimise any potential impact on the charity should those risks materialise.

Our Risk Register highlights four risks (out of 133), from the areas of Operational Risk and Financial Risk, as follows:

Covid-19 related risk: A full and detailed Covid-19 Risk Assessment has taken place to allow us to reopen as a Covid-19 Secure organisation. Further outbreaks of the pandemic may lead to further building closure. Action includes monitoring changes and following Government guidance, ensuring there are suitable staffing levels at Ikon throughout and ensuring applications are made to Government or other agencies to support us financially through the pandemic.

Building and equipment (ageing and disaster): having been within our current building for over 20 years, we are faced with ageing equipment. Action included ongoing proactive maintenance and applications for capital funding. Arts Council England Small Capital Grant has been successful, and replacement of our ageing equipment is under way substantially reducing this risk.

Availability of grant funding: Public funding may not be secure. Action includes monitoring policy changes through funding bodies, ACE, BCC and other sources. We aim to mitigate this risk through scenario planning, forecast budgets and business modelling with Board involvement.

Reserves policy: building reserves is dependent on income sources. There is an impact on all budgets if projected income is not secured. Action includes regular reviews of major risks in the budget and revision of expenditure accordingly.

Ikon Gallery Limited

Trustees' Annual Report

Year Ended 31 March 2021

OBJECTIVES AND ACTIVITIES

The objects of the charity are the advancement of education in the United Kingdom and internationally, and in particular in the City of Birmingham and in the West Midlands region, by encouraging the practice and the dissemination of knowledge of the arts in general but with especial regard to contemporary painting, sculpture and other forms of visual art.

The gallery aims to:

- stimulate engagement with contemporary visual art in a context of debate and participation by exhibiting work by artists from around the world, including film, sound, mixed media, photography, painting, sculpture and installation;
- develop relationships between art, artists and audiences outside the gallery through a range of off-site projects at different locations; and
- encourage public interest in and understanding of contemporary visual art through a range of education activities including talks, tours, workshops and seminars.

The strategies employed to achieve the charity's aims and objectives include:

- free admission to all exhibitions;
- organising and presenting exhibitions and other projects of national and international significance, both in the galleries and off site;
- creating opportunities for artists to make new work in the gallery and off-site in the community;
- organising a range of projects, events and activities for children, young people and adults, both in the gallery and in schools and local communities to increase the enjoyment and understanding of contemporary visual art;
- developing collaborations and productive relationships with other educational and cultural organisations, regionally, nationally and internationally to facilitate cross art-form collaboration and audience development;
- promoting and marketing the programme to attract a broad range of audiences and participants, and attract press coverage to raise the profile of contemporary visual art and the gallery nationally and internationally;
- publishing exhibition catalogues and other material and making these available through distributors, shop, and on the web site; and
- providing and maintaining high quality facilities to encourage engagement with contemporary visual art.

Ikon Gallery Limited

Trustees' Annual Report

Year Ended 31 March 2021

PUBLIC BENEFIT

Ikon's two primary areas of activity are:

- organising and presenting exhibitions and other events in the gallery and off-site that contribute to the understanding and enjoyment of contemporary visual art; and
- delivering a learning programme consisting of projects, tours, talks in the gallery and at other locations for a variety of different groups.

Ikon offers free access for everyone to all its exhibitions and offsite activities, and provides free interpretive and educational material to accompany each exhibition. Ikon's talks and tours are in the main free as is its community engagement programme.

We seek to present a high quality programme of work by contemporary artists including emerging and established artists from Britain and abroad. Some projects will tour to other locations in the UK and internationally. We aim to provide opportunities for artists to develop through support of new commissions.

We organise artists' projects outside the traditional gallery space that facilitate direct public engagement with contemporary art and recognise changes in artistic practice.

Through the Learning Programme we provide regular talks and tours for groups and visitors to the gallery, and workshops and other projects for children, young people and adults of all backgrounds and abilities. Ikon works in partnership with Birmingham City Council seeking to provide arts activity to the most hard to reach communities in Birmingham. Programmes of activity for school children, young people and family groups aim to develop confidence and expression in a supportive environment.

The above statements comply with the fourth commencement order of the Charities Act 2006 relating to Public Benefit and are in line with Charity Commission Guidance.

Achievements and Performance in 2020/21

2020/21 has been unprecedented due to the ongoing C-19 global pandemic. Ikon's premises were open to the public for only 74 days of the financial year, being closed due to Government restrictions during March – August and November to beyond March 2021.

This is a summary of Ikon's achievements and performance during 2020/21 with respect to the five key goals identified in our Strategic Plan 2018-22, as follows:

1. Continued development of an artistic programme that is experimental and of the highest quality, engaging on local, national and international levels

Ikon's programme during 2020/21 demonstrated a continuing commitment to commissioning art work, supporting artists at critical stages of their careers, and presenting to audiences a broad range of international practice, media and perspectives. Gallery exhibitions were fewer and further between due to the pandemic, as follows:

- Judy Watson. 4 March – 6 September (closed due to C-19 during 19 March – 20 August)
- John Newling. Dear Nature, 4 March – 6 September (closed due to C-19, as above)
- Mariateresa Sartori. Etude no 10 in B minor, 4 March – 1 August (digital only from 19 March)
- Kristof Kintera, The End of Fun!, 17 September – 22 November (digital only from 4 November due to C-19)
- Faster than Ever, 18 September – 24 November (digital only due to C-19)

Ikon Gallery Limited

Trustees' Annual Report

Year Ended 31 March 2021

Commissions

Ikon produces as well promotes contemporary art. During 2020/21 we commissioned most of the work by Aboriginal artist Judy Watson for an exhibition since touring Australia.

Dear Nature, by John Newling, included a number of new commissions inside and outside our premises. During the first C-19 lockdown, Newling and writer Alys Fowler exchanged letters on daily walks, through residential areas and open spaces in Nottingham and Birmingham, featured on our website.

year zero by Haroon Mirza, commissioned by Ikon with Art Fund support, was launched on YouTube and throughout the year was viewed over 4,000 times.

Collaborations

During 2020/21 Ikon maintained existing links and developed new partnerships with arts organisations – locally, nationally and internationally – especially with a view to audience development, widening the scope of our engagement with different cultural networks.

Our Judy Watson exhibition was presented in collaboration with TarraWarra Museum of Art, Healesville, Australia.

The installation of John Newling's So Sorry... sculpture in Oozells Square was made possible through a collaboration with Brindleyplace Estate.

Kristof Kintera's The End of Fun! was organised in collaboration with the Embassy of the Czech Republic in London, Czech Centre London and the Ministry of Culture of the Czech Republic.

Publishing

Due to C-19 there were only two publications produced by Ikon during 2020/21, as follows:

Judy Watson

Kristof Kintera: *The End of Fun!*

2. Increased focus on audience development at local, national and international levels

Ikon contributes to national audience data gathering initiatives, including Audience Finder surveys, using both quantitative and qualitative research for a snapshot view of visitors, tracking demographics such as age, gender, sexuality, ethnicity, education and geography. In 2020/21 we used Audience Finder less, in favour of the Insight and Impact digital tool kit. Verbal feedback and comments cards provided more in-depth direct audience response. These all fed into the quarterly Trustees meetings.

During lockdowns, the digital tool kit was particularly effective, garnering feedback from audiences at home all over the world. Our output became digital delivery for events, schools, families and communities to continue our audience engagement as best we could.

We work with Audience Agency and Contemporary Visual Arts Network to keep abreast of developments in the sector, complementing our involvement with other agencies such as Culture Central (Birmingham) and Plus Tate.

Appealing to culturally focused audiences within a 30 minute driving distance, to help our audiences return when they can, we have worked with local organisations such as West Midlands Cultural Response Unit, part of Culture Central, Aston University, DASH, Birmingham Contemporary Music Group, STEAMhouse and other departments within Birmingham City University as well as artist-led organisations such as Celebrating Sanctuary, Black Hole Club, based at Vivid and Centrala, Grand Union, Ort Gallery and Stryx.

Ikon Gallery Limited

Trustees' Annual Report

Year Ended 31 March 2021

2. Increased focus on audience development at local, national and international levels (continued)

Our canal-based programme was paused for the year given the restrictions of social distancing due to C-19. Our new funder, Freelands Foundation, helped us with an interim grant, and Sandwell Borough Metropolitan Council provided safe mooring for the Aaron Manby canal boat.

Ikon's programme during 2020/21 included a number of exhibitions that were cross-artform (e.g. *Sartori*, *Mirza* and *Faster than Ever* online film programme) and thus especially conducive to audience development.

Off Site and Touring

Ikon's off-site activity is concerned fundamentally with audience development, reaching those who do not normally frequent galleries and museums, demonstrating the continuity between art experience and everyday life.

HMP Grendon. Ikon continued to work with residents of HMP Grendon, Buckinghamshire. Dean Kelland entered his second year in residence and although direct activity was stopped due to the pandemic, artistic material was still ordered and distributed to the men and letters written.

Slow Boat. Our first year of Slow Boat funded by Freelands Foundation has been rescheduled for 2021/22 and will focus on Ikon's Youth Programme (IYP) imagining alternative art schools.

The Migrant Festival. We produced an online screening of ZouZou Group's – door open – and showed this on YouTube for the duration of Refugee Week. In addition to mark World Refugee Day, in partnership with Celebrating Sanctuary we compiled quick-fire home-produced soapbox videos on the theme of Refugee Week 'to imagine'. These premiered at the Midsummer Festival, produced by the West Midlands Culture Response Unit, and many videos referenced the pandemic and the Black Lives Matter movement.

Ikon's tour of *Hew Locke's Here's the Thing* to Colby College Museum of Art, Maine USA was extended due to C-19

Looking Glass: Judy Watson and Yhonnie Scarce organised in collaboration with Ikon exhibited at TarraWarra Museum of Art, prior to an Australian tour during 2021/22.

Learning

During 2020/21 Ikon's interpretative material became increasingly digital with QR codes providing downloadable information, often with artists' statements as a basis for audience dialogue with our Information Assistants (trained to lead groups and provide Spotlight Tours). There was further increased emphasis on digital interpretation with imagery and short documentaries online produced in-house.

Artist talks accompanied each exhibition as part of our public programme on zoom or Instagram Live. In addition, there were city walks and tours produced digitally by Alys Fowler and John Newling (during lockdown), concerts (e.g. cellist Ulrich Heinen performed in Brindleyplace Central Square in partnership with Birmingham Contemporary Music Group to celebrate reopening in August 2020), interviews and conversations (e.g. Kristof Kintera on Instagram Live), discussions and films on zoom e.g. screening of *Sistren in Photography* (1991) a film about five women photographers in Birmingham followed by a conversation between the director of the Black Arts Forum, Pauline Bailey, performance poet Sue Brown and artists Claudette Holmes, and a live zoom conversation between Charisse Kenion and Vanley Burke focused on the photography of Black Lives Matters protests in Birmingham on 4 June.

Ikon Gallery Limited

Trustees' Annual Report

Year Ended 31 March 2021

Learning (continued)

Depth and quality of learning

During 2020/21, although physical school workshops and family days were paused, our digital output continued with zoom-based family day workshops to ensure children and adults were introduced to Ikon's artistic programme before a return to work within the "real space" of our galleries.

We presented an online film programme, organised to coincide with the exhibition, *Faster than Ever*. Films by Beat Streuli, Alice Cattaneo, Grace Ndiritu, Ivan Morison, Ann Veronica Janssens, Julie Brook, David Theobald, Edmund Clark and Kate Groobey were streamed via the website and Ikon's YouTube channel.

In addition to exhibition online tours, a number of events relating to gallery exhibitions or new commissions were organised with partners, e.g. hosting an online conversation with Haroon Mirza, artist Jack Jeffs, Hoor Al Qasimi (President and Director, Sharah Art Foundation and President, The Africa Institute and Jonathan Watkins of Ikon).

Schools and colleges

Our formal education work explored a wide range of themes and ideas through exhibitions in ways accessible to pupils of all abilities, at all key stages.

Through the download of our online key stage packs produced for each of the exhibitions, we engaged over 34,000 school children – this in turn resulted in helping pupils throughout the year to achieve 796 Discover, 16 Explore, 1309 Bronze, 572 Silver and 12 Gold Arts Awards.

Ikon Youth Programme

IYP includes members outside of formal education and participants from schools and colleges as well as those who are currently not in education or employment. It continued to provide a space for young people to develop and share interests in visual art. Weekly online meetings with invited artists took place throughout the year.

In September IYP had a tour of Roche Court Sculpture Park, Salisbury. From February IYP it worked with Black Hole Club, based at Vivid Projects, for a number of online meetings and planned for recruitment for the future, post lockdown.

Visitors

Attendances during 2020/21, as follows:

Exhibitions	20,000 (74 days open to the public)
International off site and touring	21,000
Online digital events	47,000
Learning digital engagement	35,000

Marketing & Digital

Ikon's digital use has increased dramatically during 2020/21 as the gallery was closed for most of the year due to the global pandemic.

Our digital distribution has grown rapidly with multiple "live" events on platforms such as zoom, Instagram Live, YouTube and YouTube, as well as our normal social media channels.

Ikon invested further in new AV equipment to ensure staff continue to have the tools to create digital content quickly. Besides Google Adwords, during 2020/21 we worked with Facebook and used Twitter, Hootsuite, Instagram and continued with email distribution to keep audiences in touch.

Ikon Gallery Limited

Trustees' Annual Report

Year Ended 31 March 2021

Marketing & Digital (continued)

Our blog has been taken over by many artists throughout the year both related to gallery exhibitions and off-site projects, such as Dean Kelland posting updates, Notes from *HMP Grendon* and an interview between artists Langlands & Bell, Director of the V&A East Gus Caseley-Hayford and Jonathan Watkins about a new exhibition focusing on the slave trade in Ghana. In addition, we screened and posted various time-lapse installations including that of Flanagan's *Large Troubadour* sculpture in Oozells Square outside Ikon. Judy Watson's exhibition was advertised on large screen format in Birmingham's city centre and on Birmingham TV.

Press and PR

During 2020/21 Ikon had good national and international press coverage for exhibitions, esp. Kristof Kintera, *Faster than Ever* (with Dayanita Singh's photograph *Jumping Girl* being the Observer's 'big picture') and Haroon Mirza. In addition, there was very positive coverage of our reopening quickly after the first lockdown in August 2020.

Collaborative Marketing

During 2020/21 Ikon benefited from collaborative marketing, e.g. through cultural collectives such as Culture Central, local digital festivals, networks such as Plus Tate and non-art agencies including West Midlands Growth Company, Brindleyplace, foreign governmental departments and corporate colleagues such as Selfridges.

3. An increasingly prominent role in the cultural life of Birmingham and the region

During 2020/21 Ikon continued actively to promote cultural experience in the West Midlands, especially as a member of Culture Central, the cultural development agency for Birmingham, leading in local and regional cultural life, in partnership with other arts organisations.

Throughout the pandemic Ikon has contributed to the West Midlands Cultural Response Unit (formed by Culture Central) zoom meetings with a diverse range of arts organisations across the region concerned to interpret government guidance, share and learn from each other regarding practical considerations and strategies for reopening as a Covid-secure venue.

Ikon was commissioned by Birmingham City Council's Public Health Division to produce social media videos demonstrating art and craft activities that Birmingham's citizens could easily undertake at home.

Emerging and Local Artists

During 2020/21 our support for emerging and local artists continued through our Learning and Off-site programmes, reflecting on and linked to our gallery exhibitions, e.g. our employment of local freelance artists through the pandemic for our zoom family events such as Nilupa Yasmin, Monica Perez Vega and Farwa Moledina.

In May we organised *Ikon for Artists*, an open call exhibition to support those who had struggled during the pandemic. Involving 250 Birmingham-based artists, each submitting one artwork with a value of up to £1,000, they received 100% of the proceeds from the sale of work,

Ikon awarded six prizes to students from King Edwards VI Academy Trust for their online gallery work in response to C-19.

Ikon Gallery Limited

Trustees' Annual Report

Year Ended 31 March 2021

4. Greater financial sustainability

Revenue Funding

Arts Council England

£1,028,308 revenue funding was received for 2020/21.

Birmingham City Council

£19,250 revenue funding received for 2020/21.

Resilience and Fundraising

During 2020/21 we benefited from the government's furlough and flexible furlough scheme as work flows and associated income were reduced. Additionally, we received government grants during national and tiered regional lockdowns and business rates relief.

Ikon's fundraising continued in parallel, strengthening our resilience through successful applications to trusts and foundations such as Paul Mellon Centre, for research into the BLK Art Group and Art Fund, and the production of Haroon Mirza year zero commission. In addition, we received a major grant through the Greater Birmingham and Solihull Local Enterprise Partnership's Pivot and Prosper scheme to focus on a new shop web platform and increasing online sales to support income (especially due to reduced shop income during closure). We were also successful with Arts Council England's Capital Kickstart Grant to work alongside previously received Small Capital Grant. See below.

We are especially thankful to those patrons and benefactors supporting us during 2020/21 with additional donations. From summer/autumn 2020, our ticketing system enabled donations through attendance bookings, augmenting those made at Goodbox 'Tap to Give' terminals and a cash box in our reception area.

Our 50th Anniversary Investment Fund rebounded from a March 2020 low period as indicated by the accounts.

5. Sustained organisational integrity, alongside possibilities for change

Managerial Practice

Ikon is proactive in its approach to diversity and inclusion, determined to remove unfair barriers – perceived or real – for individuals wishing to engage with Ikon, as members of our workforce, as participants, visitors or artists. All employees, freelancers and contractors apply principles of diversity, as outlined in our Diversity and Equality Action Plan, and contribute to the implementation of this strategy, reviewed by our staff diversity working group, prior to SMT and quarterly Board meetings.

During 2020/21 Ikon was actively engaged with the More than a Moment consortium, coordinated by Culture Central, concerned to ensure greater opportunities and equality for Black artists and creatives in the West Midlands.

Personnel

During 2020/21, DBS checks were made on new employees and renewed for existing employees as required.

No additional core staff were recruited during the year. Two additional Front of House staff were employed enabling us to reopen safely following the first lockdown in August 2020.

Ikon Gallery Limited

Trustees' Annual Report

Year Ended 31 March 2021

Personnel (continued)

Ikon as an Entry Level Employer

During 2020/21 Ikon was unable to offer paid internships, work placements and apprenticeships due to C-19.

Training

Ikon continued to invest in staff training and professional development.

Building Maintenance

During 2020/21, we continued to invest in our capital improvements thanks to an Arts Council England's Small Capital grant of £331,000 awarded in the previous year. In addition, we received an ACE Capital Kickstart grant of £107,000.

Ikon opened successfully in August 2020 before closing for the second lockdown at the start of November 2020. During this time (and since reopening again in 2021) we have operated as a Covid secure venue, accredited by Visit Britain's "Good to Go" scheme.

Items making us Covid secure include attendance bookings (whilst remaining free), clear signage, one-way systems, sanitation stations, face coverings and screens to protect staff, staff bubbles and reducing capacity in the galleries to allow social distancing, while limiting staff members back into the offices.

Energy consumption and capital works

Throughout the year our energy consumption reflected our building use. When our premises were closed, our energy consumption was reduced substantially (although heated for frost protection in the winter months and critical systems remained powered on). As we opened again we had higher levels of energy consumption than normal due to fresh air ventilation requirements as part of being a Covid secure venue.

The additional Kickstart funding enabled us to revise our capital works in light of the pandemic. We made changes to our ventilation systems, IT systems and external door refurbishment. Furthermore, we have made the most of closures, undertaking other projects e.g. LED lighting without interruption, now extended until March 2022. Our Energy Policy and action plan, initially implemented in 2012, will be updated upon completion of the capital work.

FINANCIAL REVIEW

The group surplus for the year totalled £466,456 (2020: surplus of £88,442). Of this, a £542,173 surplus (2020: a surplus of £93,872) was produced by unrestricted funds with restricted funds decreasing by £75,717 (2020: increasing by £182,314).

Oozells Trading Limited's activities during the year were that of the leasing of the trading areas as a café. The net income of £2,715 (2020: £10,635) is payable to the holding company as a charitable donation made under Gift Aid.

Additions to the group tangible fixed assets total £112,931.

The total net book value of group tangible fixed assets is now £3,494,627 (2020: £3,577,064) investments total £575,203 (2020: £472,123), net current assets total £687,161 (2020: £282,947) and creditors falling due after one year £nil, resulting in total group net assets of £4,756,991 (2020: £4,332,134).

Total group funds at 31 March 2021 of £4,798,590 (2020: £4,332,134) were comprised of £1,189,764 (2020: 647,591) unrestricted reserves, £3,608,826 (2020: 3,684,543) restricted funds.

Ikon Gallery Limited

Trustees' Annual Report

Year Ended 31 March 2021

Reserves Policy

The Balance Sheet shows unrestricted general free reserves (i.e. reserves that do not show any restriction on how they can be used which are represented by net current assets) as at 31 March 2021 of £551,934.

The Trustees consider that, ideally, unrestricted reserves should equate to approximately three months' running costs and be sufficient to cover the maximum potential liabilities that could arise in the event of winding up the company, budgeted at £500,000.

The Trustees believe that the current level of reserves provides Ikon with adequate funds to meet potential liabilities of winding up the company and will continue to grow the reserves to achieve the total ideal reserve level over the coming years.

It should be noted that the Ikon 50 Fund of £500,000 is designated by the Trustees for the development of new work and support of artists.

Development Fund – this fund was set up as a restricted fund using grants received from the National Lottery Fund, European Regional Development Fund, Foundation for Sports and the Arts, Argent plc, and other donations for the purpose of refurbishing Oozells Street School as a site for Ikon Gallery. This fund is being written off at the same rate as the expected useful life of the fixed assets relating to the development.

Restricted Grants – This is grant income received during the year relating to specific exhibitions or projects and the funds expended on these activities.

Reserves Policy

Ikon Gallery Limited established an investment fund in 2015. The Fund is managed by the Board and is intended to protect the organisation from financial risk. It will only be allocated when there is no other course of action to be taken such as complete withdrawal of all public funding or closure. The Fund's capital will be safeguarded with any interest made annually to be used to support exhibition development to an agreed level of funding each year, wherever possible, for an exhibition at Ikon or for some equivalent form of project or activity.

Although the fund continues to fluctuate, the initial C-19 impact on the stock-market has not been sustained as the markets globally have bounced back and countries and businesses have unlocked.

Future Plans

Ikon will continue to deliver a high-quality programme of exhibitions and events to engage a wide range of audiences. Slow Boat, our canal-based project will restart in 2021/22. We look forward to working offsite alongside partners such as Selfridges and Brindleyplace in prominent safe locations throughout the city and beyond. Internationally, our work will continue to be shown especially through partnerships in Australia and Italy.

Fundraising and Development

We are making a concerted effort to increase funding from non-core sources, especially in the light of C-19 setbacks. Funding has been recently secured for three more years for our Slow Boat project, more commercial artist commissions are being sought, and we are capitalising on opportunities that arise through marketing and PR activity, e.g. philanthropic and donor cultivation, memberships and corporate support. We aim to boost retail through our new online shop while increasing our requests for donations through digital payment mechanisms.

Ikon Gallery Limited**Trustees' Annual Report****Year Ended 31 March 2021****Fundraising standards information**

The charity is registered with the Fundraising Regulator and complies with all requirements. Ikon is a small charity with a newly formed Development team who primarily approach Trusts and Foundations for grants towards the core costs of the organisation and artistic and educational projects. The charity monitors our internal staff team and our approach to maintaining our relationships with individuals around patronage and financial support through regular income generation meetings. The charity does not pay external fundraisers or companies to raise money for us, we do not make unsolicited approaches to individuals either on the street or by phone and we have received no complaints regarding the fundraising strategy.

Staff

Due to increased online activity, we will employ a Digital Producer from 2021/22. There will be additional part-time members in order to crew Slow Boat, our canal-based programme.

Our Front of House team (Information Assistants) will continue to be recruited through twelve-monthly cycles, ensuring that we achieve more diversity in our staff.

The charity does not make use of volunteers.

Audience Development

We will continue to implement our audience development plan during 2021/22, to a significant extent through responding to changing city/region demographics, e.g. new waves of immigration, increased number of elderly residents, the impact of ongoing austerity, manifested especially in homelessness, poverty, as well as responding to impacts of C-19 by continuing to remain open and free to all to support mental health recovery.

Facilities and Capital

During 2021/22 we will complete our Capital Works Programme Phase 2 whilst continuing to raise funds for the improvement of the essential infrastructure of Ikon's premises, reducing our carbon footprint and potential liabilities as listed in our Risk Register, whilst taking opportunities for growth, especially through the further implementation of digital technology.

Going concern

At the date of signing these financial statements, the Trustees have considered the effect of the Covid-19 global pandemic on the group with the information available to them, and do not believe it will affect the group's ability to continue to operate for the foreseeable future. As with most organisations there will be short term practical difficulties to address and by digitising our services we are now more accessible to those at home, whilst investing in technology to allow remote working for staff. We have taken advantage of government support schemes; including the furlough and flexible furlough scheme, and received a discretionary grant from Government via Birmingham City Council and business rates relief. Due to the level of reserves and cash balances held and security of some of our income streams, such as the multi-period core grant from Arts Council England (NPO) and external multi-year project grants as well as secured future funding with key partners, we are well placed to continue operating. See accounting policy titled Going Concern for further details.

Ikon Gallery Limited

Trustees' Annual Report

Year Ended 31 March 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

Ikon Gallery Limited is a company limited by guarantee governed by its Memorandum of Association dated 29 March 1967 and amended to allow for current governance arrangements on 15 March 2006. It is a registered charity with the Charity Commission. There are currently 10 members of the charity each of whom is an elected trustee and who agree to contribute £1 in the event of the charity winding up.

Appointment of trustees

The charity is a company limited by guarantee and is governed by its memorandum and articles of association. In accordance with this, directors who are trustees of the charity and members of the Board are appointed or elected as follows:

An individual must be appointed a Member of the Charity before they can be a Board Member. Membership is open to any artist, teacher or disseminator of knowledge of the arts or any individual interested in promoting the objects of the Charity in general.

The current Members of the Charity are the Board Members. A third of Board Members retire at each AGM with those longest in office retiring first. Each Board Member can be re-appointed for a maximum of three terms of three years.

The Chair, in consultation with other members and the gallery director, reviews the expertise required for the Board. Through personal and professional contacts and advice from organisations such as Arts and Business, candidates are approached and interviewed by the Chair and the Director of the Gallery. If there is agreement amongst Board members, a candidate is nominated, seconded and voted onto the Board at the Annual General Meeting.

Trustee induction and training

Trustees undergo induction when appointed to the Board. This involves a meeting with the Director of the Gallery and the Chair of the Board, and a tour of the gallery. New trustees receive a comprehensive pack containing information about the gallery, its programmes and policies, and copies of previous Board minutes and documents relevant to the current discussions. They also receive a staff plan and brief biographies of current staff.

Organisation

The charity is administered by the Board which can have up to 15 members and meets quarterly. The Board have appointed a Director of the Gallery to manage day to day operations of the charity. To facilitate operations the Director has delegated authority, within terms of delegation approved by the Board, for operational matters including finance, employment and artistic activity.

The Risk Committee, comprising four Board members, meets on a quarterly basis to consider in detail financial reports and other issues relating to the management of the charity. Minutes of these meetings are circulated to the Board.

The Trust considers its key management personnel comprise the director and deputy director. The pay of the key management personnel is set with reference to benchmarking using comparable roles in organisations similar to Ikon.

Ikon Gallery Limited

Trustees' Annual Report

Year Ended 31 March 2021

Related parties

The charity's wholly owned subsidiary, Oozells Trading Limited, was established to operate the commercial activities of the charity. The subsidiary's only current activity is the lease of property for use as a café/restaurant. The subsidiary's profits are covenanted to the charity (see note 14 in the accounts).

Birmingham City Council and Arts Council England provide funding to support core operating costs.

Statement of Directors' and Trustees' Responsibilities

The trustees (who are also directors of Ikon Gallery Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepting Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- 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 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditors

Cooper Parry Group Limited has expressed its willingness to continue in office and will be proposed for re-appointment at the Annual General Meeting.

Signed on behalf of the Board on 22 September 2021

Prof H Higson OBE
Chair

DocuSigned by:
Helen Higson
2CCCCF52AC79B4A6...

Ikon Gallery Limited

Independent Auditor's Report to the members and trustees of Ikon Gallery Limited

Year Ended 31 March 2021

Opinion

We have audited the financial statements of Ikon Gallery Limited ("parent charitable company") and its subsidiary ("the group") for the year ended 31 March 2021 which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company'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 and the Charities Act 2011.

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's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent charitable company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are 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 other information comprises the information included in the Trustees Annual Report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Ikon Gallery Limited

Independent Auditor's Report to the members and trustees of Ikon Gallery Limited

Year Ended 31 March 2021

We have nothing to report in this regard.

Opinions 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 Trustees' Annual Report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report (incorporating the directors' report) has been prepared in accordance with legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (incorporating the directors' report).

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

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's 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; or
- the Trustees' were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Annual Report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, 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 group's and parent charitable company'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 company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and under the Companies Act 2006 and report in accordance with those Acts.

Ikon Gallery Limited

Independent Auditor's Report to the members and trustees of Ikon Gallery Limited

Year Ended 31 March 2021

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.

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

Our assessment focussed on key laws and regulations the group and parent charitable company has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, Charities Act 2011, Trustee Act 2000, Charities (Protection and Social Investment) Act 2016, taxation legislation, data protection and employment legislation.

We are not responsible for preventing irregularities. Our approach to detecting irregularities included, but was not limited to, the following:

- obtaining an understanding of the legal and regulatory framework applicable to the group and Parent charitable company and how the group and parent charitable company are complying with that framework, including agreement of financial statement disclosures to underlying documentation and other evidence;
- obtaining an understanding of the group and parent charitable company's control environment and how the group and parent charitable company have applied relevant control procedures, through discussions with Trustees and other management and by performing walkthrough testing over key areas;
- obtaining an understanding of the group and parent charitable company's risk assessment process, including the risk of fraud;
- reviewing meeting minutes of those charged with governance throughout the year; and
- performing audit testing to address the risk of management override of controls, including testing journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Whilst considering how our audit work addressed the detection of irregularities, we also considered the likelihood of detection based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Ikon Gallery Limited

Independent Auditor's Report to the members and trustees of Ikon Gallery Limited

Year Ended 31 March 2021

Use of our report

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

Senior Statutory Auditor for and on behalf of:

A handwritten signature in black ink that reads "Casper Parry Group Ltd." with a long horizontal flourish extending from the end of the signature.

Cooper Parry Group Limited

Chartered Accountants and Statutory
Auditor One Central Boulevard
Park View
Blythe Valley Park
Solihull
West Midlands
B90 8BG

Date: 28 September 2021

Ikon Gallery Limited**Group Statement of Financial Activities (incorporating the income and expenditure account)****Year Ended 31 March 2021**

		2021		2020	
	Note	Unrestricted funds £	Restricted funds £	Total £	Total £
Income from:					
Donations and legacies	2	1,283,025	281,050	1,564,075	1,661,172
Charitable activities	3	3,889	-	3,889	42,427
Other trading activities	4	21,554	-	21,554	92,036
Investments	5	11,392	-	11,392	14,490
Other	6	112,371	-	112,371	83,334
Total income		1,432,231	281,050	1,713,281	1,893,429
Expenditure on:					
Raising funds	7	183,576	-	183,576	185,521
Charitable activities	7	820,996	337,856	1,158,852	1,578,528
Total expenditure		1,004,572	337,856	1,342,428	1,764,049
Net (loss)/gain on investments		95,603	-	95,603	(40,968)
Net income / (expenditure)		523,262	(56,806)	466,456	88,442
Transfers between funds		18,911	(18,911)	-	-
Net movement in funds		542,173	(75,717)	466,456	88,442
Reconciliation of funds:					
Total funds brought forward	18	647,591	3,684,543	4,332,134	4,243,692
Total funds carried forward		1,189,764	3,608,826	4,798,590	4,332,134

All income and expenditure derive from continuing activities.

The statement of financial activities includes all gains and losses recognised during the year.

Ikon Gallery Limited**Balance Sheet****Year Ended 31 March 2021**

	Note	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Tangible assets	13	3,494,627	3,577,064	3,494,626	3,577,063
Investments	14	<u>575,203</u>	<u>472,123</u>	<u>575,205</u>	<u>472,125</u>
		4,069,830	4,049,187	4,069,831	4,049,188
Current assets					
Stocks		39,985	53,576	39,985	53,576
Debtors	15	260,225	300,461	267,116	315,272
Cash at bank and in hand		<u>728,355</u>	<u>171,571</u>	<u>720,013</u>	<u>153,332</u>
		1,028,565	525,608	1,027,114	522,180
Creditors: amounts falling due within one year	16	<u>(299,805)</u>	<u>(242,661)</u>	<u>(298,355)</u>	<u>(239,234)</u>
Net current assets		<u>728,760</u>	<u>282,947</u>	<u>728,759</u>	<u>282,946</u>
Net assets		<u>4,798,590</u>	<u>4,332,134</u>	<u>4,798,590</u>	<u>4,332,134</u>
Represented by					
Restricted funds	18	3,608,826	3,684,543	3,608,826	3,684,543
Unrestricted funds	18	<u>1,189,764</u>	<u>647,591</u>	<u>1,189,764</u>	<u>647,591</u>
Total funds		<u>4,798,590</u>	<u>4,332,134</u>	<u>4,798,590</u>	<u>4,332,134</u>

The financial statements were approved and authorised for issue by the Board on 22 September 2021

Signed on behalf of the board of trustees

DocuSigned by:

Helen Higson

2CCCCF52AC79B4A6...

Prof H Higson OBE – Trustee

Company registration number: 00902136

The notes on pages 25 - 37 form part of these financial statements.

Ikon Gallery Limited**Statement of Cash Flows****Year Ended 31 March 2021**

	Note	2021 £	2020 £
Net cash provided by operating activities			
Cash flow from operating activities	20	722,259	145,857
		<hr/>	<hr/>
Cash flow from investing activities			
Purchase of property, plant and equipment	13	(112,931)	(231,527)
Purchase of investments		(109,686)	(56,081)
Investment income received		11,392	14,490
Proceeds from sale of investments		45,750	136,745
		<hr/>	<hr/>
Net cash flow from investing activities		(165,475)	(136,373)
		<hr/>	<hr/>
Change in cash and cash equivalents in the reporting period		556,784	9,484
Cash and cash equivalents at 1 April 2020		171,571	162,087
		<hr/>	<hr/>
Cash and cash equivalents at 31 March 2021		<u>728,355</u>	<u>171,571</u>
 Cash and cash equivalents consists of:			
Cash at bank and in hand		728,355	171,571
		<hr/>	<hr/>
Cash and cash equivalents at 31 March 2021		<u>728,355</u>	<u>171,571</u>

Ikon Gallery Limited**Notes to the Financial Statements****Year Ended 31 March 2021****1 Summary of significant accounting policies****(a) General information and basis of preparation**

Ikon Gallery Limited is a company limited by guarantee in the United Kingdom. In the event of the charitable group being wound up, the liability in respect of the guarantee is limited to £1 per member of the charitable group. The address of the registered office is given in the charitable group's information on page 2 of these financial statements. The nature of the charitable group's operations and principal activities are the advancement of education in the United Kingdom and internationally, and in particular in the City of Birmingham and in the West Midlands region, by encouraging the practice and the dissemination of knowledge of the arts in general but with especial regard to contemporary painting, sculpture and other forms of visual art.

The charitable group constitutes a public benefit entity as defined by FRS 102. 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), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice. The accounts are prepared in sterling and rounded to the nearest £1.

Basis of Consolidation

The group financial statements are the result of the consolidation of the financial statements of the company and its subsidiary Oozells Trading Limited. The financial statements of all companies are made up to 31 March 2021.

No separate SOFA has been presented for the charity alone as permitted by section 408 of the Companies Act 2006.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity.

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

(b) Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Ikon Gallery Limited

Notes to the Financial Statements

Year Ended 31 March 2021

1 Summary of significant accounting policies

(c) Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Trustees' Annual Report.

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

The charity receives government grants in respect of its principal activities which are the advancement of education in the United Kingdom and internationally, and in particular in the City of Birmingham and in the West Midlands region, by encouraging the practice and the dissemination of knowledge of the arts in general but with especial regard to contemporary painting, sculpture and other forms of visual art. Income from government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

(c) Income recognition (continued)

Investment income is earned through holding assets for investment purposes, such as shares. It comprises interest and dividends. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend income is recognised as the charity's right to receive payment is established.

Ikon Gallery Limited**Notes to the Financial Statements****Year Ended 31 March 2021****1 Summary of significant accounting policies****(d) Expenditure recognition**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds
- Expenditure on charitable activities
- Other expenditure.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

(e) Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources. Premises and other overheads have been allocated on a pro rata basis.

Fund-raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

The analysis of these costs is included in note 7.

(f) Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Long Leasehold land and buildings	2%
Fixtures and equipment	25%
Computer equipment	25%

Ikon Gallery Limited**Notes to the Financial Statements****Year Ended 31 March 2021****1 Summary of significant accounting policies (continued)****(g) Investments**

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently they are measured at fair value with changes recognised in “net gains/ (losses) on investments” in the SoFA if the shares are publicly traded or their fair value can otherwise be measured reliably.

Investments in subsidiaries are measured at cost less impairment.

(h) Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing stock to its present location and condition. Provision is made for damaged, obsolete and slow-moving stock where appropriate.

(i) Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

(j) Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in the SoFA unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

(k) Provisions

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

(l) Leases

Rentals payable and receivable under operating leases are charged to the SoFA on a straight line basis over the period of the lease.

(m) Foreign currency

Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate.

Ikon Gallery Limited**Notes to the Financial Statements****Year Ended 31 March 2021****1 Summary of significant accounting policies (continued)****(n) Employee benefits**

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

(o) Tax

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

(p) Going concern

At the time of signing the accounts, the Trustees have considered the effect of the Coronavirus on the going concern position, and consider that this does indicate that the group will continue to operate for a period of at least 12 months from the date of signing these accounts due to the level of funding already secured with its key partners. At the balance sheet date the charity held sufficient cash balances. The charity has reserves, enough of which are unrestricted and are sufficient to absorb short-term in-period deficits if required. Government support is utilised, where it is appropriate to do so, and the Furlough scheme has been used.

The financial forecasts prepared by the senior leadership team show that the group will be able to operate within the facilities available to it.

On that basis the Trustees have prepared these financial statements on a going concern basis.

2 Income from donations and legacies

	2021 £	2020 £
Arts Council England	1,028,307	1,009,728
Arts Council England (Capital Project)	103,937	331,000
Birmingham City Council	19,731	19,250
Other government grants	218,734	-
Sponsorship	-	8,000
Trusts and Foundations	94,224	216,371
Other Grants and Income	82,889	47,020
Donations and gifts	6,086	15,310
Patrons	10,167	14,493
	<hr/>	<hr/>
	1,564,075	1,661,172
	<hr/>	<hr/>

Income from donations and legacies was £1,564,075 (2020 - £1,661,172) of which £281,050 (2020 - £577,814) was attributable to restricted and £1,283,025 (2020 - £1,083,358) was attributable to unrestricted funds.

Ikon Gallery Limited**Notes to the Financial Statements****Year Ended 31 March 2021****3 Income from charitable activities**

	2021 £	2020 £
Exhibitions	1,864	31,181
Education	2,025	11,246
	<hr/>	<hr/>
	3,889	42,427

Income from charitable activities was £3,889 (2020 - £42,427) all of which was attributable to unrestricted funds.

4 Income from other trading activities

	2021 £	2020 £
Bookshop	20,176	64,072
Café	1,378	27,964
	<hr/>	<hr/>
	21,554	92,036

Income from other trading activities was £21,554 (2020 - £92,036) all of which was attributable to unrestricted funds.

5 Income from investments

	2021 £	2020 £
Bank Interest	89	375
Dividends	11,303	14,115
	<hr/>	<hr/>
	11,392	14,490

Income from investments was £11,392 (2020 - £14,490) all of which was attributable to unrestricted funds.

6 Other income

	2021 £	2020 £
Gallery Hire	-	26,914
Other Income	112,371	56,420
	<hr/>	<hr/>
	112,371	83,334

Other income was £112,371 (2020 - £83,334) all of which was attributable to unrestricted funds.

Ikon Gallery Limited**Notes to the Financial Statements****Year Ended 31 March 2021****7 Analysis of expenditure on charitable activities**

	Operation of the gallery and exhibitions £	Education and development £	Total charitable activities £	Raising funds £	Total 2021 £	Total 2020 £
Costs directly allocated to activities						
Artists, materials & other installation costs	113,050	90,778	203,828	11,266	215,094	446,088
Marketing & communications	50,095	-	50,095	-	50,095	105,198
Shop, café and investment manager fees	-	-	-	16,046	16,046	41,236
Salaries, pensions and other staffing costs	361,034	70,654	431,688	94,420	526,108	581,960
	<u>524,179</u>	<u>161,432</u>	<u>685,611</u>	<u>121,732</u>	<u>807,343</u>	<u>1,174,482</u>
Support costs allocated to activities						
Salaries, pensions and other staffing costs	88,916	16,923	105,839	20,178	126,017	128,758
Operating costs of the gallery	155,826	12,560	168,386	16,569	184,955	273,094
Depreciation	164,600	13,267	177,867	17,501	195,368	161,813
Governance (Note 8)	17,288	3,861	21,149	7,596	28,745	25,902
	<u>426,630</u>	<u>46,611</u>	<u>473,241</u>	<u>61,844</u>	<u>535,085</u>	<u>589,567</u>
Total costs 2021	<u>950,809</u>	<u>208,043</u>	<u>1,158,852</u>	<u>183,576</u>	<u>1,342,428</u>	
Total costs 2020	<u>1,277,722</u>	<u>300,806</u>	<u>1,578,528</u>	<u>185,521</u>		<u>1,764,049</u>

£337,856 (2020 - £395,500) of the above costs were attributable to restricted funds. £1,004,572 (2020 - £1,368,549) of the above costs were attributable to unrestricted funds.

8 Governance costs

	2021 £	2020 £
Salaries, pensions and other staffing costs	16,475	16,752
Auditor's remuneration (including expenses) – Audit	12,000	9,150
	<u>28,745</u>	<u>25,902</u>

9 Net income for the year

Net income is stated after charging

	2021 £	2020 £
Depreciation of tangible fixed assets	195,368	161,813
Operating lease rentals	226	2,707

Ikon Gallery Limited**Notes to the Financial Statements****Year Ended 31 March 2021****10 Trustees' and key management personnel remuneration and expenses**

The trustees neither received nor waived any remuneration during the year (2020: £Nil).

The total amount of employee benefits received by key management personnel is £153,483 (2020 - £152,525). The Charity considers its key management personnel comprise the director and deputy director.

No (2020 – No) trustees are accruing pension arrangements.

The trustees did not have any expenses reimbursed during the year (2020 - £Nil).

11 Staff costs and employee benefits

The average monthly number of employees and full time equivalent (FTE) during the year was as follows:

	2021 Number	2021 FTE	2020 Number	2020 FTE
Exhibition	13	9	13	12
Education	4	3	3	3
Publicity	4	4	5	5
Administration	7	6	6	4
	28	22	27	24

The total staff costs and employee benefits was as follows:

	2021 £	2020 £
Wages and salaries	597,835	644,705
Social security	43,205	52,163
Defined contribution pension costs	23,715	25,421
	664,755	722,289

11 Staff costs and employee benefits (continued)

The number of employees who received total employee benefits (excluding employer pension costs) of more than £60,000 is as follows:

	2021 Number	2020 Number
£80,001 - £90,000	1	1
	1	1

Ikon Gallery Limited**Notes to the Financial Statements****Year Ended 31 March 2021****12 Interest payable and similar charges**

	2021 £	2020 £
Bank charges	1,614	1,963
	<u>1,614</u>	<u>1,963</u>

13 Tangible fixed assets

Group and Company	Long Leasehold Land and buildings £	Computer Equipment £	Fixtures and Equipment £	Total £
Cost or valuation:				
At 1 April 2020	5,526,731	123,313	867,432	6,517,476
Additions	-	39,296	73,635	112,931
At 31 March 2021	<u>5,526,731</u>	<u>162,609</u>	<u>941,067</u>	<u>6,630,407</u>
Depreciation:				
At 1 April 2020	2,158,408	96,593	685,411	2,940,412
Charge for the year	120,300	11,720	63,348	195,368
At 31 March 2021	<u>2,278,708</u>	<u>108,313</u>	<u>748,759</u>	<u>3,135,780</u>
Net book value:				
At 31 March 2021	<u>3,248,023</u>	<u>54,296</u>	<u>192,308</u>	<u>3,494,627</u>
At 31 March 2020	<u>3,368,323</u>	<u>26,720</u>	<u>182,021</u>	<u>3,577,064</u>

The net book value of long leasehold land and buildings includes £188,894 (2020: £195,924) in respect of a café within the gallery.

The remaining net book value relates to assets held for charitable activities.

Included within the above is £1 (2020 - £1) in respect of the long leasehold land and buildings attributable to the group's subsidiary company.

Ikon Gallery Limited**Notes to the Financial Statements****Year Ended 31 March 2021****14 Investments**

	£ Listed investments
Valuation 1 April 2020	472,123
Purchases	109,686
Disposals	(40,580)
Unrealised (loss)/gain	91,175
Other investment movements	(57,201)
Valuation 31 March 2021	575,203

The Charity Investments balance also includes £2 of share capital in the Trading Subsidiary, Oozells Trading Limited (Charity Investment balance £575,205 (2020: £472,125)).

Investments are comprised of the following:

	2021 £	2020 £
Equities	401,700	306,884
Fixed interest	87,216	62,329
Alternative investments	79,655	39,077
Cash	6,632	63,833
	575,203	472,133
	£	£
Cost 31 March 2020	471,695	463,712

Individual holdings at 31 March 2021 in excess of 5% of the portfolio value include: London Stock Exchange (£26,025), Findlay Park Funds PLC (£46,627) and HSBC ETFS (£58,294).

Financial Activities of the Trading Subsidiary

The financial activities shown in the consolidated statement of financial activities includes those of the charity's wholly owned subsidiary, Oozells Trading Limited. A summary of the financial activities undertaken by the subsidiary is set out below:

	2021 £	2020 £
Turnover	4,674	12,186
Administrative expenses	(1,959)	(1,551)
Operating profit	2,715	10,635
Interest receivable	-	-
Profit for the year	2,715	10,635
Gift Aid	(2,715)	(10,635)
Retained profit by the subsidiary	-	-

Ikon Gallery Limited**Notes to the Financial Statements****Year Ended 31 March 2021****15 Debtors**

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade debtors	9,503	28,952	9,503	28,952
Amounts owed by group undertakings	-	-	6,891	14,811
Other debtors	1,175	639	1,175	639
Prepayments and accrued income	241,654	262,073	241,654	262,073
Other tax and social security	7,893	8,797	7,893	8,797
	<u>260,225</u>	<u>300,461</u>	<u>267,116</u>	<u>315,272</u>

16 Creditors: amounts falling due within one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade creditors	13,052	68,544	13,052	66,985
Other tax and social security	20,276	15,604	20,276	14,836
Accruals and deferred income	266,477	158,513	265,027	157,413
	<u>299,805</u>	<u>242,661</u>	<u>298,355</u>	<u>239,234</u>

Included within other tax and social security are £7,653 (2020 – £3,897) of outstanding defined contribution pension contributions.

17 Deferred income**Group and Company**

	Under 1 year £	Over 1 year £	Total £
At 1 April 2020	106,528	-	106,528
Additions during the year	242,195	-	242,195
Amounts released to income	(106,528)	-	(106,528)
At 31 March 2021	<u>242,195</u>	<u>-</u>	<u>242,195</u>

Income has been deferred as it relates to funds received for projects and exhibitions occurring in forthcoming financial years.

Ikon Gallery Limited**Notes to the Financial Statements****Year Ended 31 March 2021****18 Fund reconciliation****Group and Company - 2021****Unrestricted funds**

	Balance at 1 April 2020	Income	Expenditure	Transfers	Gains / (losses)	Balance at 31 March 2021
	£	£	£	£	£	£
General	107,591	1,420,928	(1,000,746)	111,991	-	639,764
Reserve	40,000	-	-	10,000	-	50,000
Ikon 50 Fund	500,000	11,303	(3,826)	(103,080)	95,603	500,000
	647,591	1,432,231	(1,004,572)	18,911	95,603	1,189,764

Restricted funds

	Balance at 1 April 2020	Income	Expenditure	Transfers	Gains / (losses)	Balance at 31 March 2021
	£	£	£	£	£	£
Development Fund	3,372,015	-	(120,300)	-	-	3,251,715
Restricted Grants	9,191	177,113	(146,480)	(18,911)	-	20,913
ACE Capital Grant	303,337	103,937	(71,076)	-	-	336,198
	3,684,543	281,050	(337,856)	(18,911)	-	3,608,826

In the year a transfer of £18,911 was made from restricted grants to general funds, representing the element of grant funding Ikon could attribute to general overheads. A transfer of £10,000 was designated by the Trustees to the reserve fund. Surplus gains on the Group's investments have been transferred from the Ikon 50 Fund to general funds.

Group and Company - 2020**Unrestricted funds**

	Balance at 1 April 2019	Income	Expenditure	Transfers	Gains / (losses)	Balance at 31 March 2020
	£	£	£	£	£	£
General	211,463	1,301,155	(1,364,546)	(40,481)	-	107,591
Reserve	30,000	-	-	10,000	-	40,000
Ikon 50 Fund	500,000	14,490	(4,003)	30,481	(40,968)	500,000
	741,463	1,315,645	(1,368,549)	-	(40,968)	647,591

Ikon Gallery Limited**Notes to the Financial Statements****Year Ended 31 March 2021****18 Fund reconciliation (continued)****Group and Company – 2020 (continued)****Restricted funds**

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers £	Gains / (losses) £	Balance at 31 March 2020 £
Development Fund	3,492,315	-	(120,300)	-	-	3,372,015
Restricted Grants	9,914	246,814	(247,537)	-	-	9,191
ACE Capital Grant	-	331,000	(27,663)	-	-	303,337
	3,502,229	577,814	(395,500)	-	-	3,684,543

Fund descriptions**a) Unrestricted funds****General**

Funds used for the pursuit of the charitable company's principal activities.

Reserve

Funds set aside to cover future eventualities.

Ikon 50 Fund

The charity held a charity art auction at Sotheby's, London on 2 July 2016 as part of its 50th anniversary year celebrations. Various artists who had exhibited at Ikon in the past donated a work of their own art to Ikon for sale at the auction. The net sale proceeds from the auction amounted to £500,000. Ikon has designated the proceeds as an unrestricted fund known as the "Ikon50 Fund". Unless altered in the future by the trustees, the purpose of the fund is to provide financial support to an agreed level of funding each year, wherever possible, for an exhibition at Ikon of works by a developing, young or less well-known artist or artists, or for some equivalent form of project or activity.

The withdrawal of funds must be approved by a majority of the Board of Trustees. It cannot be solely an Executive decision.

b) Restricted funds

Development Fund – this fund was set up as a restricted fund using grants received from the National Lottery Fund, European Regional Development Fund, Foundation for Sports and the Arts, Argent plc, and other donations for the purpose of refurbishing Oozells Street School as a site for Ikon Gallery. This fund is being charged with depreciation at the same rate as the expected useful life of the fixed assets relating to the development.

Restricted grants – this is grant income received during the year relating to specific exhibitions or projects and the funds expended on these activities.

Ikon Gallery Limited**Notes to the Financial Statements****Year Ended 31 March 2021**

ACE Capital Grant – this is grant funding provided by Arts Council England to fund capital investment in the Gallery. The fund is represented by £209,732 (2020: £167,256) of fixed assets at net book value and £126,826 (2020: £136,081) of unspent income.

19 Analysis of net assets between funds - 2021

	Unrestricted funds £	Restricted funds £	Total £
Fixed assets	12,627	3,482,000	3,494,627
Investments	575,203	-	575,203
Cash	466,594	261,761	728,355
Other current assets / liabilities	135,340	(134,935)	405
Total	1,189,764	3,608,826	4,798,590

Analysis of net assets between funds - 2020

	Unrestricted funds £	Restricted funds £	Total £
Fixed assets	41,485	3,535,579	3,577,064
Investments	472,123	-	472,123
Cash	142,930	28,641	171,571
Other current assets / liabilities	(8,947)	120,323	111,376
Total	647,591	3,684,543	4,332,134

20 Reconciliation of net income to net cash flow from operating activities

	2021 £	2020 £
Net income/(expenditure) for year	466,456	88,442
Interest receivable	(89)	(375)
Dividends receivable	(11,303)	(14,115)
Depreciation and impairment of tangible fixed assets	195,368	161,813
Decrease in stock	13,591	5,301
Decrease / (increase) in debtors	40,326	(104,821)
Increase in value of investment	(39,144)	(23,554)
Increase in creditors	57,144	33,166
Net cash inflow/(outflow) from operating activities	722,259	145,857

Analysis of changes in net cash

	At start of year £	Cashflows £	At end of year £
Cash	171,571	556,784	728,355

Ikon Gallery Limited**Notes to the Financial Statements****Year Ended 31 March 2021****21 Pensions and other post-retirement benefits**

a) Defined contribution pension plans

The charity operates a defined contribution pension plan for its employees. The amount recognised as an expense in the period was £23,715 (2020 - £25,421).

The defined contribution liability is allocated to unrestricted funds and split across the various activities in accordance with the respective staff allocations.

22 Lease commitments

As at 31 March 2021 the company had future commitments under non-cancellable operating leases as follows:

Expiry date	2021 £	2020 £
Within 1 year	-	226
1 – 2 years	-	-

23 Financial commitments

There were no (2020 - £nil) commitments for the acquisition of tangible fixed assets contracted for but not provided in the financial statements.

24 Contingent Assets

At 31 March 2021 the charity had been notified of grant offers totalling up to £288,782 (2020: £454,782) which have not been recognised in the accounts, as the charity does not have unconditional entitlement to the funds.

25 Related party transactions

At 31 March 2021 the charity was owed £6,891 (2020: £14,811) from its subsidiary Oozells Trading Limited. The movement represents net cash movements in the year.