

Charity registration number 513726

Company registration number 01705938 (England and Wales)

FFOTOGALLERY WALES LIMITED
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

FFOTOGALLERY WALES LIMITED

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FFOTOGALLERY WALES LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2023

The trustees present their annual report and financial statements for the year ended 31 March 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Objectives and activities

Objects and charitable purposes

The principal activity of the charitable company is to promote, maintain, improve and advance education in the knowledge, understanding and appreciation of the arts and in particular in the medium of photography. This means that Ffotogallery provides public benefit under at least two statutory charitable purposes: the advancement of education and the advancement of arts, culture, heritage and science.

Public benefit

The organisation's trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to public benefit guidance published by the Charity Commission. Public benefit is at the heart of the objectives set out above. Significant activities that we undertook during the year that demonstrate public benefit are set out on the following pages. No trustee received any financial benefit from Ffotogallery during the year.

Mission & Values

Photography has the power to effect and reflect social change. By building an inclusive grassroots network in Wales with an international impact, we will be at the heart of a welcoming, creative community engaged in contemporary conversations about photography's role in shaping a more equitable and sustainable world.

Ffotogallery's mission is to work with photographers, artists, audiences and partners to;

- Inspire engagement with and understanding of photography in Wales and the wider world.
- Support career development of emerging and established photographers and multidisciplinary artists.
- Amplify opportunities for those who have been traditionally underrepresented or face barriers accessing the arts.
- Embrace the power of visual storytelling to address the challenges of our time.
- Place social justice and well-being at the heart of everything we do.

FFOTOGALLERY WALES LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) *FOR THE YEAR ENDED 31 MARCH 2023*

Our values are:

1. **CREATIVITY / CREADIGRWYDD:** Photography and artistic practice reflect and shape our society, our histories and culture. We value the importance of visual literacy in helping us to see, to question and to better understand ourselves, each other and the world we live in.

1. **COMMUNITY / CYMUNED:** We bring people and partners together to share ideas, to support each other and celebrate our collective passion for photography. Through active collaboration we can help build a stronger, more equal society.

1. **CARE / CAREDIGRWYDD:** Care shapes everything we do. We value empathy and kindness in our workplace, and in the way our work relates to our audiences, partners and collaborators. And what matters for people, also extends to the planet we inhabit, and how we care for it for future generations.

1. **CYMRU:** This is our home, our cynefin, our inspiration. The stories that shaped it, and the people and communities who are building its future are at the heart of our work. This is the platform from where we look out to and engage with the world.

Our key aims in delivering against our vision and mission are:

- To support a greater understanding and enjoyment of photography for all
- To nurture talent and support professional development
- To champion innovation and creativity in Wales and the world
- To embed sustainability in our workplace, programming, and operational systems

FFOTOGALLERY WALES LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Achievements and performance

Charitable activities

Through various exhibitions, publications, educational projects and events, Ffotogallery has continued to present the contemporary photographic image in a rich and widening context of critical and historical debate. This year we undertook projects and presented exhibitions in a variety of sites and locations in Wales, other parts of the United Kingdom and Internationally.

Programming 2022/23

Following the appointment of the new director on 1st April 2022, and a short period of essential repair and maintenance at the gallery, we re-launched our exhibition programme in June 2022, with the first solo show at Ffotogallery by Wales-born artist John Paul Evans. The exhibition explored themes of gender identity, family and belonging in relation to the photographic family album and alongside we ran a well-received series of engagement events with On Your Face Collective, The Queer Emporium and guest speakers from the LGBTQ+ communities.

In September 2022, Ffotogallery showcased the artistic outcomes from two community outreach projects in partnership with Oasis Cardiff and Engage Cymru in the pop-up exhibition Restore/Change Makers. Partnering with Oasis Cardiff, *Restore*, was a photography project supporting refugees and asylum seekers. The project provided an opportunity for people with a range of skills to engage with photography in a variety of ways. The Change Makers project is a collaborative approach to diversify the workforce by providing opportunities for young people to access and progress in the creative industries in Wales. Engage Cymru partnered with Eyst, Cardiff Fusion, Unify Artists Collective, Wales Millennium Centre, Ziba Creative and Ffotogallery to support a group of young people from diverse backgrounds in Cardiff in working towards their Bronze Arts Award, a Level 1 qualification on the Regulated Qualifications Framework (RQF) open to young people aged 11 to 25. We are continuing to develop these partnerships and opportunities.

In October 2022 the gallery housed a 'take-over' by established Welsh visual artist Peter Finnemore, who used the space to experiment with curation and work in progress, coinciding with the launch of his new book 'Looking for Signs' inspired by two trips to India. This provided a catalyst for the launch of our now bi-annual photobook fair, an opportunity for the photography community to come together, network and share ideas.

Building on our mission to support the career development of emerging and early career creatives in Wales, we launched the inaugural 'Ffocws' exhibition. The exhibition showcased the work of ten exceptional photography graduates across Wales, alongside two selected via open call. Support from the universities involved was invaluable in facilitating the exhibition and has strengthened our relationships for future collaborations and partnerships.

FFOTOGALLERY WALES LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

With the support of the British Council we delivered an ambitious international partnership with the Chennai Photo Biennale Foundation featuring a group exhibition in India that showcased the work of five Welsh and five Indian artists. The 'Communities of Choice' exhibition was launched at the renowned Kochi-Muziris Biennale in Kerala in December 2022, and was attended by over eleven thousand physical visitors. Ffotogallery secured additional funding via Wales Arts International for three Welsh artists to travel out to the biennale in February 2023 and participate in artist talks, discussions and networking with Indian artists.

From January - March 2023, we presented 'We Are Here, Because You Were There', a collaborative project by photographer Andy Barnham and researcher/Senior Lecturer at the Department of Politics, University of York, Dr Sara de Jong. The work uses portraiture and quotes to document the experiences of Afghan interpreters employed by the British Army who recently resettled to the UK. We hosted a symposium at the gallery discussing themes around Wales as a nation of sanctuary alongside hearing testimonials from resettled Afghan refugees. Speakers included Paul Dear, Deputy Director of the Cohesive Communities Division in the Welsh Government, Shereen Williams the Chief Executive Officer of the Local Democracy and Boundary Commission for Wales and Secretary to the Boundary Commission for Wales. During the exhibition we also held an 'intervention' at the Riverfront in Newport. This included a panel discussion on The Resettlement of Afghan Interpreters in the UK and Newport as a City of Sanctuary. Additionally there was an outdoor installation projection of a short film created from images and audio from the exhibition shown against the side of the Riverfront building.

Our thematic framework for Ffotogallery's direction for the next five years is *Collective Stories, Alternative Futures*, with the guiding principles of promoting greater cultural diversity, representation, access and equity, lifelong learning, innovation and excellence. In the last 12 months under new directorship, we have researched new funding streams and successfully attracted support from Art Fund for projects 'reimagining photography in the gallery space', from the Imperial War Museum to fund a commission about the story of the displacement of the Chagossian Community and from the Ashley Family Foundation to support our pilot Ffocws professional development scheme for emerging artists in Wales. We are committed to consolidating a secure financial position from which we can develop a strong programme-led approach across all our activities.

Charitable Activities

Impact of Ffotogallery's Charitable Activities

In 2022/23 Ffotogallery's activities reached a physical audience of 35,000, with a further 237,000 individuals enjoying our work online.

Financial review

In the last five years we have demonstrated our ability to directly earn income from activities and to secure funding from sources as diverse as the Welsh Government, Art Fund, British Council and the Arts Council of Wales.

Our turnover in 2022/23 was £288,393 (2022: £503,142) and we incurred expenditure of £332,914 (2022: £491,545).

The Arts Council of Wales annual funding partially covers our core running costs, and so the importance of securing additional funding to meet the gap in relation to salaries, on-costs, rent and overheads, and ongoing operational and administrative costs and towards our programming remains paramount. For the year 22/23 our staffing numbers decreased following the government's withdrawal of the Kickstart scheme (introduced during the COVID pandemic), and which supported a temporary increase in staff to help deliver the 2021 Diffusion festival. Changes in our reserves reflected receipt of the British Council India grant at the end of 21/22 and its expenditure on international activities in 22/23. Our recent successes in attracting new sources of funding are a positive sign that our approach to programming is the right one, but the economic environment remains challenging. The need to secure residual funds to deliver programming activities to achieve our charitable purpose and objectives, to cover small equipment purchases, one-off repairs and maintenance costs, or to restore core staffing levels up to the previous levels will remain as a key strategic objective.

FFOTOGALLERY WALES LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

The support of Arts and Business Cymru allowed us to expand our team, hosting an apprentice from Autumn 2022 for 10 months. Additionally, we were supported by the Ashley Family Foundation and Art Fund's Reimagine Grant to develop current and upcoming projects.

We continue to recognise that maintaining our sustainable financial model requires that we develop further unrestricted income streams. We recognise that in a lean climate for public funding for the arts, with the sector still reeling from the impacts of the global pandemic, we need to be entrepreneurial and creative in how we finance our activities, achieving the maximum leverage from the public subsidy we receive and reducing our dependence on it by strengthening and diversifying the income we generate from other sources; our fundraising successes in 22/23 are a solid start in this regard.

We believe that Ffotogallery delivers an excellent return on public funders' investment – both financially and in terms of the quality and impact of our work on artists, audiences and delivery of visual arts development in Wales. However, we need to ensure a future business model that progressively builds organisational reserves and alleviates cashflow pressures.

Reserves Policy

In order to maintain effective operations of the organisation the Board of Trustees has agreed to work towards a financial reserve of 4 months operating costs. This level of reserve would allow staff to continue working to secure new funding and if necessary to allow a period of time to cease activity in a way where staff and supplier contracts can be terminated or modified. This is an amount it considers prudent in the event of a major business interruption as determined by an analysis of risks to the charity.

If difficulties were to arise then, it has been calculated that reserves of £15,000 would be needed to continue running current services for at least 4 months.

This figure is based on operating costs at the time of this policy being reviewed. This will be reviewed annually and the figure recalculated to take changes in operating costs (as service change in response to income generation) into account. This figure will also be reviewed on an ad-hoc basis if there are significant changes to business circumstances.

The reserves should be built up from the unrestricted income. The level of reserves should be calculated and monitored every 6 months by the finance team and reported to the board.

Our end of year accounts last year showed a balance of unrestricted reserves of £14,067 (2022: £33,151).

The free reserves held at the year end 22/23 were £9,294 (2022: £12,180), and it will remain a priority for us to rebuild these reserves to the required level.

Future Developments

Our thematic framework for Ffotogallery's direction over the next five years will be *Collective Stories, Alternative Futures*. This will build on our successful *Many Voices, One Nation* programme, with the guiding principles of promoting greater cultural diversity, representation, access and equity, lifelong learning, innovation and excellence. These principles also inform our Strategic Equalities Action Plan and Welsh Language Plan

Collective Stories, Alternative Futures aims to explore the complex historical and post-colonial relationship between Wales and the wider world from a contemporary perspective. To support Ffotogallery's vision to be at the forefront of creative conversations about the future of Wales and the future of photography, with this focus on strong programme themes we are committed to providing opportunities for photographic and lens-based artists to explore visions of where Wales is today and where it's heading, through a critical engagement with the past and discussions about Wales as both coloniser and colonised. The creative programme will be intrinsically linked to our audience development and engagement work.

FFOTOGALLERY WALES LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Risk management

Ffotogallery operates a risk assessment policy and the organisation has reviewed the major risks, both financial and operational, that might have material impact. The company is confident that the risk assessment and management systems in place will ensure the future stability and sustainability of the organisation.

Structure, governance and management

Governing document

The charity was incorporated on 11 March 1983. New Articles of Association were adopted by special resolution on 21 May 2014. It is a company limited by guarantee as defined by the Companies Act 2006.

Recruitment and appointment of new trustees

As set out in the Articles of Association the Management Committee consists of up to 15 trustees, appointed by voting members of the charitable company attending an Annual General Meeting or by co-option during the year to fill specialist roles. When considering co-opting trustees, the Management Committee has regard to the requirement for any specialist skills needed.

Induction and training of new trustees

New trustees undergo an orientation day to brief them on their legal obligations under charity and company law, the Charity Commission guidance on public benefit, content of the Articles of Association, the committee and decision-making processes, internal control arrangements, the business plan and recent financial performance of the charity.

Organisation structure

As a registered charity and company limited by guarantee, Ffotogallery has a board of Trustees elected annually. The Board delegates day-to-day management responsibilities to the the Director, supported by a paid team that includes Operations Manager, Digital Content & Exhibitions Manager, Learning & Engagement Manager and Gallery Assistant, supported by freelance professionals, web design and marketing professionals, and various paid interns.

The organisation's Director, Siân Addicott, has 20 years experience in the visual arts and photography sector, including both commercial and higher education backgrounds. She joined ffotogallery in April 2022, from her former role as Head of Undergraduate Photography at University of Wales Trinity St David's (UWTSD). She joined UWTSD in 2013, before becoming Programme Director of the BA Photojournalism & Documentary programme in 2016. In 2019, she took on the leadership of the wider undergraduate photography programme, covering Documentary Photography & Visual Activism and Photography in the Arts. Prior to joining the University in 2013, Siân spent eight years working as International Editor at Camera Press, one of the UK's largest independent photographic agencies.

FFOTOGALLERY WALES LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

The Director makes a major contribution to strategic business planning and works with the wider team to oversee artistic direction and programming of the organisation's work.

The full staff team includes;

- Siân Addicott (Director)
- Liz Norcott (Digital Content & Exhibitions Manager)
- Alex Butler (Operations Manager)
- Cath Cains (Learning & Engagement Manager)
- Chloe Davies (Gallery Assistant)

Performance against organisational and budgetary targets is reviewed quarterly by the Board. Ffotogallery's Business Plan is reviewed every six months, and updated annually. Annual Accounts and company returns have been submitted in a timely manner to Companies House and the Charity Commission, as evidenced on the Charity Commission website.

FFOTOGALLERY WALES LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Reference and administrative details

Company number	01705938
Charity number	513726
Company secretary	Sian Addicott - appointed 1/5/22

Trustees

Jack Arthur
Bronwen Colquhoun
Angharad Evans
Emily Harris
Philippa Haughton
Deian Jones
Mathew Talfan Davies (Chair)
Hugh Thomas

Key management personnel

Siân Addicott - Director
Alex Butler - Operations Manager
Catherine Cains- Learning and Engagements Manager
Liz Norcott - Digital Content and Exhibitions Manager
Cynthia Sitei – Curator (until Dec 2022)
Chloe Davies – Gallery Assistant

Registered office

Old Sunday School
Fanny Street
Cardiff
CF24 4EH

Independent examiner

Azets Audit Services
Ty Derw
Lime Tree Court
Cardiff Gate Business Park
Cardiff
CF23 8AB

Bankers

NatWest
21 High Street
Llandaff
CF5 2DY

The trustees' report was approved by the Board of Trustees.



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Mathew Talfan Davies (Chair)

Date: 14/12/2023

FFOTOGALLERY WALES LIMITED

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2023

The trustees, who are also the directors of Ffotogallery Wales Limited for the purpose 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 year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

FFOTOGALLERY WALES LIMITED

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF FFOTOGALLERY WALES LIMITED

I report to the trustees on my examination of the financial statements of Ffotogallery Wales Limited (the charity) for the year ended 31 March 2023.

Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of The Association of Chartered Certified Accountants, which is one of the listed bodies.

I have completed my examination. I confirm that no 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 charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act 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; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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 financial statements to be reached.



Claire Thompson FCCA DChA

Azets Audit Services

Ty Derw, Lime Tree Court
Cardiff Gate Business Park
Cardiff
CF23 8AB
United Kingdom

Dated: 14/12/23

FFOTOGALLERY WALES LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Income from:							
Donations and legacies	3	205,334	-	205,334	201,871	-	201,871
Charitable activities	4	15,206	67,780	82,986	122,381	178,890	301,271
Investments	5	73	-	73	-	-	-
Total income		<u>220,613</u>	<u>67,780</u>	<u>288,393</u>	<u>324,252</u>	<u>178,890</u>	<u>503,142</u>
Expenditure on:							
Charitable activities	6	243,781	89,133	332,914	306,117	185,428	491,545
Net (outgoing)/incoming resources before transfers		(23,168)	(21,353)	(44,521)	18,135	(6,538)	11,597
Gross transfers between funds		4,084	(4,084)	-	(58,001)	58,001	-
Net (expenditure)/income for the year/ Net movement in funds		(19,084)	(25,437)	(44,521)	(39,866)	51,463	11,597
Fund balances at 1 April 2022		33,151	68,772	101,923	73,017	17,309	90,326
Fund balances at 31 March 2023		<u><u>14,067</u></u>	<u><u>43,335</u></u>	<u><u>57,402</u></u>	<u><u>33,151</u></u>	<u><u>68,772</u></u>	<u><u>101,923</u></u>

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

FFOTOGALLERY WALES LIMITED

BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	10		4,773		20,971
Current assets					
Stocks	11	23,183		27,840	
Debtors	12	1,409		10,945	
Cash at bank and in hand		42,863		49,228	
		<u>67,455</u>		<u>88,013</u>	
Creditors: amounts falling due within one year	13	<u>(14,826)</u>		<u>(7,061)</u>	
Net current assets			<u>52,629</u>		<u>80,952</u>
Total assets less current liabilities			<u>57,402</u>		<u>101,923</u>
Income funds					
Restricted funds	15		43,335		68,772
Unrestricted funds			14,067		33,151
			<u>57,402</u>		<u>101,923</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2023.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 27/11/2023



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Mathew Talfan Davies (Chair)

Company registration number 01705938

FFOTOGALLERY WALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Charity information

Ffotogallery Wales Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Old Sunday School, Fanny Street, Cardiff, CF24 4EH.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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 charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount.

Exhibition income is included in the period in which the relevant show takes place.

Publication income is recognised when the sale takes place.

Rental income is invoiced and included in the period to which the rental took place.

Any amounts received in advance are deferred in the financial statements.

Grants are only included in the accounts when the general income recognition criteria is met. In the case of performance related grants, income must only be recognised to the extent that the charity has provided the specified goods or services as entitlement to the grant only occurs when the performance related conditions are met.

FFOTOGALLERY WALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

Interest income is included in the accounts when receipt is probable and the amount receivable can be measured reliably.

The value of any voluntary help received is not included in the accounts but is described in the trustees' annual report.

1.5 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 are allocated on the portion of the asset's use.

Expenditure on charitable activities includes all costs relating to the furtherance of the charity's objectives as stated in the trustees report and their associated support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Support costs have been allocated between governance costs and other support. Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	33.33% straight line
Props and production equipment	33.33% straight line
Computers	33.33% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

Items of equipment are capitalised when the purchase price exceeds £500.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

FFOTOGALLERY WALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.8 Stocks

Stocks are stated at the lower of cost and net realisable value.

Allowances are made for slow moving items and obsolete stock.

Net realisable value is the estimated selling price less costs to be incurred in marketing, selling and distribution.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

FFOTOGALLERY WALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.11 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Leases

Rentals payable under operating leases, are charged as an expense on a straight line basis over the term of the relevant lease.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Donations and gifts	643	205
Grants	204,691	201,666
	<u>205,334</u>	<u>201,871</u>
Grants receivable for core activities		
Arts Council of Wales	204,691	201,666
	<u>204,691</u>	<u>201,666</u>

FFOTOGALLERY WALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

4 Charitable activities

	2023 £	2022 £
Exhibition income	1,200	4,061
Sales of publications	1,398	2,943
Room hire and other sundry sales	5,263	7,089
Grants	75,125	287,178
	<u>82,986</u>	<u>301,271</u>
Analysis by fund		
Unrestricted funds	15,206	122,381
Restricted funds	67,780	178,890
	<u>82,986</u>	<u>301,271</u>
Grants		
Arts & Business Cymru	5,625	-
Arts Council of Wales	18,929	136,936
Art Fund	39,960	-
Ashley Family Foundation	9,600	-
British Council - Wales India	-	50,000
Jerwood Foundation	-	8,044
Kickstart Scheme	1,011	42,198
Welsh Government	-	50,000
	<u>75,125</u>	<u>287,178</u>

5 Investments

	Unrestricted funds	Total
	2023 £	2022 £
Interest receivable	73	-
	<u>73</u>	<u>-</u>

FFOTOGALLERY WALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

6 Charitable activities

	2023 £	2022 £
Staff costs	134,157	162,246
Depreciation and impairment	17,428	19,902
Exhibition production costs and publications	85,819	189,360
Intern and freelance costs	2,013	10,228
Publicity costs	4,985	13,595
Staff and volunteer expenses	5,754	3,580
Sundry costs	173	4,230
Premises and office running costs	47,341	49,340
Subscriptions and library costs	3,031	3,203
	<u>300,701</u>	<u>455,684</u>
Share of support costs (see note 7)	29,316	32,971
Share of governance costs (see note 7)	2,897	2,890
	<u>332,914</u>	<u>491,545</u>
Analysis by fund		
Unrestricted funds	243,781	306,117
Restricted funds	89,133	185,428
	<u>332,914</u>	<u>491,545</u>

FFOTOGALLERY WALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

7 Support costs	Support costs	Governance costs	2023	Support costs	Governance costs	2022
	£	£	£	£	£	£
Staff costs	14,906	-	14,906	18,027	-	18,027
Depreciation	1,936	-	1,936	2,211	-	2,211
Staff and volunteer expenses	639	-	639	398	-	398
Premises and office running costs	11,835	-	11,835	12,335	-	12,335
Board meeting expenses	-	97	97	-	-	-
Independent examination fees	-	2,800	2,800	-	2,890	2,890
	<u>29,316</u>	<u>2,897</u>	<u>32,213</u>	<u>32,971</u>	<u>2,890</u>	<u>35,861</u>
Analysed between Charitable activities	<u>29,316</u>	<u>2,897</u>	<u>32,213</u>	<u>32,971</u>	<u>2,890</u>	<u>35,861</u>

8 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the current or prior year.

No trustees were reimbursed for expenses during the current or prior year.

9 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
	<u>5</u>	<u>9</u>
Employment costs	2023	2022
	£	£
Wages and salaries	138,014	166,796
Social security costs	7,926	9,776
Other pension costs	3,123	3,701
	<u>149,063</u>	<u>180,273</u>

The key management personnel as noted in the trustees report, received remuneration (including gross salary, employers national insurance contributions and employers pension contributions) totalling £132,288 (2022: £146,311).

There were no employees whose annual remuneration was more than £60,000.

FFOTOGALLERY WALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

10 Tangible fixed assets

	Leasehold improvements	Props and production equipment	Computers	Total
	£	£	£	£
Cost				
At 1 April 2022	24,207	10,285	31,873	66,365
Additions	-	-	3,167	3,167
At 31 March 2023	24,207	10,285	35,040	69,532
Depreciation and impairment				
At 1 April 2022	16,834	8,515	20,045	45,394
Depreciation charged in the year	7,373	1,770	10,222	19,365
At 31 March 2023	24,207	10,285	30,267	64,759
Carrying amount				
At 31 March 2023	-	-	4,773	4,773
At 31 March 2022	7,373	1,770	11,828	20,971

11 Stocks

	2023	2022
	£	£
Goods for resale	23,183	27,840

12 Debtors

	2023	2022
	£	£
Amounts falling due within one year:		
Trade debtors	207	8,692
Other debtors	1,202	2,253
	1,409	10,945

13 Creditors: amounts falling due within one year

	2023	2022
	£	£
Other taxation and social security	2,971	2,325
Trade creditors	2,668	1,936
Other creditors	2,772	-
Accruals and deferred income	6,415	2,800
	14,826	7,061

FFOTOGALLERY WALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

14 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £3,123 (2022 - £3,701).

There were no amounts outstanding at the current or prior year end.

FFOTOGALLERY WALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

15 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 April 2021		Movement in funds			Movement in funds			Balance at 31 March 2023		
	£	£	Incoming resources	Resources expended	Transfers	Balance at 1 April 2022	Incoming resources	Resources expended	Transfers	£	£
Arts & Business Cymru	-	-	-	-	-	-	5,625	(5,625)	-	-	-
Arts Council of Wales	-	2,323	-	(363)	(1,960)	-	11,584	(6,905)	(4,084)	595	595
Art Fund	-	-	-	-	-	-	39,960	-	-	39,960	39,960
Ashely Family Foundation	-	-	-	-	-	-	9,600	(6,820)	-	2,780	2,780
British Council - Digital SSA	6,950	-	-	-	-	6,950	-	(6,950)	-	-	-
British Council - Wales India	7,585	50,000	-	-	-	57,585	-	(57,585)	-	-	-
Diffusion	-	125,104	-	(185,065)	59,961	-	-	-	-	-	-
Kickstart Scheme	-	-	-	-	-	-	1,011	(1,011)	-	-	-
Weston Jerwood Creative Bursaries	2,774	1,463	-	-	-	4,237	-	(4,237)	-	-	-
	<u>17,309</u>	<u>178,890</u>	<u>178,890</u>	<u>(185,428)</u>	<u>58,001</u>	<u>68,772</u>	<u>67,780</u>	<u>(89,133)</u>	<u>(4,084)</u>	<u>43,335</u>	<u>43,335</u>

FFOTOGALLERY WALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

15 Restricted funds

(Continued)

Arts & Business Cymru - relates to funding received for Creative Apprentice salary.

Arts Council of Wales - relates to various funding, including: capital funds to make Ffotogallery premises COVID safe and to enhance equipment and facilities.

Art Fund - relates to funding for the re-imagine project.

Ashely Family Foundation

British Council - Digital SSA - relates to funding to support a digital collaboration between PAWA254 in Kenya and Ffotogallery to create a virtual platform called Where's My Space?

British Council - Wales India - relates to funding to support a partnership between Chennai Photo Biennale and Ffotogallery involving the commissioning of three Indian and two Wales-based artists to make new work addressing the theme 'imagining the Nation State'.

Diffusion - relates to funding to support Ffotogallery's photography biennale *Diffusion* that focuses on bringing Welsh artists to the international stage and international artists to Wales.

Kickstart Scheme - relates to funding towards salary costs.

Weston Jerwood Creative Bursaries - relates to funding towards the salary costs of a 12 month Creative Producer fellowship at Ffotogallery under a national scheme to increase diversity of representation in the arts.

Transfers - relate to capital items purchased where the grant conditions have been fulfilled.

FFOTOGALLERY WALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

16 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total Unrestricted funds	Restricted funds	Total
	2023	2023	2023	2022	2022
	£	£	£	£	£
Fund balances at 31 March 2023 are represented by:					
Tangible assets	4,773	-	4,773	20,971	20,971
Current assets/(liabilities)	9,294	43,335	52,629	12,180	80,952
	<u>14,067</u>	<u>43,335</u>	<u>57,402</u>	<u>33,151</u>	<u>101,923</u>

17 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023	2022
	£	£
Within one year	32,620	32,620
Between two and five years	130,000	130,000
In over five years	32,945	65,445
	<u>195,565</u>	<u>228,065</u>

18 Related party transactions

There were no disclosable related party transactions during the year (2022 - none).