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**Manchester City Galleries Trust**  
**(A Company Limited by Guarantee)**

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**Trustee's Report and Consolidated Financial Statements**

**For the Year Ended 31 March 2022**

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**Manchester City Galleries Trust**  
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**Reference and Administrative Details of the Charity, its Trustees and Advisers**  
**For the Year Ended 31 March 2022**

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**Trustees**

P C Van Den Houten  
J M Williams  
J J Sandbach  
T Hetherington  
J R Mycock  
R G Pulford (appointed 7 May 2021)

**Company registered number**

03053689

**Charity registered number**

1048581

**Registered office**

Manchester Art Gallery  
Mosley Street  
Manchester  
M2 3JL

**Company secretary**

J L Begg

**Independent auditors**

Hurst Accountants Limited  
Chartered Accountants  
Statutory Auditors  
Lancashire Gate  
21 Tiviot Dale  
Stockport  
Cheshire  
SK1 1TD

**Bankers**

The Royal Bank of Scotland  
38 Mosley Street  
Manchester  
M60 2BE

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**Manchester City Galleries Trust**  
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**Trustees' Report**  
**For the Year Ended 31 March 2022**

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The Trustees present their annual report together with the audited financial statements of the Charity and Group for 1 April 2021 to 31 March 2022.

The Annual Report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the Trust and the Group qualify as small under section 383 of the Companies Act 2006, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 is not required.

The Trustees who served during the year were:

John Williams (Chair)

Timothy Entwistle (resigned 5 November 2021)

Thom Hetherington

James Mycock

Richard Pulford (appointed 7 May 2021)

Julian Sandbach

Petra Van Den Houten

Helen Taylor-O'Brien (resigned 18 June 2020)

**Objectives and activities**

**a. Policies and objectives**

Manchester City Galleries Trust is an independent Trust raising money to support the projects and programmes of Manchester Art Gallery.

The Trustees measure the success of the Trust by its financial performance, along with the Gallery's civic impact. The latter is reported to Manchester City Council Galleries Committee annually and this report, and feedback from the Committee, is shared with Trustees. Positive performance in turn provides additional resources for the Trust to further its objectives.

During the year the Trust had one trading subsidiary: Manchester Art Gallery Trading Company Limited (company number 04465391).

**Manchester Art Gallery Trading Company Limited**

This company operates the Manchester Art Gallery Café and venue hire business. Profits, when available, are gifted to the Trust. The directors of this company are:

Amanda Wallace

Robert Moss

Thom Hetherington

Timothy Entwistle (resigned 5 November 2021)

Charles McKenzie (resigned 13 August 2021)

Paul Hindle

Andrew Palmer (appointed 14 December 2021)



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**Objectives and activities (continued)**

**b. Activities and achievements**

The Trust raises funds to help Manchester Art Gallery:

- Deliver capital projects;
- Mount displays and exhibitions;
- Preserve and conserve works from the collections of Manchester Art Gallery;
- Acquire works for its collections; and
- Deliver an education, outreach and public programme of events and activities.

In 2021/22, payments were made from the Trust to support the gallery's programme as follows:

- £130,917 fundraising contribution to the core programme, paid up as agreed to MCC at the end of the year;

The year ended 31 March 2022 was still impacted by the Covid-19 pandemic and by its financial implications. The gallery reopened to the public on 19 May 2021 following national lockdown. Initially the gallery opened on reduced hours (Wed-Sun), reopening on Tuesdays at the beginning of the 2022/23 financial year. Monday closure continues and will do so for the foreseeable future.

During the pandemic, a significant amount of activity continued either behind the scenes or online. No Development staff were furloughed due to being Manchester City Council employees, meaning that fundraising continued throughout. Fundraising focused on increasing online donations and preparations for increased on-site giving on re-opening, retaining Patrons and Friends, and making applications to the Culture Recovery Fund (DCMS) and other emergency funds. These activities were still prominent at the beginning of 2021/22. The Trustees continued to meet remotely, and then in person from July 2021.

Major projects supported by the Trust in 2021/22 included:

**Grayson Perry's Art Club.** Originally scheduled to open in Autumn 2020, following the success of Channel 4's Grayson Perry's Art Club, the exhibition finally opened following lockdown in May 2021. The Trust secured sponsorship from Swan Films and Channel 4 and brought together a group of exhibition donors, supported by Trustee Thom Hetherington.

**Trading Stations: How Hot Drinks Shape Our Lives.** An exhibition drawing on the gallery's design / decorative arts collection that explores the sometimes troubling history of tea, coffee and hot chocolate. The exhibition included a tea house event space and a substantial programme of community events.

**Out Of The Crate.** A continuation of the sculpture exhibition which opened prior to the Covid-19 pandemic, extended due to lockdown.

**What Is Manchester Art Gallery?** A new introductory gallery that explores the gallery's history and collections.

**Climate Justice.** A collection display, developed and selected by a group of climate activists and artists. This exhibition has been accompanied by a wide ranging programme of events and activities and continues until February 2023.

**Constellations: Care & Resistance.** Also originally scheduled for an earlier opening date, this active research space, which supported artist Jade Montserrat in creating a new work, was part gallery, part studio with the artist's works shown alongside works selected from the gallery collection. The project was co-curated by Curatorial Trainee Nikita Gill. The exhibition will continue to December 2024.

## **Objectives and activities (continued)**

**Suzanne Lacy: Uncertain Futures.** Throughout lockdowns, the Gallery continued to work with artist Suzanne Lacy on a participatory project that explored the issues faced by older women in relation to work. Installed during lockdown, the exhibition opened in May 2021, and has been refreshed to include new work produced as part of the project, and continues until December 2024.

**Early Years programme.** The new ground-floor Clore Art Studio (The Lion's Den) opened in May 2021, offering priority activities for families with babies born during lockdown and Afghan refugee families housed in the city's hotels.

**Children and Young People.** Wellbeing work developed during lockdown and in response to the Black Lives Matter movement continued, offering sessions for priority schools. This included schools' sessions focused on 19th Century African American abolitionist, Sarah Parker Remond and her campaigning in Manchester which has become a core session offered to Manchester schools.

**Communities.** Extensive work continued at Platt Hall as part of Platt Hall In-Between. Demand has begun to outstrip capacity and this work and it remains a fundraising priority.

The Derek Jarman Pocket Park was created as an engagement project and legacy of the Derek Jarman: Protest! Exhibition (2 December 2021 - 10 April 2022). Designed with a group of older LGBT+ volunteers in partnership with the LGBT+ Foundation, the garden takes inspiration from Jarman's garden in Dungeness and is a permanent installation at the front of the gallery. This project attracted a significant number of charitable grants and donations.

**Health & Wellbeing / Social Prescribing.** Manchester Art Gallery continues to work with the Robert Darbishire Practice to develop and deliver a programme of socially prescribed activity that takes place at Platt Hall. During 2021/22 this has focused on pre-diabetes support.

Room To Breathe opened on 2 April 2022 and is an experimental space that uses two artworks from the collection to promote slow, mindful viewing. It is providing a site for research with Goldsmiths on how art can impact well-being. This project will continue until 2025.

Work with schools and young people that addresses the impact of childhood trauma has become a core area of activity for the Learning Team and this work has been developed and delivered across the year.

Health & Wellbeing work is a priority for future fundraising.

**Web and digital.** A new website was developed during the period, while the increased social media activity developed during lockdown has continued.

## **Fundraising**

### **a. Overview**

2021/22 has been a period of recovery for the gallery following the impact of lockdowns, financial loss and implementation of emergency measures across the business.

### **Final Spend of Emergency Funds**

Emergency grants, most notably the Department for Digital, Culture, Media and Sport/Arts Council England Culture Recovery Fund, secured in 2020/21 were fully spent during 2021/22. The grants secured the financial viability of Manchester Art Gallery Trading Company Limited which was able to remain viable and which saw immediate recovery in income following re-opening. This would not have been possible without the emergency investment.

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## **Fundraising (continued)**

### **Onsite Donations**

In preparation for re-opening we installed new cash donation boxes and two contactless donation points. On-site donations proved particularly healthy in the initial opening period and have remained high.

### **Online Donations**

Online donations, which saw a significant increase in the previous year during closure and during the run of Grayson's Art Club (prompted by a donation ask as part of the ticketing process) decreased following the closure of the exhibition and a return to un-ticketed entry.

The development of the new website has prioritised fundraising and prompts online giving.

### **Friends and Patrons**

Friends memberships increased significantly on re-opening, prompted by the opportunity for Friends to pre-book tickets for Grayson's Art Club. Many of these memberships, however, were one year payments rather than direct debits, and a large number were non-local people, unlikely to become long-term members. We plan to launch a membership campaign in 2022/23.

Patron membership has remained constant during the year.

Friends and Patrons enjoyed a programme of online talks replacing gallery events during lockdowns which have proved popular enough to continue alongside in-person events. The online events are being managed and delivered by a group of volunteers.

### **Gifts from Individuals**

The Manchester Contemporary Art Fund are a group of individuals who donate annually for the Gallery to acquire works for the collection from the Manchester Contemporary Art Fair. The scheme was set up and is managed by Trustee and Director Thom Hetherington. In the absence of a 2020 Art Fair, the group contributed to fund the Grayson's Art Club exhibition in 2021/22 and returned to raise funds for three acquisitions from the 2021 Manchester Contemporary.

### **Legacies**

Promotion of legacies was not prioritised during the year. One small legacy was received.

### **Business Partners**

All existing Business Partners returned in 2021/22. A full re-assessment of the scheme is still required if membership is to grow, although with the current financial uncertainty amongst businesses, this is currently not a priority.

### **Trusts and Foundations**

The number of submissions to Trusts and Foundations remained high during 2021/22, primarily due to having a strong Development Manager in post, whose time was focused almost entirely on grant-writing to fund planned activity. This remains the most lucrative area for fundraising and will continue to take priority over other forms of fundraising.

### **Staff**

The team still has low capacity given the size of the organisation and annual budgets. In order to address limited capacity, the Head of Development and Development Manager continue to have support from members of the Learning and Engagement and Curatorial teams in making additional grant applications.

The Development Manager (full time), Friends Coordinator (full time) and Head of Development (part time) are employed by Manchester City Council. In addition, a freelance accountant works for the Trust on flexible hours.



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**Fundraising (continued)**

**b. Priorities for fundraising 2022/23**

Given the cost of living crisis and likely financial situation we face in 2022/23, the focus will continue to be on stabilisation of existing priority activities, budget-relieving and unrestricted income. In addition to securing public funding and making Trust and Foundation applications, we will focus on philanthropy, building on the commitment we have seen from our Friends and Patrons schemes and developing our relationships with individual donors.

Priority will be given to securing funding to support:

- Capital fundraising to support a major programme of rationalisation and repairs to the three buildings (Manchester Art Gallery, Platt Hall, Queen's Park) with a focus on improving collection storage. This will ensure that we address long-term neglect of the building fabric and that we have the resources needed to keep our assets safe and in good repair.
- Core costs and delivery of mission and vision. Continuing to make our charitable and educational activity more visible, promoting civic philanthropy and the need for committed Patrons and unrestricted gifts.
- The ongoing development of a new community museum at Platt Hall. Revenue fundraising to support the hyper-local engagement that has proved so popular through Platt Hall In-Between and meet the high demand for activity.
- A development of the work to re-think and re-display our collection, informed by the capital work and addressing current social and political issues.
- Ongoing programme of exhibitions in the new Fashion Gallery (opening October 2022), a dedicated space for changing exhibitions from the gallery's important costume collection.
- We will continue to secure funding for the gallery's Learning and Engagement programme.

**Financial review**

**a. Review of the year**

During the year ended 31 March 2022, the Group's income amounted to £1,394,993 (2021: £1,387,558).

The Group's expenditure for the year ended 31 March 2022 amounted to £958,147 (2021: £628,007).

The net surplus for the year amounted to £436,846 (2021: £759,551).

As at 31 March 2022, the Group had total funds of £1,487,659 (2021: £1,050,813) of which £511,211 (2021: £639,966) were restricted funds. At the year end the Group held £1,593,675 (2021: £1,014,072) in liquid assets.

As at 31 March 2022, the Trust had total funds of £1,298,127 (2021: 793,766) and £1,173,967 (2021: £716,487) in liquid assets.

During the year ended 31 March 2022, Manchester Art Gallery Trading Company Limited reported a profit after tax of £361,738 (2021: £151,782) and as at 31 March 2022 the company had net assets of £109,569 (2021: £66,588).

Manchester Art Gallery Development Company ceased trading on 31 March 2021 with its activities being transferred to the Trust.

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**Financial review (continued)**

**b. Reserves policy**

The Trustees regularly review the level of the Trust's reserves to ensure that they are sufficient to meet foreseeable charitable expenditure, fixed costs and working capital requirements. A risk assessment is undertaken using the risk identification approach to determine anticipated:

- Charitable expenditure
- Fixed costs
- Unrestricted income
- Restricted income
- Working capital requirement

The Trustees aim to maintain a sufficient level of reserves to ensure continuing operations for the foreseeable future and that the Trust is able to meet its statutory and legal obligations.

Including restricted reserves, the Trustees have concluded that reserves of £225,000 should be maintained.

**c. Going concern**

After making appropriate enquiries, the Trustees have a reasonable expectation that the Trust and the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

**d. Investment policy**

The outstanding loan of £14,557 from Manchester City Galleries Trust to the Trading Company was repaid during the year.

The balance of the Trust's funds are currently held in a non-interest bearing bank account following transfer of funds to a new bank. The Trustees are considering options for a transfer of some funds to a deposit account.

**Structure, governance and management**

**a. Constitution**

The Trust is registered as a charitable company limited by guarantee and was established and is governed under a Memorandum and Articles of Association.

The Trust is a registered charity, charity number 1048581, with a registered office of Manchester Art Gallery, Mosley Street, Manchester, M2 3JL.

The Trust is established for the advancement of the education of the citizens and other residents of the City of Manchester in particular and of other citizens and residents of the United Kingdom in general, in British and foreign history of the Arts, and for the benefits of scholars in the Universities and local, national and foreign researchers in history of the Arts.

**b. Methods of appointment or election of Trustees**

The management of the Trust is the responsibility of the Trustees who are elected and co opted under the terms of the Articles of Association.

The directors/trustees who served during the year are listed on page 1 of the annual report. The directors/trustees are elected annually by members in a general meeting.

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**Structure, governance and management (continued)**

**c. Organisational structure and decision-making policies**

The Trust is managed by the trustees/directors and by employees of Manchester City Council. There are no staff directly employed by the Trust, although staff working in the Manchester Art Gallery Café and some members of the Events Team are employed by Manchester Art Gallery Trading Company Limited and all trading business is recorded through this company.

The Trustees meet quarterly to review the financial position of the Trust and to guide progress against the Trust's objectives.

The Directors of Manchester Art Gallery Trading Company Limited meet monthly to review the trading results and monitor and determine the company's future commercial objectives. The operational management of Manchester Art Gallery Trading Company rests with three key managers; the General Manager, the Trading Company Accountant and the Head of Commercial. These key managers attend and contribute to the Directors' meetings. The remuneration of the operational management is set by the Board of the Directors having regard to performance and the market rate for comparable roles.

**d. Policies adopted for the induction and training of Trustees**

New Trustees are introduced to the Group, usually by existing Trustees and Manchester City Galleries staff, and are given a full background to the Group's history and current activities to ensure they have a good knowledge of the Group and the activities of Manchester City Galleries. A role description is issued to all new Trustees so that they are fully aware of their duties and responsibilities. Regular updates on gallery business are sent to Trustees and opportunities for training are offered. Trustees are expected to take part in gallery activities – attending exhibition previews, all-gallery training etc. and engage in the wider cultural life of the city.

**e. Related party relationships**

The Trust holds the entire issued share capital of Manchester Art Gallery Trading Company Limited and co operates with Manchester City Council in pursuit of its charitable objectives.

Transactions between the Trust and Trading Company are shown in note 26 to the accounts. Trading profits (when available and net of earlier deficits) of the Manchester Art Gallery Trading Company Limited have been gifted to the Trust.

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**Structure, governance and management (continued)**

**f. Risk management**

The Trustees have assessed the major risks to which the Trust and the Group are exposed, in particular those related to the operations and finances of the Trust and the Group, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

The principal risks affecting the Trust and the Group are the dependence on fundraising (grants, donations, memberships and sponsorship) and the popularity of the programme which in turn generates donation box income and retail income for the Manchester Art Gallery Café. The Trustees manage these risks for the Trust and the Group by regularly reviewing past financial performance, future financial projections and the potential opportunities that arise from the programme. In undertaking this review, the Trustees are assisted by professional curatorial staff employed by Manchester City Council.

The principal risks facing Manchester Art Gallery Trading Company Limited, which operates the Manchester Art Gallery Café are:

- Consumer spending. The company's revenue is dependent on consumer spending which can reduce for a variety of reasons such as uncertainty, the general economic environment, competition and the weather. The company seeks to mitigate this risk by providing exceptional value for money, top quality food and drink and attentive service combined with an excellent location in the heart of Manchester.
- Food safety. Maintaining high food hygiene standards is critical to the company's business. The directors and senior management take food hygiene very seriously and have implemented best practice operational procedures to ensure this risk is reduced.
- Reputational risk. The directors and senior managers are conscious that, with the ever increasing use of social media, the reputation of the business can easily be damaged. The company seeks to provide a comprehensive customer experience which exceeds expectations. The directors monitor social media and respond where appropriate.

Other than continued fiscal pressures, the Trustees are not aware of any other factors that will impact the future performance of the Trust and the Group.

**g. Public benefit**

The Trust is established for the advancement of the education of the citizens and other residents of the City of Manchester in particular, and of other citizens and residents of the United Kingdom in general, in British and foreign history of the Arts, and for the benefits of scholars in the Universities and local, national and foreign researchers in history of the Arts.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities and services.

The Trust currently achieves its objectives by raising funds to support the Galleries' programme of exhibitions and educational activities, capital projects, and to fund acquisition of artworks for the collection.

In its support of Manchester City Galleries' activities, the Trust contributes to the free access of the general public to Manchester Art Gallery regardless of their background. The Trust is of the view that any private benefit gained by the Trustees is incidental. The Trust is of the view that any private benefit gained by the Trustees is incidental.

**Funds**

The funds held by the Trust are detailed in the notes to the financial statements.

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**Manchester City Galleries Trust**  
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### **Information on fundraising practices**

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. The Trustees confirm that all fundraising is managed internally without the involvement of commission driven external fundraisers or third parties. The routine management of income generation rests with the gallery's Head of Development.

In general, fundraising activities are directed towards individuals and organisations that are already involved in the work of the gallery or who have expressed an interest in becoming involved.

### **Statement of Trustees' responsibilities**

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

Company law requires the Trustees to prepare financial statements for each financial . 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 Group and the Charity and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Charity 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 Group and the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Disclosure of information to auditors**

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

### **Auditors**

The auditors, Hurst Accountants Limited, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:

**J L Beggs**

Head of Development and Trust Secretary

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**Manchester City Galleries Trust**  
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Date: 15 December 2022

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**Independent Auditors' Report to the Members of Manchester City Galleries Trust**

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**Opinion**

We have audited the financial statements of Manchester City Galleries Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charity Balance Sheet, the Consolidated 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 of the parent charitable company's affairs as at 31 March 2022 and of the Group's 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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's or the parent charitable company's ability to continue as a going concern for a period of at least twelve 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.

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**Independent Auditors' Report to the Members of Manchester City Galleries Trust (continued)**

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**Other information**

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' 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.

We have nothing to report in this regard.

**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 Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

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

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

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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 Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) 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 the 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 Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.



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**Independent Auditors' Report to the Members of Manchester City Galleries Trust (continued)**

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

**Identifying and assessing potential risks related to irregularities**

In identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- The nature of the industry and sector in which the group operates; the control environment and business performance including key drivers for directors' remuneration, bonus levels and performance targets.
- The outcome of enquiries of local management and parent company management, including whether management was aware of any instances of non-compliance with laws and regulations, and whether management had knowledge of any actual, suspected, or alleged fraud.
- Supporting documentation relating to the Group's policies and procedures for:
  - Identifying, evaluating, and complying with laws and regulations
  - Detecting and responding to the risks of fraud
- The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- The outcome of discussions amongst the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.
- The legal and regulatory framework in which the Group operates, particularly those laws and regulations which have a direct effect on the financial statements, such as the Companies Act 2006, Charities SORP, Charities Act 2011, Charity Commission, pensions and tax legislation, or which had a fundamental effect on the operations of the Company, including General Data Protection requirements, and Anti-bribery and Corruption.

**Audit response to risks identified**

Our procedures to respond to the risks identified included the following:

- Reviewing the financial statements disclosures and testing to supporting documentation to assess compliance with the provisions of those relevant laws and regulations which have a direct effect on the financial statements.
- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud.
- Evaluation and testing of the operating effectiveness of management's controls designed to prevent and detect irregularities.
- Enquiring of management about any actual and potential litigation and claims.
- Performing analytical procedures to identify any unusual or unexpected relationships which may indicate risks of material misstatement due to fraud.

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**Manchester City Galleries Trust**  
**(A Company Limited by Guarantee)**

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**Independent Auditors' Report to the Members of Manchester City Galleries Trust (continued)**

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We have also considered the risk of fraud through management override of controls by:

- Testing the appropriateness of journal entries and other adjustments.
- Challenging assumptions made by management in their significant accounting estimates, and assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and
- Evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

There are inherent limitations in the audit procedures described above, and the further removed non-compliance with laws and regulations are from the events and transactions reflected in the financial statements, the less likely we would become aware of them. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located 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 Auditors' Report.

**Use of our report**

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

**Helen Besant-Roberts (Senior Statutory Auditor)**

for and on behalf of

**Hurst Accountants Limited**

Chartered Accountants

Statutory Auditors

Lancashire Gate

21 Tiviot Dale

Stockport

Cheshire

SK1 1TD

15 December 2022

**Manchester City Galleries Trust**  
(A Company Limited by Guarantee)

**Consolidated Statement of financial activities (incorporating income and expenditure account)**  
**For the Year Ended 31 March 2022**

|                                    |      | Unrestricted<br>funds<br>2022<br>£ | Restricted funds<br>2022<br>£ | Total<br>funds<br>2022<br>£ | <i>Total<br/>funds<br/>2021<br/>£</i> |
|------------------------------------|------|------------------------------------|-------------------------------|-----------------------------|---------------------------------------|
|                                    | Note |                                    |                               |                             |                                       |
| <b>Income from:</b>                |      |                                    |                               |                             |                                       |
| Donations and legacies             | 4    | 227,022                            | 202,481                       | 429,503                     | 1,032,641                             |
| Charitable activities              | 5    | 55,029                             | 157,196                       | 212,225                     | 295,769                               |
| Trading activities                 | 6    | 753,089                            | -                             | 753,089                     | 59,060                                |
| Investments                        | 7    | 176                                | -                             | 176                         | 88                                    |
| <b>Total income</b>                |      | <u>1,035,316</u>                   | <u>359,677</u>                | <u>1,394,993</u>            | <u>1,387,558</u>                      |
| <b>Expenditure on:</b>             |      |                                    |                               |                             |                                       |
| Raising funds                      | 8    | 617,245                            | 83,170                        | 700,415                     | 539,968                               |
| Charitable activities              | 9    | 154,737                            | 102,995                       | 257,732                     | 88,039                                |
| <b>Total expenditure</b>           |      | <u>771,982</u>                     | <u>186,165</u>                | <u>958,147</u>              | <u>628,007</u>                        |
| <b>Net income</b>                  |      | 263,334                            | 173,512                       | 436,846                     | 759,551                               |
| Transfers between funds            | 19   | 302,267                            | (302,267)                     | -                           | -                                     |
| <b>Net movement in funds</b>       |      | <u>565,601</u>                     | <u>(128,755)</u>              | <u>436,846</u>              | <u>759,551</u>                        |
| <b>Reconciliation of funds:</b>    |      |                                    |                               |                             |                                       |
| Total funds brought forward        |      | 410,847                            | 639,966                       | 1,050,813                   | 291,262                               |
| Net movement in funds              |      | 565,601                            | (128,755)                     | 436,846                     | 759,551                               |
| <b>Total funds carried forward</b> |      | <u>976,448</u>                     | <u>511,211</u>                | <u>1,487,659</u>            | <u>1,050,813</u>                      |

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 20 to 40 form part of these financial statements.

**Manchester City Galleries Trust**  
**(A Company Limited by Guarantee)**  
**Registered number: 03053689**

**Consolidated Balance Sheet**  
**As at 31 March 2022**

|  | Note | 2022<br>£               | 2021<br>£               |
|--|------|-------------------------|-------------------------|
| <b>Fixed assets</b>                            |      |                         |                         |
| Tangible assets                                | 14   | 122,233                 | 97,086                  |
| <b>Current assets</b>                          |      |                         |                         |
| Stocks   | 16   | 3,996                   | 3,996                   |
| Debtors  | 17   | 178,187                 | 100,298                 |
| Cash at bank and in hand                       |      | 1,593,675               | 1,014,072               |
|  |      | <u>1,775,858</u>        | <u>1,118,366</u>        |
| Creditors: amounts falling due within one year | 18   | (410,432)               | (164,639)               |
| <b>Net current assets</b>                      |      | <u>1,365,426</u>        | <u>953,727</u>          |
| <b>Total net assets</b>                        |      | <u><u>1,487,659</u></u> | <u><u>1,050,813</u></u> |
| <b>Charity funds</b>                           |      |                         |                         |
| Restricted funds                               | 19   | 511,211                 | 639,966                 |
| Unrestricted funds                             | 19   | 976,448                 | 410,847                 |
| <b>Total funds</b>                             |      | <u><u>1,487,659</u></u> | <u><u>1,050,813</u></u> |

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

**J M Williams**  
Trustee

Date: 15 December 2022

The notes on pages 20 to 40 form part of these financial statements.

**Manchester City Galleries Trust**  
**(A Company Limited by Guarantee)**  
**Registered number: 03053689**

**Charity Balance Sheet**  
**As at 31 March 2022**

|  | Note | 2022<br>£               | 2021<br>£             |
|--|------|-------------------------|-----------------------|
| <b>Fixed assets</b>                            |      |                         |                       |
| Investments                                    | 15   | 2                       | 2                     |
| <b>Current assets</b>                          |      |                         |                       |
| Debtors  | 17   | 340,376                 | 148,672               |
| Cash at bank and in hand                       |      | 1,173,967               | 716,487               |
|  |      | <u>1,514,343</u>        | <u>865,159</u>        |
| Creditors: amounts falling due within one year | 18   | (216,218)               | (71,395)              |
| <b>Net current assets</b>                      |      | <u>1,298,125</u>        | <u>793,764</u>        |
| <b>Total net assets</b>                        |      | <u><u>1,298,127</u></u> | <u><u>793,766</u></u> |
| <b>Charity funds</b>                           |      |                         |                       |
| Restricted funds                               | 19   | 431,106                 | 449,436               |
| Unrestricted funds                             |      |                         |                       |
| General funds                                  | 19   | 867,021                 | 344,330               |
| Total unrestricted funds                       | 19   | <u>867,021</u>          | <u>344,330</u>        |
| <b>Total funds</b>                             |      | <u><u>1,298,127</u></u> | <u><u>793,766</u></u> |

The Charity's net movement in funds for the year was £504,290 (2021 - £499,965).

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

**J M Williams**  
Trustee

Date: 15 December 2022

The notes on pages 20 to 40 form part of these financial statements.

**Manchester City Galleries Trust**  
(A Company Limited by Guarantee)

**Consolidated Statement of Cash Flows**  
**For the Year Ended 31 March 2022**

|   | Note | 2022<br>£               | 2021<br>£               |
|---|------|-------------------------|-------------------------|
| <b>Cash flows from operating activities</b>             |      |                         |                         |
| Net cash used in operating activities                   | 21   | <u>643,105</u>          | <u>448,167</u>          |
| <b>Cash flows from investing activities</b>             |      |                         |                         |
| Dividends, interests and rents from investments         |      | 176                     | 88                      |
| Proceeds from the sale of tangible fixed assets         |      | 5,975                   | -                       |
| Purchase of tangible fixed assets                       |      | <u>(69,653)</u>         | <u>(79,990)</u>         |
| <b>Net cash used in investing activities</b>            |      | <u>(63,502)</u>         | <u>(79,902)</u>         |
| <b>Cash flows from financing activities</b>             |      |                         |                         |
| <b>Net cash provided by financing activities</b>        |      | <u>-</u>                | <u>-</u>                |
| <b>Change in cash and cash equivalents in the year</b>  |      | 579,603                 | 368,265                 |
| Cash and cash equivalents at the beginning of the year  |      | <u>1,014,072</u>        | <u>645,807</u>          |
| <b>Cash and cash equivalents at the end of the year</b> | 22   | <u><u>1,593,675</u></u> | <u><u>1,014,072</u></u> |

The notes on pages 20 to 40 form part of these financial statements

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**Manchester City Galleries Trust**  
**(A Company Limited by Guarantee)**

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**Notes to the Financial Statements**  
**For the Year Ended 31 March 2022**

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**1. General information**

Manchester City Galleries Trust is a company limited by guarantee, registered number 03053689, incorporated in England. It is also a charity, registered number 1048581. The registered address is Manchester Art Gallery, Mosley Street, Manchester, M2 3JL.

The principal activity of the group is raising money to support the projects and programmes of Manchester City Art Gallery.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Manchester City Galleries Trust 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.

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the Charity and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis.

The Charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements.

The Charity meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemption available to it in respect of its separate financial statements in relation to presentation of a cash flow statement.

**2.2 Company status**

The Charity is a company limited by guarantee. The members of the company are the Trustees names on page 1. The address of its registered office is Manchester Art Gallery, Mosley Street, Manchester, M2 3JL. In the event of the Charity being wound up, the liability in respect of the guarantees is limited to £1 per member of the Charity.

**2.3 Going concern**

In deciding to prepare the financial statements on a going concern basis, the Trustees have considered all available information regarding the future for a period of at least 12 months from the date of approval of these financial statements. The Trustees are satisfied that the going concern basis adopted in the preparation of these financial statements is appropriate and that the Group can continue in operational existence for at least the next 12 months.

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**Manchester City Galleries Trust**  
**(A Company Limited by Guarantee)**

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**Notes to the Financial Statements**  
**For the Year Ended 31 March 2022**

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**2. Accounting policies (continued)**

**2.4 Income**

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 income receivable can be measured reliably.

Donated services or facilities are recognised when the Group has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the Group of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised. Refer to the Trustees' Report for more information about their contribution.

On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the Charity which is the amount it would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Income from grants and government grants is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service. Revenue from the sale of food and beverages is recognised at the point of sale. Revenue from a contract to provide services is recognised in the period in which the services are provided in.



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**Manchester City Galleries Trust**  
**(A Company Limited by Guarantee)**

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**Notes to the Financial Statements**  
**For the Year Ended 31 March 2022**

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**2. Accounting policies (continued)**

**2.5 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Governance costs are those incurred in connection with administration of the Charity and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds. The costs of commercial trading includes the cafeteria and its associated support costs.

Charitable activities and Governance costs are costs incurred on the Charity's operations, including support costs and costs relating to the governance of the Charity apportioned to charitable activities.

**2.6 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

**2.7 Tangible fixed assets and depreciation**

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

|                              |                      |
|------------------------------|----------------------|
| Long-term leasehold property | -                    |
| Plant and machinery          | -                    |
| Office equipment             | -                    |
| Computer equipment           | -                    |
|                              | 25% reducing balance |
|                              | 25% reducing balance |
|                              | 33% straight line    |

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Financial Activities.

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**Manchester City Galleries Trust**  
**(A Company Limited by Guarantee)**

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**Notes to the Financial Statements**  
**For the Year Ended 31 March 2022**

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**2. Accounting policies (continued)**

**2.8 Investments**

Investments in subsidiaries are valued at cost less provision for impairment.

**2.9 Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the statement of financial activities.

**2.10 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**2.11 Cash at bank and in hand**

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**2.12 Liabilities and provisions**

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated Statement of Financial Activities as a finance cost.

**2.13 Financial instruments**

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**2.14 Operating leases**

Rentals paid under operating leases are charged to the Consolidated Statement of Financial Activities on a straight line basis over the lease term.

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**Manchester City Galleries Trust**  
**(A Company Limited by Guarantee)**

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**Notes to the Financial Statements**  
**For the Year Ended 31 March 2022**

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**2. Accounting policies (continued)**

**2.15 Pensions**

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

**2.16 Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs 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.

**2.17 Value added tax (VAT)**

Income is stated net of VAT where applicable. Expenditure is stated net of any recoverable VAT. Any irrecoverable VAT is recognised as a cost against the activity for which the expenditure was incurred.

**3. Critical accounting estimates and areas of judgement**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**Critical accounting estimates and assumptions:**

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

**Critical areas of judgement:**

**Accruals and deferred income**

Accruals and deferred income are entered in the financial statements based on management expectations, taking into account various factors relevant to each item. The Group recognised accruals and deferred income at 31 March 2022 of £315,948 (2021: £127,868).

**Depreciation**

The Group exercises judgement in estimating the useful economic life of plant and machinery, office equipment and computer equipment. The net book value of fixed assets at the year end totalled £122,253 (2021: £97,086).

**Manchester City Galleries Trust**  
(A Company Limited by Guarantee)

**Notes to the Financial Statements**  
**For the Year Ended 31 March 2022**

**4. Income from donations and legacies**

|                   | Unrestricted<br>funds<br>2022<br>£ | Restricted funds<br>2022<br>£ | Total<br>funds<br>2022<br>£ | Total<br>funds<br>2021<br>£ |
|-------------------|------------------------------------|-------------------------------|-----------------------------|-----------------------------|
| Donations         | 165,951                            | 58,386                        | 224,337                     | 113,066                     |
| Government grants | 61,071                             | 144,095                       | 205,166                     | 919,575                     |
| <b>Total 2022</b> | <u>227,022</u>                     | <u>202,481</u>                | <u>429,503</u>              | <u>1,032,641</u>            |
| <i>Total 2021</i> | <u>246,941</u>                     | <u>785,700</u>                | <u>1,032,641</u>            |                             |

**5. Income from charitable activities**

|                   | Unrestricted<br>funds<br>2022<br>£ | Restricted funds<br>2022<br>£ | Total<br>funds<br>2022<br>£ | Total<br>funds<br>2021<br>£ |
|-------------------|------------------------------------|-------------------------------|-----------------------------|-----------------------------|
| Grants receivable | -                                  | 157,196                       | 157,196                     | 267,286                     |
| Friends income    | 55,029                             | -                             | 55,029                      | 28,483                      |
| <b>Total 2022</b> | <u>55,029</u>                      | <u>157,196</u>                | <u>212,225</u>              | <u>295,769</u>              |
| <i>Total 2021</i> | <u>28,483</u>                      | <u>267,286</u>                | <u>295,769</u>              |                             |

**Manchester City Galleries Trust**  
(A Company Limited by Guarantee)

**Notes to the Financial Statements**  
**For the Year Ended 31 March 2022**

**6. Income from trading activities**

|                                 | Unrestricted<br>funds<br>2022<br>£ | Total<br>funds<br>2022<br>£ | <i>Total<br/>funds<br/>2021<br/>£</i> |
|---------------------------------|------------------------------------|-----------------------------|---------------------------------------|
| Catering, events and venue hire | 753,089                            | 753,089                     | 310                                   |
| Corporate membership            | -                                  | -                           | 58,750                                |
| <b>Total 2022</b>               | <u>753,089</u>                     | <u>753,089</u>              | <u>59,060</u>                         |
| <i>Total 2021</i>               | <u>59,060</u>                      | <u>59,060</u>               |                                       |

**7. Investment income**

|                           | Unrestricted<br>funds<br>2022<br>£ | Total<br>funds<br>2022<br>£ | <i>Total<br/>funds<br/>2021<br/>£</i> |
|---------------------------|------------------------------------|-----------------------------|---------------------------------------|
| Income from bank deposits | 176                                | 176                         | 88                                    |
| <b>Total 2022</b>         | <u>176</u>                         | <u>176</u>                  | <u>88</u>                             |
| <i>Total 2021</i>         | <u>88</u>                          | <u>88</u>                   |                                       |

**Manchester City Galleries Trust**  
(A Company Limited by Guarantee)

**Notes to the Financial Statements**  
**For the Year Ended 31 March 2022**

**8. Expenditure on raising funds**

|   | Unrestricted<br>funds<br>2022<br>£ | Restricted funds<br>2022<br>£ | Total<br>funds<br>2022<br>£ | Total<br>funds<br>2021<br>£ |
|---|------------------------------------|-------------------------------|-----------------------------|-----------------------------|
| Cost of sales and administrative expenses | 108,217                            | 75,170                        | 183,387                     | 133,199                     |
| Wages and salaries                        | 437,240                            | 8,000                         | 445,240                     | 367,455                     |
| National insurance contributions          | 26,252                             | -                             | 26,252                      | 22,547                      |
| Pension costs                             | 7,005                              | -                             | 7,005                       | 6,387                       |
| Depreciation of tangible fixed assets     | 38,531                             | -                             | 38,531                      | 10,380                      |
| <b>Total 2022</b>                         | <b>617,245</b>                     | <b>83,170</b>                 | <b>700,415</b>              | <b>539,968</b>              |
| <i>Total 2021</i>                         | <i>359,669</i>                     | <i>180,299</i>                | <i>539,968</i>              |                             |

**9. Analysis of expenditure on charitable activities**

**Summary by fund type**

|                   | Unrestricted<br>funds<br>2022<br>£ | Restricted funds<br>2022<br>£ | Total<br>funds<br>2022<br>£ | Total<br>funds<br>2021<br>£ |
|-------------------|------------------------------------|-------------------------------|-----------------------------|-----------------------------|
| Gallery           | 130,918                            | -                             | 130,918                     | 3,773                       |
| Exhibitions       | -                                  | 69,825                        | 69,825                      | 45,971                      |
| Friends scheme    | 457                                | -                             | 457                         | 150                         |
| Other fundraising | 3,403                              | -                             | 3,403                       | 147                         |
| Acquisitions      | -                                  | 33,170                        | 33,170                      | 14,737                      |
| Governance        | 19,959                             | -                             | 19,959                      | 23,261                      |
| <b>Total 2022</b> | <b>154,737</b>                     | <b>102,995</b>                | <b>257,732</b>              | <b>88,039</b>               |
| <i>Total 2021</i> | <i>27,331</i>                      | <i>60,708</i>                 | <i>88,039</i>               |                             |

**Manchester City Galleries Trust**  
(A Company Limited by Guarantee)

**Notes to the Financial Statements**  
**For the Year Ended 31 March 2022**

**10. Analysis of expenditure by activities**

|                   | Activities<br>undertaken<br>directly<br>2022<br>£ | Support costs<br>2022<br>£ | Total<br>funds<br>2022<br>£ | <i>Total<br/>funds<br/>2021<br/>£</i> |
|-------------------|---|----------------------------|-----------------------------|---------------------------------------|
| Gallery           | 130,918   | -                          | 130,918                     | 3,773                                 |
| Exhibitions       | 69,825  | -                          | 69,825                      | 45,971                                |
| Friends scheme    | 457   | -                          | 457                         | 150                                   |
| Other fundraising | 3,403   | -                          | 3,403                       | 147                                   |
| Acquisitions      | 33,170  | -                          | 33,170                      | 14,737                                |
| Governance        | -   | 19,959                     | 19,959                      | 23,261                                |
| <b>Total 2022</b> | <u>237,773</u>                                    | <u>19,959</u>              | <u>257,732</u>              | <u>88,039</u>                         |
| <i>Total 2021</i> | <u>64,778</u>                                     | <u>23,261</u>              | <u>88,039</u>               |                                       |

**Analysis of support costs**

|                   | Governance<br>costs<br>2022<br>£ | Total<br>funds<br>2022<br>£ | <i>Total<br/>funds<br/>2021<br/>£</i> |
|-------------------|----------------------------------|-----------------------------|---------------------------------------|
| Audit fees        | 11,350                           | 11,350                      | 12,900                                |
| Accountancy fees  | 8,287                            | 8,287                       | 9,323                                 |
| Bank charges      | 322                              | 322                         | 1,038                                 |
| <b>Total 2022</b> | <u>19,959</u>                    | <u>19,959</u>               | <u>23,261</u>                         |
| <i>Total 2021</i> | <u>23,261</u>                    | <u>23,261</u>               |                                       |

Support costs have been allocated on an actual basis.

**Manchester City Galleries Trust**  
(A Company Limited by Guarantee)

**Notes to the Financial Statements**  
**For the Year Ended 31 March 2022**

**11. Auditors' remuneration**

|  | 2022       | 2021         |
|--|------------|--------------|
|  | £          | £            |
| Fees payable to the Charity's auditor for the audit of the Charity's annual accounts | 11,350     | 12,900       |
| Fees payable to the Charity's auditor in respect of:                                 |            |              |
| Taxation services not included above   | <u>550</u> | <u>1,000</u> |

**12. Staff costs**

|  | Group<br>2022  | Group<br>2021  |
|--|----------------|----------------|
|  | £              | £              |
| Wages and salaries                                   | 445,240        | 367,455        |
| Social security costs                                | 26,252         | 22,547         |
| Contribution to defined contribution pension schemes | 7,005          | 6,387          |
|  | <u>478,497</u> | <u>396,389</u> |

The average number of persons employed by the Charity during the year was as follows:

|           | Group<br>2022 | Group<br>2021 |
|-----------|---------------|---------------|
|           | No.           | No.           |
| Employees | <u>35</u>     | <u>26</u>     |

No employee received remuneration amounting to more than £60,000 in either year.

**13. Trustees' remuneration and expenses**

During the year, no Trustees received any remuneration or other benefits (2021 - £NIL).

During the year ended 31 March 2022, no Trustee expenses have been incurred (2021 - £NIL).



Manchester City Galleries Trust  
(A Company Limited by Guarantee)

Notes to the Financial Statements  
For the Year Ended 31 March 2022

**14. Tangible fixed assets**

**Group**

|                          | Long-term<br>leasehold<br>property<br>£ | Plant and<br>machinery<br>£ | Office equipment<br>£ | Computer<br>equipment<br>£ | Total<br>£ |
|--------------------------|---|-----------------------------|-----------------------|----------------------------|------------|
| <b>Cost or valuation</b> |   |                             |                       |                            |            |
| At 1 April 2021          | 16,825                                  | 57,683                      | 33,332                | 26,275                     | 134,115    |
| Additions                | 10,460                                  | 26,517                      | 4,508                 | 28,168                     | 69,653     |
| Disposals                | (5,975)                                 | -                           | -                     | -                          | (5,975)    |
| At 31 March 2022         | 21,310                                  | 84,200                      | 37,840                | 54,443                     | 197,793    |
| <b>Depreciation</b>      |   |                             |                       |                            |            |
| At 1 April 2021          | 352                                     | 31,112                      | 1,524                 | 4,041                      | 37,029     |
| Charge for the year      | 3,108                                   | 11,843                      | 8,165                 | 15,415                     | 38,531     |
| At 31 March 2022         | 3,460                                   | 42,955                      | 9,689                 | 19,456                     | 75,560     |
| <b>Net book value</b>    |   |                             |                       |                            |            |
| At 31 March 2022         | 17,850                                  | 41,245                      | 28,151                | 34,987                     | 122,233    |
| <i>At 31 March 2021</i>  | 16,473                                  | 26,571                      | 31,808                | 22,234                     | 97,086     |

The Company had no fixed assets.

**Manchester City Galleries Trust**  
(A Company Limited by Guarantee)

**Notes to the Financial Statements**  
**For the Year Ended 31 March 2022**

**15. Fixed asset investments**

|                          | <b>Investments in<br/>subsidiary<br/>companies</b> |
|--------------------------|--|
| <b>Charity</b>           | <b>£</b>   |
| <b>Cost or valuation</b> |  |
| At 1 April 2021          | 4,002  |
| At 31 March 2022         | <u>4,002</u>                                       |
| <b>Impairment</b>        |  |
| At 1 April 2021          | 4,000  |
| At 31 March 2022         | <u>4,000</u>                                       |
| <b>Net book value</b>    |  |
| At 31 March 2022         | <u>2</u>   |
| <i>At 31 March 2021</i>  | <u>2</u>   |

Details of the Charity's principal subsidiaries are presented in note 27.

**16. Stocks**

|                                     | <b>Group<br/>2022</b> | <i>Group<br/>2021</i> |
|-------------------------------------|-----------------------|-----------------------|
|                                     | <b>£</b>              | <b>£</b>              |
| Finished goods and goods for resale | <u>3,996</u>          | <u>3,996</u>          |

**Manchester City Galleries Trust**  
(A Company Limited by Guarantee)

**Notes to the Financial Statements**  
**For the Year Ended 31 March 2022**

**17. Debtors**

|                                    | <b>Group</b><br><b>2022</b><br>£ | <i>Group</i><br><i>2021</i><br>£ | <b>Company</b><br><b>2022</b><br>£ | <i>Company</i><br><i>2021</i><br>£ |
|------------------------------------|----------------------------------|----------------------------------|------------------------------------|------------------------------------|
| <b>Due within one year</b>         |                                  |                                  |                                    |                                    |
| Trade debtors                      | 84,980                           | 84,755                           | 6,875                              | 54,801                             |
| Amounts owed by group undertakings | -                                | -                                | 331,738                            | 93,866                             |
| Other debtors                      | 88,482                           | 14,627                           | 1,763                              | 5                                  |
| Prepayments and accrued income     | 4,725                            | 916                              | -                                  | -                                  |
|                                    | <u>178,187</u>                   | <u>100,298</u>                   | <u>340,376</u>                     | <u>148,672</u>                     |

An impairment loss of £nil (2021: £nil) was recognised in the year against trade debtors.

**18. Creditors: Amounts falling due within one year**

|   | <b>Group</b><br><b>2022</b><br>£ | <i>Group</i><br><i>2021</i><br>£ | <b>Company</b><br><b>2022</b><br>£ | <i>Company</i><br><i>2021</i><br>£ |
|---|----------------------------------|----------------------------------|------------------------------------|------------------------------------|
| Trade creditors                         | 18,253                           | 14,587                           | 2,447                              | 5,146                              |
| Amounts owed to group undertakings      | -                                | -                                | -                                  | 551                                |
| Other taxation and social security      | 47,804                           | 5,597                            | -                                  | -                                  |
| Other creditors                         | 27,827                           | 16,587                           | 7,802                              | 11,724                             |
| Accruals and deferred income            | 316,548                          | 127,868                          | 205,969                            | 53,974                             |
|   | <u>410,432</u>                   | <u>164,639</u>                   | <u>216,218</u>                     | <u>71,395</u>                      |
|   | <b>Group</b><br><b>2022</b><br>£ | <i>Group</i><br><i>2021</i><br>£ | <b>Company</b><br><b>2022</b><br>£ | <i>Company</i><br><i>2021</i><br>£ |
| Deferred income at 1 April 2021         | 127,868                          | 244,056                          | 53,974                             | 151,912                            |
| Resources deferred during the year      | 315,948                          | 127,868                          | 205,969                            | 53,974                             |
| Amounts released from previous periods  | (127,868)                        | (244,056)                        | (53,974)                           | (151,912)                          |
|   | <u>315,948</u>                   | <u>127,868</u>                   | <u>205,969</u>                     | <u>53,974</u>                      |
| <b>Deferred income at 31 March 2022</b> | <b>315,948</b>                   | <b>127,868</b>                   | <b>205,969</b>                     | <b>53,974</b>                      |

**Manchester City Galleries Trust**  
(A Company Limited by Guarantee)

**Notes to the Financial Statements**  
**For the Year Ended 31 March 2022**

**19. Statement of funds**

**Statement of funds - current year**

|   | Balance at 1<br>April 2021<br>£ | Income<br>£      | Expenditure<br>£ | Transfers<br>in/out<br>£ | Balance at<br>March 20 |
|---|---------------------------------|------------------|------------------|--------------------------|------------------------|
| <b>Unrestricted funds</b>                         |                                 |                  |                  |                          |                        |
| General Funds                                     | 410,847                         | 1,035,316        | (771,982)        | 302,267                  | 976,448                |
|   | £                               | £                | £                | £                        | £                      |
| <b>Restricted funds</b>                           |                                 |                  |                  |                          |                        |
| Zochonis Trust                                    | 90,000                          | -                | -                | (36,424)                 | 53,576                 |
| Clore Duffield Foundation (Learning & Engagement) | 10,000                          | 6,000            | -                | -                        | 16,000                 |
| Assheton Bennett                                  | 15,173                          | -                | -                | -                        | 15,173                 |
| Deborah Roberts                                   | 14,263                          | -                | -                | (14,263)                 | -                      |
| Jeremy Deller Film                                | 40,000                          | -                | -                | (40,000)                 | -                      |
| Paul Mellon - Speech Acts                         | 3,377                           | -                | (1,000)          | -                        | 2,377                  |
| Graysons Art Club                                 | 16,357                          | -                | -                | (16,357)                 | -                      |
| University of Manchester (Suzanne Lacy)           | 9,400                           | -                | -                | (9,400)                  | -                      |
| GMCA (AoR Project)                                | -                               | 14,000           | -                | -                        | 14,000                 |
| Heritage Lottery Funding - Collecting Cultures    | (1,957)                         | -                | -                | 2,027                    | 70                     |
| Derek Jarman                                      | 57,250                          | 10,000           | (12,509)         | -                        | 54,741                 |
| Culture Recovery Fund                             | 190,459                         | 144,095          | (83,170)         | (171,350)                | 80,034                 |
| Headley Trust                                     | -                               | 20,000           | -                | -                        | 20,000                 |
| Francis Winham (Making Conversations)             | 2,000                           | -                | -                | -                        | 2,000                  |
| Paul Hamlyn Foundation                            | 27,706                          | -                | (22,615)         | (5,036)                  | 55                     |
| National Heritage Fund (Trading Stations)         | 9,800                           | -                | (9,232)          | -                        | 568                    |
| Sylvia Adams (Healthy Baby Stay & Play)           | 14,500                          | -                | -                | (14,500)                 | -                      |
| Platt Hall Project                                | (1,863)                         | 36,437           | (30,119)         | 5,036                    | 9,491                  |
| Fashion Gallery                                   | 120,000                         | 90,000           | (16,735)         | -                        | 193,265                |
| Other immaterial restricted project funds         | 23,501                          | 39,145           | (10,785)         | (2,000)                  | 49,861                 |
|   | 639,966                         | 359,677          | (186,165)        | (302,267)                | 511,211                |
|   | £                               | £                | £                | £                        | £                      |
| <b>Total of funds</b>                             | <b>1,050,813</b>                | <b>1,394,993</b> | <b>(958,147)</b> | <b>-</b>                 | <b>1,487,659</b>       |

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**Manchester City Galleries Trust**  
**(A Company Limited by Guarantee)**

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**Notes to the Financial Statements**  
**For the Year Ended 31 March 2022**

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**19. Statement of funds (continued)**

**Manchester City Galleries Trust**  
(A Company Limited by Guarantee)

**Notes to the Financial Statements**  
**For the Year Ended 31 March 2022**

**19. Statement of funds (continued)**

**Statement of funds - prior year**

|   | <i>Balance at<br/>1 April 2020</i> | <i>Income</i>    | <i>Expenditure</i> | <i>Transfers<br/>in/out</i> | <i>Balance at<br/>31 March 2021</i> |
|---|------------------------------------|------------------|--------------------|-----------------------------|-------------------------------------|
|   | £                                  | £                | £                  | £                           | £                                   |
| <b>Unrestricted funds</b>                         |                                    |                  |                    |                             |                                     |
| General Funds                                     | <u>152,626</u>                     | <u>334,572</u>   | <u>(387,000)</u>   | <u>310,649</u>              | <u>410,847</u>                      |
| <b>Restricted funds</b>                           |                                    |                  |                    |                             |                                     |
| Zochonis Trust                                    | 60,900                             | 30,000           | -                  | -                           | 90,000                              |
| Clore Duffield Foundation (Learning & Engagement) | -                                  | 10,000           | -                  | -                           | 10,000                              |
| Assheton Bennett                                  | 15,173                             | -                | -                  | -                           | 15,173                              |
| Deborah Roberts                                   | -                                  | 14,263           | -                  | -                           | 14,263                              |
| Jeremy Deller Film                                | -                                  | 40,000           | -                  | -                           | 40,000                              |
| Paul Mellon - Speech Acts                         | 4,377                              | -                | (1,000)            | -                           | 3,377                               |
| Graysons Art Club                                 | 857                                | 15,500           | -                  | -                           | 16,357                              |
| University of Manchester (Suzanne Lacy)           | 9,400                              | -                | -                  | -                           | 9,400                               |
| Heritage Lottery Funding - Collecting Cultures    | (24,592)                           | 23,203           | (568)              | -                           | (1,957)                             |
| Derek Jarman                                      | -                                  | 59,950           | (2,700)            | -                           | 57,250                              |
| Culture Recovery Fund                             | -                                  | 681,407          | (180,299)          | (310,649)                   | 190,459                             |
| Francis Winham (Making Conversations)             | 2,000                              | -                | -                  | -                           | 2,000                               |
| Paul Hamlyn Foundation                            | 52,215                             | -                | (24,509)           | -                           | 27,706                              |
| National Heritage Fund (Trading Stations)         | 9,800                              | -                | -                  | -                           | 9,800                               |
| Sylvia Adams (Healthy Baby Stay & Play)           | 11,500                             | 3,000            | -                  | -                           | 14,500                              |
| Platt Hall Project                                | 6,305                              | 23,763           | (31,931)           | -                           | (1,863)                             |
| Fashion Gallery                                   | -                                  | 120,000          | -                  | -                           | 120,000                             |
| Other immaterial restricted project funds         | 1,001                              | 22,500           | -                  | -                           | 23,501                              |
|   | <u>148,936</u>                     | <u>1,043,586</u> | <u>(241,007)</u>   | <u>(310,649)</u>            | <u>639,966</u>                      |
| <b>Total of funds</b>                             | <u>300,662</u>                     | <u>1,378,158</u> | <u>(628,007)</u>   | <u>-</u>                    | <u>1,050,813</u>                    |

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**Manchester City Galleries Trust**  
**(A Company Limited by Guarantee)**

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**Notes to the Financial Statements**  
**For the Year Ended 31 March 2022**

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**19. Statement of funds (continued)**

Restricted funds are funds that have been provided in support of specific projects. The Trust holds sufficient resources to enable each fund to be applied in accordance with the restriction and can be itemised as follows:

Zochonis Trust: charitable donation specifically to support the gallery's Learning and Engagement Programme.

Clore Duffield Foundation: charitable donation specifically to support post-covid recovery work with the children and young people.

Ashetton Bennett: donation to support the further development of the gallery's silver collection.

Art Fund: donation towards acquisition of artwork by Deborah Roberts.

S McFayden: donation towards acquisition of artwork by Deborah Roberts.

V&A Purchase Fund: donation towards acquisition of artwork by Deborah Roberts.

Contemporary Art Society: donation towards acquisition of Jeremy Deller film.

The Bloxham Charitable Trust: charitable donation towards acquisition of Jeremy Deller film.

V&A Purchase Fund: donation towards acquisition of Jeremy Deller film.

Paul Mellon - Speech Acts: charitable donation to support of the Speech Acts Exhibition.

Manchester Contemporary Acquisition Fund: donation toward the acquisition of artwork for the Manchester Contemporary Collection.

University of Manchester: Payment of part of ACE grant to support partnership Suzanne Lacy exhibition.

The Art Fund: donation to support the Graysons Art Club exhibition.

Heritage Lottery Funding - Collecting Cultures: grant to develop costume collection.

The Ampersand Foundation: charitable donation to support the Derek Jarman: Protest! exhibitions

Culture Recovery Fund: DCMS grant to support the gallery through closure due to Covid-19 pandemic, including re-start costs and covering commercial losses.

Francis Winham (Making Conversations): grant to support transport and refreshment costs for participants in the Making Conversations engagement programme.

Paul Hamlyn Foundation: Explore and Test grant secured to undertake a learning and engagement project focused on Platt Hall, developing activities and models for the hall's re-imagining as a community museum.

National Heritage Fund (Trading Stations): specific donation for the Trading Stations "How Hot Drinks Shape Our Lives" - Engagement project.

Sylvia Adams (Healthy Baby Stay & Play): grant towards running the Healthy Child Drop-In and Baby Stay & Play events.

**Manchester City Galleries Trust**  
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**Notes to the Financial Statements**  
**For the Year Ended 31 March 2022**

**19. Statement of funds (continued)**

**20. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

|                               | Unrestricted<br>funds<br>2022<br>£ | Restricted funds<br>2022<br>£ | Total<br>funds<br>2022<br>£ |
|-------------------------------|------------------------------------|-------------------------------|-----------------------------|
| Tangible fixed assets         | 122,233                            | -                             | 122,233                     |
| Current assets                | 1,264,647                          | 511,211                       | 1,775,858                   |
| Creditors due within one year | (410,432)                          | -                             | (410,432)                   |
| <b>Total</b>                  | <u>976,448</u>                     | <u>511,211</u>                | <u>1,487,659</u>            |

**Analysis of net assets between funds - prior year**

|                               | <i>Unrestricted<br/>funds<br/>2021<br/>£</i> | <i>Restricted funds<br/>2021<br/>£</i> | <i>Total<br/>funds<br/>2021<br/>£</i> |
|-------------------------------|--|--|---------------------------------------|
| Tangible fixed assets         | 97,086                                       | -                                      | 97,086                                |
| Current assets                | 478,400                                      | 639,966                                | 1,118,366                             |
| Creditors due within one year | (164,639)                                    | -                                      | (164,639)                             |
| <b>Total</b>                  | <u>410,847</u>                               | <u>639,966</u>                         | <u>1,050,813</u>                      |



**Manchester City Galleries Trust**  
(A Company Limited by Guarantee)

**Notes to the Financial Statements**  
**For the Year Ended 31 March 2022**

**21. Reconciliation of net movement in funds to net cash flow from operating activities**

|  | <b>Group<br/>2022<br/>£</b> | <i>Group<br/>2021<br/>£</i> |
|--|-----------------------------|-----------------------------|
| Net income for the year (as per Statement of Financial Activities) | <b>436,846</b>              | <i>759,551</i>              |
| <b>Adjustments for:</b>  |                             |                             |
| Depreciation charges   | <b>38,531</b>               | <i>10,380</i>               |
| Dividends, interests and rents from investments                    | <b>(176)</b>                | <i>(88)</i>                 |
| Decrease in stocks   | <b>-</b>                    | <i>3,991</i>                |
| Increase in debtors  | <b>(77,289)</b>             | <i>(70,743)</i>             |
| Increase/(decrease) in creditors                                   | <b>245,193</b>              | <i>(254,924)</i>            |
| <b>Net cash provided by operating activities</b>                   | <b><u>643,105</u></b>       | <i><u>448,167</u></i>       |

**22. Analysis of cash and cash equivalents**

|              | <b>Group<br/>2022<br/>£</b> | <i>Group<br/>2021<br/>£</i> |
|--------------|-----------------------------|-----------------------------|
| Cash in hand | <b><u>1,593,675</u></b>     | <i><u>1,014,072</u></i>     |

**23. Analysis of changes in net debt**

|                          | <b>At 1 April 2021<br/>£</b> | <b>Cash flows<br/>£</b> | <b>At 31 March<br/>2022<br/>£</b> |
|--------------------------|------------------------------|-------------------------|-----------------------------------|
| Cash at bank and in hand | <b>1,014,072</b>             | <b>579,603</b>          | <b>1,593,675</b>                  |
|                          | <b><u>1,014,072</u></b>      | <b><u>579,603</u></b>   | <b><u>1,593,675</u></b>           |

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**Manchester City Galleries Trust**  
**(A Company Limited by Guarantee)**

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**Notes to the Financial Statements**  
**For the Year Ended 31 March 2022**

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**24. Pension commitments**

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £7,050 (2021: £6,387). Contributions totalling £1,577 (2021: £949) were payable to the fund at the balance sheet date and are included in creditors.

**25. Operating lease commitments**

At 31 March 2022 the Group had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

|  | <b>Group</b>      | <i>Group</i>        |
|--|-------------------|---------------------|
|  | <b>2022</b>       | <i>2021</i>         |
|  | <b>£</b>          | <i>£</i>            |
| Not later than 1 year                        | <b>525</b>        | <i>2,499</i>        |
| Later than 1 year and not later than 5 years | <b>-</b>          | <i>525</i>          |
|  | <b><u>525</u></b> | <i><u>3,024</u></i> |

The Charity had no commitments under non-cancellable operating leases at 31 March 2022.

**26. Related party transactions**

Key management personnel are considered to be the Trustees of the Manchester City Galleries Trust, the senior management team of Manchester Art Gallery Trading Company Limited and the directors of Manchester Art Gallery Trading Company Limited and Manchester Art Gallery Development Company Limited. None of the directors of Manchester Art Gallery Trading Company Limited nor Manchester Art Gallery Development Company Limited received any remuneration from the Company. None of the Trustees received any remuneration. The senior management team of Manchester Art Gallery Trading Company (who are not directors of the Company) received remuneration of £106,848 (2020: £58,983).

**Manchester City Galleries Trust**  
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**Notes to the Financial Statements**  
**For the Year Ended 31 March 2022**

**27. Principal subsidiaries**

The following were subsidiary undertakings of the Charity:

| <b>Names</b>                                       | <b>Company number</b> | <b>Registered office</b>                                 | <b>Principal activity</b> | <b>Class of shares</b> | <b>Holding</b> | <b>Included in consolidation</b> |
|--|-----------------------|--|---------------------------|------------------------|----------------|----------------------------------|
| Manchester Art Gallery Trading Company Limited     | 04465391              | Manchester Art Gallery, Mosley Street, Manchester M2 3JL | Catering and events       | Ordinary               | 100%           | Yes                              |
| Manchester Art Gallery Development Company Limited | 11901089              | Manchester Art Gallery, Mosley Street, Manchester M2 3JL | Dormant                   | Ordinary               | 100%           | Yes                              |

The financial results of the subsidiaries for the year were:

| <b>Names</b>                                       | <b>Income<br/>£</b> | <b>Expenditure<br/>£</b> | <b>Profit/(Loss)/<br/>Surplus/<br/>(Deficit) for the<br/>year<br/>£</b> | <b>Net assets<br/>£</b> |
|--|---------------------|--------------------------|---|-------------------------|
| Manchester Art Gallery Trading Company Limited     | <b>1,068,680</b>    | <b>(706,942)</b>         | <b>361,738</b>  | <b>109,569</b>          |
| Manchester Art Gallery Development Company Limited | -                   | -                        | -   | 1                       |

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