

REPORT OF THE TRUSTEES AND  
UNAUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020  
FOR  
RYE ART GALLERY TRUST

Gibbons Mannington & Phipps LLP  
Chartered Accountants  
Landgate Chambers  
Rye  
East Sussex  
TN31 7LJ

RYE ART GALLERY TRUST

CONTENTS OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

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REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 DECEMBER 2020

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The trustees present their report with the financial statements of the charity for the year ended 31 December 2020. The trustees have adopted the provisions of 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).

#### HIGHLIGHTS

- The Gallery was required to close, under Government "covid" regulations, from 19 March - 3 July, from 5 November - 2 December and from 19 December to the end of the year. In addition, there were many restrictions and limitations when we could open. But despite this, the year has proved to be a good year in the circumstances:
- Open six days a week when permitted
- Four very well received exhibitions from July to December with the team generating almost as much activity in open months as in previous years at about half the cost
- The number of Friends of the Gallery was stable throughout the year
- Reserves (taken as cash, market investments, debtors and stock less creditors and loans) were more than £36,000 higher at year-end compared with the start of the year - representing a record for the last 15 years or thereabouts.
- A "profit" in the year of about £34,000 before adding investment gains.

#### PRELIMINARIES

##### Objectives and aims

The Trust Deed was set up for "the propagation of knowledge concerning the fine arts and in particular the art of painting and the stimulation of interest in and the encouragement of the same by the provision and arrangement of exhibitions and lectures and of facilities for instruction in the same and the practice thereof." An underlying policy is that the Gallery is freely open for all, therefore providing visual art for public benefit.

##### Governance and public benefit

The Trustees have overall responsibility for ensuring the integrity of the Stormont bequest through the 1957 Trust Deed and that the charity has appropriate systems of controls, financial and otherwise. They are also required to comply with the guidelines as laid down by the Charity Commissioners to whom they are accountable.

Charity law also requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for that period. The Trustees have due regard for the guidance published by the Charity Commission on public benefit.

##### Governing document and constitution

Rye Art Gallery Trust remains a Charitable Trust created under the terms of the Mary Stormont Trust Deed and a constitution dated 4 October 1957, as varied in 1987, 1995, 2012, 2018 and recently in 2021. The Charities Commission Number is 310318.

## OBJECTIVES AND ACTIVITIES

Charitable activities in fulfilling the objectives - generalised

To fulfil its objectives, and subject at all times preserving its status as a charity, the Trust may acquire works of art for the purpose of public display, also may establish any or all of the following: -an Art Gallery, a Picture Gallery, an Art School, a Lecture Hall and may do anything else whereby artistic education and appreciation may be promoted. In furtherance of these activities, below sets out the operations and activities that will be undertaken starting again in 2021 but with reference to 2020 at the end of each section.

- Six Gallery spaces will be open free of charge to the public six days a week and a variety of exhibitions and events take place during the year. The Trustees, Gallery Director and Staff will ensure that the very best of Contemporary Art by local and regional artists and crafts people is always available for enjoyment and purchase through regularly refreshed displays and themed exhibitions. The Galleries were open for over 7 months in 2020.

- The Gallery holds a Permanent Collection of over 700 items of two and three-dimensional work, which includes the original Stormont Bequest of around 100 paintings. Acquisitions via bequest, purchase and loan are made focussing on 19th-21st century art. Art works from the Collection are shown for public enjoyment and education. In 2020, we were able to have works from the collection on show when the Gallery was open selected by our curator and shown in conjunction with our exhibitions and we were able to receive some additions.

- Educational and social events will take place throughout the year. Receptions to meet the artists are arranged as are workshops with practicing artists and collaboration with local Schools who may ask to hold exhibitions of student work. Unfortunately, the social distancing requirements have meant that most such events were not allowed to take place in 2020 and it will be some time before the Gallery can get back to a full programme.

- For the last couple of years, the Gallery has organised awards (the Stormont awards) to encourage art in the local schools for children up to the age of 11. With all the operating difficulties, it was not possible to arrange such an event in 2020. The trustees will, in 2021, be reviewing how to re-establish the event for future years.

- We print our Exhibition programme in two half-yearly brochures. During 2020, however, the programmes were published only online due to the uncertainty surrounding when openings and activity could take place. It is hoped this will start up again during 2021.

- At the end of 2019, the Gallery had just over 100 "Friends of the Gallery". Despite the lack of social events and activity in 2020, the trustees have been pleased that the number at the end of 2020 had been maintained at about the same level. It is hoped that 2021 will bring back more activity for this very important group.

## Rye Art Gallery Exhibitions & Events Programme 2020

- Exhibition: January 30th - 8th March: The Artist Kitty French and Friends: A celebration of Rye based artist and teacher Kitty French, featuring artworks from our permanent collections alongside those of contemporaries including Ken Townsend, David Crew and Wally Cole

- Curator's talk: February 15 - Kitty French and Friends: The life and works of Rye Based teacher and Artist Kitty French presented by Julian Day.

- Exhibition: 22 February - 22 March: Finding Form, with the photographer Yana Rits new work alongside the outstanding local based sculptor in stone Bernard McGuigan.

- Lectures: February 19, 26 & 4 March: The colour education series: Weekly lectures with John Fewster focusing on colour science, colour theory and finally colour perception.

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FOR THE YEAR ENDED 31 DECEMBER 2020

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- Exhibition: March 15 - March 20 (Forced to close as Covid 19 lockdown commenced) Green Havoc: Local based artists Sarah Palmer and Denise Franklin linked together with Rye Art Gallery's gallery collections curator to stage an exhibition celebrating the explosion of spring growth using the poem 'Almond Blossom' by Fiona Benson as their inspiration.
- Exhibition: July 18 - September 14 - Embodied Land: A rescheduled show to coincide with the reopening of the gallery featuring the artworks of landscape painter and printmaker Sally Cole. The works selected were a direct result of Sally's responses to the sounds of the sea and the vibrations of the land during her residency at Piha beach, New Zealand and around the coast in Pembrokeshire.
- Exhibition: August 15 - 30 October - Seascapes: A themed exhibition curated from selections from the permanent collections with submissions from over 40 artists featured. The genre of seascapes has close connections with Rye's rich maritime and fishing history. Artworks included local painters like Fred Cuming RA, Keith Purser and Brian Yale but also ceramics and sculpture featured alongside a large textile piece called 'Sea Figure' by Alice Kettle bringing texture and absorption to the show.
- Exhibition: September 26 - October 31 (Second lockdown November) - Empirical Windows - A retrospective look at works of the artist and illustrator Kenneth Townsend (1935 -2001). Kenny was a founder member of the Rye Society of Artists, RSA, he was a well-known figure in both Rye and Hastings he exhibited widely in the UK and Europe. The exhibition featured many works for sale selected from his studio with the kind permission of his family.
- Courses online with Zoom: From October 6 - November 10 (six weeks) - Rye Art Gallery collections with the curator. There are over 600 artworks held in the Rye Art Gallery permanent collection and in conjunction with the WEA the history of the collection is explored and discussed looking at case studies of Paul Nash, John Piper and Edward Burra.
- Exhibition: 24 October - Sunday 20 December - Places with Tom Marsh. Tom is a Sussex based plein air oil painter this first solo exhibition at Rye Art Gallery featured 30 artworks mainly completed locally and during the first Covid lockdown, Tom works fast to capture the essence of "place".
- Artist in Residence: Saturday 26 October - meet the artist event with Tom Marsh.
- Practical children's workshop: Saturday 29 October - 'Timberlina' Molly Spoon Making for Halloween.
- Exhibition: 2 December - 10 January 2021 (forced to close December 19) Miniatures & Masterpieces was developed to cater for the Christmas season with over 200 selected small artworks from 45 different artists. The show included paintings, ceramics, prints and sculpture geared sales of artworks as Christmas presents.

#### Bequests

- During 2020 Rye Art Gallery received new artworks for their permanent collections. The bequest from the late Edward Hunter of Groves Estate, Peasmarsh included artworks from local artist and teacher Kitty French. The late Rosemary Bagley of Rye bequeathed a selection of paintings and architectural drawings by her husband Geoffrey Bagley local painter and former Mayor of Rye.

#### Reputation

- The trustees and the Gallery Director have been very keen to improve our reputation over the year and have been pleased to see that our Google review rating currently stands at 4.9 out of 5 from many reviewers who have visited. This represents our best ever rating.

#### THE COVID PANDEMIC - IMPACT & ACTIONS TAKEN

At the end of March 2020 and through April, when the Covid pandemic seemed at its worst with no certainty of anything, the Trustees were looking at:

- possible Gallery closure for many months
  - little or no income with nobody walking the High Street for quite some time
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REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 DECEMBER 2020

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- high and fixed running costs each month
- an investment portfolio whose value had already dropped by over a third in a month

Set against this, the Government had just announced a furlough scheme for staff and authorised a one-off grant for those High Street shops (including Galleries) forced to close. Even so, at that time, there was talk of the support finishing in the summer giving the trustees a potentially bleak outlook beyond a couple of months.

With all of this in mind, the Trustees decided, through April and May, that the prudent approach was to incur some relatively small upfront costs for the better long-term good and avoid risk of major financial distress if the situation continued too long. Staff numbers were allowed to fall to zero with the aim of reopening as soon as possible using unpaid volunteers, when permitted to open. The situation could then be reviewed once things stabilised.

Having taken these decisions in the spring, it has been gratifying to see how positively things did, in fact, turn out.

This arose for three good reasons - good planning which allowed for much flexibility, hard work by everyone (paid and unpaid) working together and a slice of hard won luck:

- Good planning and a focus on flexibility. The Gallery was able to get up and running in July within two weeks of the first lockdown ending. Two well-received exhibitions were run and our costs were kept well below the level of previous years. Much use of unpaid volunteers was possible with significant benefit.

- Hard work. The team rolled up their sleeves to put in a major effort to serve the public, introduce new more efficient systems and keep testing the market with new ideas. And in the "back office" a lot of hard work was put in to getting the finances under control delivering quality monthly management information.

- A slice of hard-won luck. The Trustees had initiated a new insurance cover in 2018 which reduced premiums and improved the cover. A key element of this new cover was "business interruption cover" and this has paid out for the Spring lockdown. It will also pay out for the November 2020 lockdown and the December-April 2021 equivalent.

To cap it all, the investment portfolio by the year-end had recovered the big losses showing in March.

Despite the record level of reserves shown at the year-end, the trustees are not resting on their laurels and are confident, with all that has taken place and is being done for the future, that this high achievement will continue into 2021 making for another record year.

#### FINANCIAL REVIEW

##### Trading performance

In 2020 sales of contemporary art amounted to approximately £117,894 before commissions. When allowing for deductions for commissions and VAT and adding in the relatively small amount of merchandise sales and other income, the overall total net income from normal activities amounted to £67,579. In 2020, there was in addition an extra amount of income arising from Government grants and insurance payouts which totalled £61,064.

Total expenses for the year amounted to £90,052 before allowing for depreciation and one-off accounting changes. After allowing for these changes, the net expenditure amounted to £94,637 giving an overall net surplus of £34,006. Profits on investments increased this to a net surplus of £34,598.

Net unrestricted assets at the end of the year amounted to £667,869 including £19,523 of non cash funds held by Rathbones and ignoring the property revaluations over many years.

REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 DECEMBER 2020

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FINANCIAL REVIEW

Reserves policy

In the light of all that has happened with such significant volatility in operations, the Trustees have decided to implement a more formal reserves policy. For 2021, the policy will be to ensure that the net liquid reserves, defined as cash, marketable investments, debtors and stock less creditors and loans, should stay in excess of £125,000 in total (and in excess of £100,000 in relation to unrestricted funds), except in exceptional times. After the year-end, this policy will be reviewed in the light of experience to determine if it should continue until further notice. At the end of 2020, the reserves on this basis amounted to £147,381 in total (£137,592 relating to unrestricted funds).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust and constitutes an unincorporated charity.

Organisation, recruitment, appointment of new trustees and manpower to keep the Gallery operating

The Charity is directed by the Board of volunteer unpaid Trustees. The maximum number of permitted Trustees is 7. The Trust deed stated in 2018 that one Trustee must be appointed by the Royal Academy, one by Rye Town Council and another by the Friends of Rye Art Gallery. At the beginning of 2020, there were 4 trustees. At the end there were 6.

During the year, two trustees resigned - Kate van der Pump and Susan Benn. Kate had served for over four years and Susan for over two. Both gave significant value to the trustee board throughout their time as trustee - in particular during 2020 in assisting with guiding and determining the strategy that needed to be taken through the tough times brought about by Covid. We are most grateful to both of them and thank them whole-heartedly.

We were pleased to welcome four new trustees during the year. Heidi Foster was appointed in February as the representative of the Friends, having served previously on the old Friends committee when it was structured as a separate organisation. Louise Simkiss-Day, was appointed to the trustees in August as the Royal Academy representative. She comes with a strong background in art and education. Sarah Kowitz was appointed in November and Dr Amy Pierce-Miller in December. Both have very strong experience in the arts and museum fields.

Although out of necessity because of the financial risks referred to above, we were very sorry to lose Jane Fenn, the Gallery Director, who had given many years of loyal and dedicated service to the Gallery delivering many improvements and who will be sadly missed. We are very grateful for all she has done over the years and wish her all the best for the future.

Having no paid staff from July onwards to the end of the year, the Gallery found a way to operate flexibly primarily through "paid for" contractor support from one of the trustees, Julian Day, supported by our new Gallery Representative, Jason McEwen-McGhie, also on contract.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

310318

Principal address

107 High Street

RYE

East Sussex.

TN31 7JE

REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 DECEMBER 2020

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Trustees

The Trustees who served the charity during the period were as follows:

Mr Trevor Llanwarne CB (Chairman)  
Ms Kate Van Der Pump - retired summer 2020  
Ms Susan Benn - retired summer 2020  
Mr Julian Day - retired June 2021  
Mrs Heidi Foster - appointed February 2020  
Mrs Louise Simkiss-Day - appointed August 2020  
Mrs Sarah Kowitz - appointed November 2020  
Dr Amy Pierce Miller - appointed December 2020  
Mr Michael Boyd - appointed February 2021

Independent Examiner

Mr J Greenslade FCCA  
Gibbons Mannington & Phipps LLP  
Chartered Accountants  
Landgate Chambers  
Rye  
East Sussex  
TN31 7LJ

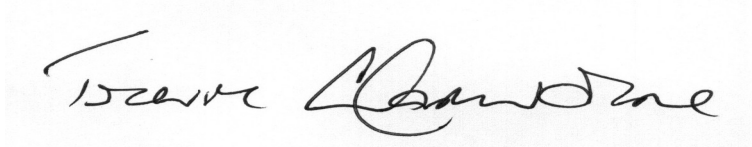
Solicitors

Heringtons Solicitors  
Bank Chambers  
80 High Street  
Rye  
East Sussex  
TN31 7JR

Investment adviser

Rathbones Investment Management  
London  
W1J 5FB

Approved by order of the board of trustees on 23 June 2021 and signed on its behalf  
by:

A handwritten signature in black ink, appearing to read 'Trevor Llanwarne', is written over a light grey rectangular background.

T Llanwarne CB - Chairman - Trustee

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF  
RYE ART GALLERY TRUST

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Independent examiner's report to the trustees of Rye Art Gallery Trust

I report to the charity trustees on my examination of the accounts of Rye Art Gallery Trust (the Trust) for the year ended 31 December 2020.

Responsibilities and basis of report

As the charity trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trust's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Mr J Greenslade FCCA  
Gibbons Mannington & Phipps LLP  
Chartered Accountants  
Landgate Chambers  
Rye  
East Sussex  
TN31 7LJ

Date: 26 July 2021

STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Unrestricted fund £	Restricted funds £	2020 Total funds £	2019 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	2	63,700	-	63,700	3,694
<b>Charitable activities</b>					
Artwork sales	5	49,929	-	49,929	103,567
Lecture income		478	-	478	-
<b>Trading activities</b>					
Investment income	3 4	13,317 1,250	- -	13,317 1,250	30,117 1,625
<b>Total</b>		<u>128,674</u>	<u>-</u>	<u>128,674</u>	<u>139,003</u>
<b>EXPENDITURE ON</b>					
Cost of Raising Funds	6	22,950	-	22,950	24,287
<b>Charitable activities</b>					
Artwork sales	7	68,732	-	68,732	93,218
Professional fees		1,624	-	1,624	-
Independant examiners fee		1,275	-	1,275	-
<b>Total</b>		<u>94,581</u>	<u>-</u>	<u>94,581</u>	<u>117,505</u>
Net gains on investments		592	-	592	7,666
<b>NET INCOME</b>		<u>34,685</u>	<u>-</u>	<u>34,685</u>	<u>29,164</u>
Transfers between funds	19	(150)	150	-	-
Net movement in funds		34,535	150	34,685	29,164
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		633,421	33,503	666,924	637,760
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u><u>667,956</u></u>	<u><u>33,653</u></u>	<u><u>701,609</u></u>	<u><u>666,924</u></u>

The notes form part of these financial statements

RYE ART GALLERY TRUST

BALANCE SHEET  
31 DECEMBER 2020

	Notes	Unrestricted fund £	Restricted funds £	2020 Total funds £	2019 Total funds £
<b>FIXED ASSETS</b>					
Tangible assets	13	530,364	-	530,364	531,875
Heritage assets	14	-	23,864	23,864	23,714
Investments	15	45,399	-	45,399	50,598
		<u>575,763</u>	<u>23,864</u>	<u>599,627</u>	<u>606,187</u>
<b>CURRENT ASSETS</b>					
Stocks	16	6,075	-	6,075	3,997
Debtors	17	45,580	-	45,580	5,964
Cash at bank and in hand		55,884	9,789	65,673	84,960
		<u>107,539</u>	<u>9,789</u>	<u>117,328</u>	<u>94,921</u>
<b>CREDITORS</b>					
Amounts falling due within one year	18	(15,346)	-	(15,346)	(34,184)
		<u>92,193</u>	<u>9,789</u>	<u>101,982</u>	<u>60,737</u>
<b>NET CURRENT ASSETS</b>					
		<u>92,193</u>	<u>9,789</u>	<u>101,982</u>	<u>60,737</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
		<u>667,956</u>	<u>33,653</u>	<u>701,609</u>	<u>666,924</u>
<b>NET ASSETS</b>					
		<u>667,956</u>	<u>33,653</u>	<u>701,609</u>	<u>666,924</u>
<b>FUNDS</b>					
Unrestricted funds:	19				
General fund				667,956	633,421
Restricted funds:					
Permanent Collection				23,864	23,714
Friends of Rye Art Gallery				9,789	9,789
				<u>33,653</u>	<u>33,503</u>
<b>TOTAL FUNDS</b>					
				<u>701,609</u>	<u>666,924</u>

The financial statements were approved by the Board of Trustees and authorised for issue on ..... and were signed on its behalf by:

.....  
T Llanwarne CB - Chairman - Trustee

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

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1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, 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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

Financial reporting standard 102 - reduced disclosure exemptions

The charity has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland':

- the requirements of Section 7 Statement of Cash Flows.

Income

All income other than grant income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Grant income has been recognised under the performance model.

Grants that do not specify any future performance-related conditions are recorded when the grant proceeds are received or receivable. Any grant that imposes specified future performance-related conditions is recognised only when the performance-related conditions are met. Grants received before the revenue recognition criteria are satisfied are recognised as a liability

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 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.

Tangible fixed assets

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

Freehold property	- not provided
Fixtures and fittings	- 15% on reducing balance

Heritage assets

Policy for acquisition, management and disposal of Permanent Collection

The Collection focuses on British Art from the late 19th century to the present, with the major holding being of work from the early to mid twentieth century.

The Trust aims to collect artwork relevant to Collection themes according to available funding, storage space and curatorial care. Themes are as follows:

1. The work is geographically related to Rye and its environs in the South East of England, in particular works that reflect the region's varied landscape, seascape and social history.
2. The work is by artists of regional and national importance associated with the Rye and South East area, (eg. Burra, Nash, Piper, Bratby, Cuming, etc)

1. ACCOUNTING POLICIES - continued

Heritage assets

3. The work falls especially into the categories of Painting (encouraged by the terms of the Trust), Printmaking and Drawing. Works in other media are of interest provided that the above criteria are met.

Policy for acquisition, management and disposal of Permanent Collection (Cont.)

To date the Trust's Board has not had time to fully review works in the Collection which might usefully be disposed of.

Records maintained

The Collection of 700 items is Catalogued and held on computers at two external addresses and is also in print. In the Catalogue there is a description of each work with name of artist, artist's dates, title of work, date of work, medium, measurements, signing, visual description, provenance and conservation notes as relevant. The Archives are listed either in separate Catalogues or grouped by title and these are also on computer and in print.

Most of the Collection has been photographed in an ongoing programme and copies held on disc. A physical Audit takes place every few years, the last one being in 2015.

Stocks

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

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Investments

Investments are recognised at the Market Value at the year end date. Both recognised and unrecognised gains and losses are taken to the Statement of Financial Activities as calculated at the year end.

Debtors

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

Creditors

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Volunteers

Given the absence of a reliable measurement basis, the contribution of volunteers is not included as income in charity accounts.

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2020

2. DONATIONS AND LEGACIES

	2020	2019
	£	£
Donations	2,636	2,694
Grants	19,565	1,000
Covid insurance claim	41,499	-
	<u>63,700</u>	<u>3,694</u>

	2020	2019
	£	£
Local organisations	-	1,000
Local Council - Covid grant	10,000	-
HMRC - Furlough grants	9,565	-
	<u>19,565</u>	<u>1,000</u>

3. TRADING ACTIVITIES

	2020	2019
	£	£
Merchandise sales	13,317	28,972
Room hire	-	365
Advertising	-	780
	<u>13,317</u>	<u>30,117</u>

4. INVESTMENT INCOME

	2020	2019
	£	£
Investment income	1,218	1,595
Deposit account interest	32	30
	<u>1,250</u>	<u>1,625</u>

5. INCOME FROM CHARITABLE ACTIVITIES

	2020	2019
	£	£
Commissions on sales	49,929	103,567
Lecture income	478	-
	<u>50,407</u>	<u>103,567</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2020

6. COST OF RAISING FUNDS

Other trading activities

	2020	2019
	£	£
Opening stock	3,997	3,935
Purchases	6,165	15,953
Closing stock	(6,075)	(3,997)
Staff costs	7,739	3,409
Subcontractors	3,184	-
Rate and water	118	306
Insurance	991	995
Light & heat	599	955
Telephone	275	395
Postage & stationery	394	227
Repairs & renewals	1,408	370
Computer expenses	279	339
Cleaning	434	-
Credit card charges	236	596
Security	598	-
Advertising	576	-
Sundries	719	-
Hanging fees	412	-
Depreciation	282	370
	<u>22,331</u>	<u>23,853</u>

Investment management costs

	2020	2019
	£	£
Support costs	<u>619</u>	<u>434</u>
Aggregate amounts	<u>22,950</u>	<u>24,287</u>

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 8) £	Totals £
Artwork sales	68,732	-	68,732
Professional fees	-	1,624	1,624
Independent examiners fee	-	1,275	1,275
	<u>68,732</u>	<u>2,899</u>	<u>71,631</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2020

8. SUPPORT COSTS

	Finance £	Governance costs £	Totals £
Investment management costs	619	-	619
Professional fees	-	1,624	1,624
Independent examiners fee	-	1,275	1,275
	<u>619</u>	<u>2,899</u>	<u>3,518</u>

9. INDEPENDENT EXAMINERS REMUNERATION

	2020 £	2019 £
Independent examiners fee	<u>1,275</u>	<u>1,275</u>

10. TRUSTEES' REMUNERATION AND BENEFITS

During the year one trustee - Mr J Day - received £7,200 for his services supplied in the role of interim Gallery Director. These are included within subcontractor costs for the year.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2020 nor for the year ended 31 December 2019.

11. STAFF COSTS

	2020 £	2019 £
Wages and salaries	35,393	56,595
Social security costs	208	-
Other pension costs	1,276	3,100
	<u>36,877</u>	<u>59,695</u>

The average monthly number of employees during the year was as follows:

	2020	2019
Gallery Director	1	1
Gallery/Sales Assistants	1	3
	<u>2</u>	<u>4</u>

No employees received emoluments in excess of £60,000.

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2020

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	3,694	-	3,694
Charitable activities			
Artwork sales	103,567	-	103,567
Trading activities			
Investment income	30,117 1,625	- -	30,117 1,625
Total	139,003	-	139,003
EXPENDITURE ON			
Cost of Raising Funds	24,287	-	24,287
Charitable activities			
Artwork sales	93,218	-	93,218
Total	117,505	-	117,505
Net gains on investments	7,666	-	7,666
NET INCOME	29,164	-	29,164
RECONCILIATION OF FUNDS			
Total funds brought forward	604,257	33,503	637,760
TOTAL FUNDS CARRIED FORWARD	633,421	33,503	666,924

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2020

13. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Totals £
<b>COST</b>			
At 1 January 2020	580,850	39,720	620,570
Additions	-	413	413
Disposals	-	(1,546)	(1,546)
At 31 December 2020	<u>580,850</u>	<u>38,587</u>	<u>619,437</u>
<b>DEPRECIATION</b>			
At 1 January 2020	58,085	30,610	88,695
Charge for year	-	1,341	1,341
Eliminated on disposal	-	(963)	(963)
At 31 December 2020	<u>58,085</u>	<u>30,988</u>	<u>89,073</u>
<b>NET BOOK VALUE</b>			
At 31 December 2020	<u>522,765</u>	<u>7,599</u>	<u>530,364</u>
At 31 December 2019	<u>522,765</u>	<u>9,110</u>	<u>531,875</u>

The freehold property is used for the purposes of the charity. It is included at valuation, prepared by Dyer Commercial at 30 November 1998, as detailed below, plus improvements since that date as follows:

	£
Stormont Galley valuation	250,000
Eastern Room valuation	45,000
Improvements Year Ended 31 December 2008	112,888
Improvements Year Ended 31 December 2009	109,656
Improvements Year Ended 31 December 2010	43,785
Improvements Year Ended 31 December 2011	9,710
Improvements Year Ended 31 December 2016	8,311
Improvements Year Ended 31 December 2017	1,500
	<u>580,850</u>

A major project to improve the property reached completion during the year ended 31st December 2012 and it was decided to charge depreciation in order to write the property off over 50 years. Since 2012 further smaller improvements have been made with depreciation being charged to keep to the initial assessment of a 50 year life made in 2012.

For the year ended 31 December 2018 the Trustees decided that as property values in the High Street continued to rise in recent years it was unlikely that the property will ever be valued at less than the current holding value. The decision was therefore made not to depreciate the property during this year and going forwards. During 2019 the Trustees appointed a local estate agent to undertake a valuation of the property, which was deemed to lie in excess of £550,000. The Trustees therefore believe that the decision not to depreciate the building further was the correct one.

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2020

14. HERITAGE ASSETS

	Total £
MARKET VALUE	
At 1 January 2020	23,714
Additions	150
At 31 December 2020	<u>23,864</u>
NET BOOK VALUE	
At 31 December 2020	<u>23,864</u>
At 31 December 2019	<u>23,714</u>

The Permanent Collection comprises the Stormont Bequest, the Robert Mackechnie Bequest and other works of art acquired since the formation of the Trust. It consists of approximately 700 items of fine art and sculpture. In accordance with previously recommended practice, works acquired prior to 1 January 2000 have not been included in the balance sheet. Significant costs would be involved in obtaining a full valuation compared with the additional benefit derived therefrom. The amounts are stated at cost where purchased. It is the Trustee's opinion that where donations of Heritage Assets are made, it is not possible to make a reliable estimation of the asset's fair value and the cost of valuation is likely to exceed the benefits provided by the information. Therefore donated assets are not recognised in the accounts.

Summary analysis of Heritage Asset transactions:

	2020 £	2019 £	2018 £	2017 £	2016 £
Purchases	150	-	-	150	700
Donations	-	-	-	-	-
Total additions	<u>150</u>	<u>-</u>	<u>-</u>	<u>150</u>	<u>700</u>
Impairment	-	-	-	-	-
Disposals	-	-	-	-	-
Proceeds from disposals	-	-	-	-	-

15. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 January 2020	50,598
Additions	246
Disposals	(2,801)
Revaluations	(2,644)
At 31 December 2020	<u>45,399</u>
NET BOOK VALUE	
At 31 December 2020	<u>45,399</u>
At 31 December 2019	<u>50,598</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2020

15. FIXED ASSET INVESTMENTS - continued

There were no investment assets outside the UK.

The fixed asset investments are managed by Rathbones Investment Management.

16. STOCKS

	2020 £	2019 £
Finished goods	<u>6,075</u>	<u>3,997</u>

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade debtors	923	350
Other debtors	43,333	4,252
Prepayments	<u>1,324</u>	<u>1,362</u>
	<u>45,580</u>	<u>5,964</u>

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade creditors	8,597	26,494
Taxation and social security	3,936	5,415
Other creditors	<u>2,813</u>	<u>2,275</u>
	<u>15,346</u>	<u>34,184</u>

19. MOVEMENT IN FUNDS

	At 1/1/20 £	Net movement in funds £	Transfers between funds £	At 31/12/20 £
Unrestricted funds				
General fund	633,421	34,685	(150)	667,956
Restricted funds				
Permanent Collection	23,714	-	150	23,864
Friends of Rye Art Gallery	<u>9,789</u>	<u>-</u>	<u>-</u>	<u>9,789</u>
	<u>33,503</u>	<u>-</u>	<u>150</u>	<u>33,653</u>
TOTAL FUNDS	<u>666,924</u>	<u>34,685</u>	<u>-</u>	<u>701,609</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2020

19. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	128,674	(94,581)	592	34,685
	<u>128,674</u>	<u>(94,581)</u>	<u>592</u>	<u>34,685</u>
TOTAL FUNDS	<u>128,674</u>	<u>(94,581)</u>	<u>592</u>	<u>34,685</u>

Comparatives for movement in funds

	At 1/1/19 £	Net movement in funds £	At 31/12/19 £
Unrestricted funds			
General fund	604,257	29,164	633,421
Restricted funds			
Permanent Collection	23,714	-	23,714
Friends of Rye Art Gallery	9,789	-	9,789
	<u>33,503</u>	<u>-</u>	<u>33,503</u>
TOTAL FUNDS	<u>637,760</u>	<u>29,164</u>	<u>666,924</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	139,003	(117,505)	7,666	29,164
	<u>139,003</u>	<u>(117,505)</u>	<u>7,666</u>	<u>29,164</u>
TOTAL FUNDS	<u>139,003</u>	<u>(117,505)</u>	<u>7,666</u>	<u>29,164</u>

Restricted funds

The Permanent Collection is a Restricted Fund. The purpose of the fund is to hold prominent works that the Trust feels are an important to their aims on a permanent basis

The Friends of Rye Art Gallery represents a donation made to the Trust which stipulated that it is to be used for MacKechnie Room improvements. As such it is a Restricted Fund.

20. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 December 2020.