

**Annual Report and
Financial Statements
for the Year Ended 31 March 2017
for
Compass Gallery Limited
(A company limited by Guarantee and not having a share capital)**

**Registered Company Number: SC46634
Registered Charity Number: SC007119**

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Compass Gallery Limited

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Compass Gallery Limited
Company Information
for the Year Ended 31 March 2017

DIRECTORS: Ms A Stein
G C Gerber
F G Bloom
Ms J R Stein

SECRETARIES: G C Gerber
Ms A Stein

REGISTERED OFFICE: 178 West Regent Street
Glasgow
G2 4RL

REGISTERED CHARITY NO: SC007119

REGISTERED NUMBER: SC46634

ACCOUNTANTS: Gerber Landa & Gee
Pavilion 1
Finnieston Business Park
Minerva Way
Glasgow
G3 8AU

Compass Gallery Limited

Report of the Directors for the Year Ended 31 March 2017

The directors who are also trustees for the purpose of the Companies Act, have pleasure in presenting their report and financial statements of the Charity for the year ended 31 March 2017.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2016 to the date of this report.

G C Gerber
F G Bloom
A Stein
Ms J R Stein

STRUCTURE, GOVERNANCE AND MANAGEMENT

The organisation is a charitable company limited by guarantee, incorporated on 13 May 1969. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. Management of the company has been delegated to the directors who are appointed in accordance with the Memorandum and Articles of Association. Trustees are appointed by the board of trustees on a majority basis.

OBJECTIVES & ACTIVITIES

Compass Gallery limited is established to cultivate, educate and advance public understanding of the arts. By presenting a programme of contemporary art exhibitions it encourages a wider understanding of visual arts as an important way of enriching life and supporting cultural communities. Working from its gallery based in Glasgow City Centre, it extends its business throughout Scotland and beyond. Compass Gallery provides an educational and advisory role to the public, including; artists, art organisations and public museums and encourages acquisitions.

ACHIEVEMENTS AND PERFORMANCE

Economic conditions continue to be challenging, affecting public confidence and sales results of contemporary art, particularly at the London Art Fair. This is reflected in the decrease in sales figures for the year. However, the directors believe that by continuing to provide a programme of high quality exhibitions and working to encourage wider audiences, there is potential to identify new collectors. The company continues to curate and present quality, well-reviewed exhibitions, which continue to educate and inform the public and support the artists, in particular, the newly emerging graduates from the Scottish Art Schools.

FINANCIAL REVIEW

The company continues to be reliant on the ongoing support of its directors and related companies and charitable donations in order to operate. The deficit has arisen due to increased costs and the economic downturn leading to a decline in art sales over a number of years; a small deficit arose in the current year however the directors continue to work hard to improve sales figures and reduce expenditure where possible. The directors are continuing to make funding applications to arts bodies such as Creative Scotland and other trust funds.

RESERVE POLICY

The company does not hold reserves as a result of difficult trading conditions over a number of years. The directors continue to endeavour to improve the trading position of the company in order to build reserves sufficient to sustain the company.

Compass Gallery Limited

**Report of the Directors
for the Year Ended 31 March 2017**

STATEMENT OF TRUSTEES RESPONSIBILITY

Under the regulations governing charities the Trustees are required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Trust as at the end of the financial year and of the profit or loss of the Trust for that period. In preparing those financial statements, the Trustees are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in business.

The Trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust and to enable them to ensure that the financial statements have been properly prepared in accordance with the Charities Accounts (Scotland) Regulations 2006 (as amended), the Charities and Trustee Investment (Scotland) Act 2005 and the provisions of the Trust Deed. They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies. The directors acknowledge their responsibility for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

ON BEHALF OF THE BOARD:



G C Gerber - Director

30 October 2017

Compass Gallery Limited

STATEMENT OF FINANCIAL ACTIVITIES
INCORPORATING INCOME & EXPENDITURE ACCOUNT

For the year ended 31 March 2017

Notes	Unrestricted Funds	Total Funds	2016
	£	£	£
INCOMING RESOURCES			
Donations	659	659	590
Incoming Resources from Charitable Activities	73,355	73,355	85,602
Rental Income	2,000	2,000	2,000
	<u>76,014</u>	<u>76,014</u>	<u>86,192</u>
RESOURCES EXPENDED			
Charitable Activities	75,116	75,116	90,986
Governance Costs	1,850	1,850	2,050
Total resources expended	<u>76,966</u>	<u>76,966</u>	<u>93,036</u>
Net incoming resources	(952)	(952)	(4,844)
Balances brought forward at 1 April 2016	(71,118)	(71,118)	(66,274)
BALANCES CARRIED FORWARD			
AT 31 March 2017	<u>(72,070)</u>	<u>(72,070)</u>	<u>(71,118)</u>

Compass Gallery Limited

Balance Sheet 31 March 2017

	Notes	31.3.17 £	£	31.3.16 £	£
FIXED ASSETS					
Tangible assets	3		378		244
CURRENT ASSETS					
Stocks		2,500		2,500	
Debtors	4	950		1,400	
Cash at bank and in hand		<u>3,970</u>		<u>7,252</u>	
		7,420		4,436	
CREDITORS					
Amounts falling due within one year	5	<u>79,868</u>		<u>82,514</u>	
NET CURRENT LIABILITIES			<u>(72,448)</u>		<u>(71,362)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>(72,545)</u>		<u>(71,118)</u>
NET LIABILITIES			<u>(72,070)</u>		<u>(71,118)</u>
RESERVES					
Unrestricted funds	6		<u>(72,070)</u>		<u>(71,118)</u>
			<u>(72,070)</u>		<u>(71,118)</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2017.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2017 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- Ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- Preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the provisions Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Directors on 30 October 2017 and were signed on its behalf by:



Gillian C Gerber - Director

Compass Gallery Limited

Notes to the Financial Statements for the Year Ended 31 March 2017

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historic cost convention, with the exception that investments are included at market value. The financial statements have been prepared in accordance with Financial Reporting Standard 102 (FRS 102), the Statement of Recommended Practice Accounting and Reporting by Charities (SORP 2015) and applicable UK Accounting Standards and the Charities Accounts (Scotland) Regulations 2006 (as amended). These are the company's first set of financial statements prepared in accordance with FRS 102. There are no adjustments to any comparative figures as a result of the transition to FRS 102. The company has taken advantage of the exemption in Update Bulletin 1 exempting small charities from preparing statements of cash flow. The company is a public benefit entity as defined by FRS 102.

Incoming Resources

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. Income and debtors are measured at the fair value of the consideration receivable.

Resources expended

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources. Expenditure and creditors are recognised at the fair value of the consideration payable.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services.

Governance costs

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include costs linked to the strategic management of the charity.

Financial Instruments

Cash at bank and in hand is measured at fair value.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Land and buildings	- 15% on reducing balance
Plant and machinery etc	- 25-33% on reducing balance

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

2. EXPENDITURE

Governance costs include:

	31.3.17	31.3.16
	£	£
Independent Examiner's Remuneration	<u>1,850</u>	<u>2,050</u>

Compass Gallery Limited

Notes to the Financial Statements for the Year Ended 31 March 2017

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was nil.

4. OPERATING LOSS

The operating loss is stated after charging:

	31.3.17	31.3.16
	£	£
Depreciation – owned assets	<u>158</u>	<u>81</u>

5. TANGIBLE FIXED ASSETS

	Land and buildings £	Plant and machinery etc £	Totals £
COST			
At 1 April 2016	1,579	9,312	10,891
Additions	<u>-</u>	<u>292</u>	<u>292</u>
At 31 March 2017	<u>1,579</u>	<u>9,604</u>	<u>11,183</u>
DEPRECIATION			
At 1 April 2016	1,579	9,068	10,647
Charge for year	<u>-</u>	<u>158</u>	<u>158</u>
At 31 March 2017	<u>1,579</u>	<u>9,226</u>	<u>10,805</u>
NET BOOK VALUE			
At 31 March 2017	<u>-</u>	<u>378</u>	<u>378</u>
At 31 March 2017	<u>-</u>	<u>244</u>	<u>244</u>

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.17	31.3.16
	£	£
Trade debtors	<u>-</u>	<u>620</u>

Compass Gallery Limited

Notes to the Financial Statements - continued for the Year Ended 31 March 2017

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.17	31.3.16
	£	£
Trade creditors	2,725	9,397
Taxation and social security	2,213	3,408
Accrued Charges	2,358	4,441
Other creditors	<u>72,572</u>	<u>65,268</u>
	<u>79,868</u>	<u>71,035</u>

8. MOVEMENT IN FUNDS

	Unrestricted Funds £
At 1 April 2016	(71,118)
Incoming resources	76,014
Outgoing resources	<u>(76,966)</u>
At 31 March 2017	<u>(72,070)</u>

9. RELATED PARTY DISCLOSURES

Included in other creditors falling due within one year is a loan of £29,727 (2016 - £31,727) from Gerber Bros Wholesale Ltd T/A Cyril Gerber Fine Art. Gillian C Gerber is a director of the company. The loan is interest free and has no fixed repayment date. A loan is also due to Gillian C Gerber of £42,585 (2016 - £35,167). The loan is interest free and has no fixed repayment date.

Gillian Gerber was re-imbursed £900 (2016 - £776) in Trustee expenses during the year in fulfilling her role as a Trustee, these related to expenses of the charity paid personally by Ms Gerber. She was also paid a curation fee of £5,000 (2016 - £5,000) for her services during the year, in accordance with the terms of the Trust Deed. No other Trustee received any remuneration.

Compass Gallery Limited
Independent Examiner's Report
Compass Gallery Limited

I report on the accounts of the Charity for the year ended 31 March 2017 set out on pages three to eight.

Respective responsibilities of trustees and examiner

The charity's trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). The charity trustees consider that the audit requirement of Regulation 10(1) (a) to (c) of the Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under section 44 (1) (c) of the Act and to state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination was carried out in accordance with the Regulation 11 of the Charities Accounts (Scotland) Regulations 2006 (as amended). An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent examiner's statement

In the course of my examination, no matter has come to my attention;

- (a) which gives me reasonable cause to believe that in any material respect the requirements:
- to keep accounting records in accordance with Section 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations
 - to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations have not been met, or
- (b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Henry C Seddon FCCA
Gerber Landa & Gee
Chartered Accountants
Pavilion 1
Finnieston Business Park
Minerva Way
Glasgow
G3 8AU

Date: 30 October 2017