

**Report of the Trustees and  
Financial Statements for the Year Ended 5 April 2016  
for  
ARTISTS GENERAL BENEVOLENT INSTITUTION**

Tudor John LLP  
Chartered Accountants  
and Statutory Auditors  
Nightingale House  
46-48 East Street  
Epsom  
Surrey  
KT17 1HQ

**ARTISTS GENERAL BENEVOLENT INSTITUTION**

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for the year ended 5 April 2016**

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# ARTISTS GENERAL BENEVOLENT INSTITUTION

## Report of the Trustees for the year ended 5 April 2016

The trustees present their report with the financial statements of the charity for the year ended 5 April 2016. 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 for Smaller Entities (the FRSSE) (effective 1 January 2015).

### OBJECTIVES AND ACTIVITIES

#### Objectives and aims

The objective of the charity is to provide a grant giving programme to assist professional artists, whose work has been known to the public for some time who, due to accident, illness or old age are unable to work and earn, and their widows and dependents. The overall policy of the charity is the prevention of poverty and to alleviate stress in the professional artists who fulfil the criteria and to seek additional finance to further these aims.

The charity aims to maintain the level of grant giving as it has done so in previous years. The Disregard Payment that gave £1,040 per year to an applicant was scrapped in 2015 and replaced with a higher payment of £1,500 per year and renamed the 'Basic Payment'. This change was an attempt to alleviate poverty in those applicants experiencing the most hardship.

#### Statement of public benefit

The Council has referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. The Council considers the activities of the AGBI have provided public benefit through the prevention of poverty, and the support and guidance that it gives to the applicants whom it supports.

#### Grantmaking policy

The AGBI accepts applications for financial assistance in the form of grants from professional artists (painters, sculptors, designers and their widows or widowers) living in England, Wales or Northern Ireland, who due to accident, illness or old age are unable to work and earn. Applications are initially made by post or email with a full CV listing all training, exhibitions in professional galleries and teaching experience (if any) at GCSE, A-level and above. All new applicants are visited by the Secretary to ascertain the veracity of the application and collect original works, sketchbooks etc. together with letters from two referees and a letter from their doctor or consultant (if applicable) for examination by the Council at their next meeting when their case will be considered.

Grants are awarded by the Council for a period of one year, after which, if appropriate, the applicant is invited to submit a further application and, if required, the funding is continued for a further year at the sole discretion of the Council. Grants are only continued if the need for assistance persists and are automatically terminated should the recipient die. Grants are never given to fund any legal difficulties or, in the case of career difficulties, loss of earnings due to poor sales or expenses associated with exhibitions.

Following the merger of the Artists' Orphan Fund with the AGBI the charity has a ring-fenced pot of money specifically to assist the orphans of professional artists. These funds are now called the AGBI Orphan Fund. The revised bye-laws (2016) interpret the term orphan as a child no more than 25 years of age and still in full-time education who has lost the support of one of both parents through death, absence or disability.

# ARTISTS GENERAL BENEVOLENT INSTITUTION

## Report of the Trustees for the year ended 5 April 2016

### ACHIEVEMENT AND PERFORMANCE

#### Charitable activities

##### Numbers of applicants and grants

During the financial year 2015-2016 the AGBI supported 120 professional artists and their dependents in need. This is a slight decrease compared with 2014-2015 where the AGBI supported 123 artists.

However, the amount of funding disbursed to applicants increased from £370,592 in 2014-2015 to £389,177 in this financial year. In part, this increased level of grants was due to raising the minimum grant (historically called the disregard) from £1,040 to £1,500 per year to those applicants most in need. This is now called the Basic Payment.

Of the 120 applicants we supported, 11 were new applicants (8 in the previous year), 84 applicants needed continued help (90 in the previous year) and 9 distinguished artists received the AGBI Jubilee Award (11 in the previous year). The AGBI Orphan Fund helped 16 children under the age of 25 and still in full-time education compared to 14 children in the previous year.

In an attempt to identify and seek new applicants the charity embarked on a targeted profile raising campaign where relevant artists' organisations were contacted and sent promotional material about our grants programme.

The AGBI will produce an Impact Report for 2015-2016 illustrating the work of the charity over the financial year in a modern and easy to read format. Please contact the office if you would like a copy of the Impact Report. The Impact Report will also be available to view on our website in the autumn of 2016.

[www.agbi.org.uk](http://www.agbi.org.uk)

#### Fundraising activities

Our thanks and gratitude go to all our Stewards who raised £17,960 in 2015-2016.

The Commitment and hard work of our Stewards, who raise funds and identify potential applicants, enables the AGBI to continue helping artists in need. The Council and staff wish to express their great appreciation for all the Stewards' efforts throughout the year.

In 2015-2016, the AGBI received £87,789 in legacies and the Council is extremely grateful for these gifts. Donations in memory of friends, relatives and colleagues provide a poignant form of commemoration and the Council is again most grateful for these gifts. Further details of all legacies and gifts in memory can be found in our Impact Report 2015 - 2016 which is available on request.

### FINANCIAL REVIEW

#### Principal funding sources

The AGBI relies on two principal sources of income, the voluntary income by which we mean annual subscriptions, ad-hoc donations and amounts raised by the Stewards, and the income generated from the investment portfolios managed by Cazenove Capital Management and OLIM Investment Managers.

Additional income is raised by the sale of AGBI Christmas cards and the Bi-centenary Print.

The AGBI's broad financial objective continues to be 'to maximise the total level of voluntary and investment income received each year, thereby enabling the Council to maintain or increase the level of grant supports for the applicants'.

During the year to the 5th of April 2016, the AGBI's incoming resources not including legacies totalled £543,323 compared to £543,960 for the previous year. The level of grants paid and associated costs increased from £564,579 to £581,165. Legacies for the year to 5th of April 2016 totalled £87,789 compared to £9,284 in the previous year.

#### Result for period and funds carried forward

This resulted in an excess of £18,629 prior to the losses on the investments which totalled £730,758. The funds carried forward to the 2016-2017 financial year amounted to £13,202,680.

## ARTISTS GENERAL BENEVOLENT INSTITUTION

### Report of the Trustees for the year ended 5 April 2016

#### FINANCIAL REVIEW

##### Investment policy

Members of the Investment Committee receive quarterly Investment Reports from both Cazenove Capital Management and OLIM Investment Managers and meet annually to oversee the management of the investments and monitor each manager's performance to ensure that the funds are available to maintain the AGBI.

The Investment Committee's objective in respect of investments is to secure a total return on the charity's investments that enables both current demands from applicants to be appropriately satisfied, together with future demands in terms of long term growth of the charity's assets.

With the stock market turmoil in January 2016, the continuing uncertainty in the global economy and the performance of investments therefore being affected, the management and healthy positive returns of the investment portfolios remains a challenge. The AGBI is a long term investor and the Investment Committee agrees that best policy is to continue holding a mixed portfolio of predominantly UK equities, bonds, cash and other investments to provide a steady income to cover the costs of the grant making programme and potential investment gains.

##### Investment performance

In 2015 - 2016 an income return on investments, after fees was £419,611 or 3%.

Cazenove Capital Management gave an income return after fees of £329,304 or 3% and OLIM Investment Managers gave an income return after fees of £90,307 or 4%.

The Investment Committee considers this to be a satisfactory return on our investments in light of lower yields in today's financial climate.

##### Reserves policy

The Charity's assets are invested with Cazenove Capital Management and OLIM Investment Managers to generate income whilst preserving these funds at a level sufficient to cover the future obligations of the AGBI.

As at the 5th of April 2016, the total AGBI funds amounted to £13,202,680 all of which is unrestricted apart from the AGBI Orphan Fund which totalled £1,443,352. With the recent fluctuations in the stock market affecting the performance of our assets, the Trustees consider holding this level of investment appropriate as the investment income in 2015-2016 from these assets did not cover the grants programmes and the associated costs.

#### FUTURE PLANS

Looking forward to the financial year 2016 - 2017 the AGBI will:

- Aim to maintain or increase the current numbers of applicants helped this current year (120) and to similarly maintain or increase the level of funding disbursed to artists in need
- Work with our Stewards and arts organisations to continue identifying artists in need
- Raise the profile of the charity with appropriate arts and creative organisations who do not currently refer potential applicants to the AGBI
- Continue to closely monitor the performance of the Investment Managers
- Produce an 'Impact Report 2015 - 2016' to better demonstrate the work of the charity to our donors, major stakeholders and applicants
- Update the website to reflect the style of the Impact Report and to include a downloadable pdf of this Annual Report, the Audited Accounts and the Impact Report
- Produce an office manual to include the main policies and procedures of the AGBI.

## **ARTISTS GENERAL BENEVOLENT INSTITUTION**

### **Report of the Trustees for the year ended 5 April 2016**

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Governing document**

The Artists' General Benevolent Institution (AGBI) is a registered charity, number 212667. The AGBI was founded in 1814 and incorporated by Royal Charter in 1842. The charity's governing document comprises the bye-laws which were revised in this financial year and agreed at the Council meeting on the 19th of January 2016. The Royal Charter was not amended.

##### **Governance**

The AGBI trustees during the year to 5th of April 2016 are listed in section 1 (Reference and Administrative Details). The revised bye-laws (2016) state that the AGBI has seven trustees and they will be the three honorary offices and four members of the Council. The Council consists of the trustees and the Applications Committee. At each Annual General Meeting all of the trustees retire and are eligible for re-election. The trustees are supported and guided by the Applications Committee and the Investment Committee.

The Council meet eight times a year to consider new cases and review existing cases and to agree the broad strategy and areas of activity for the charity. The Investment Committee monitors the investments quarterly with the management reports and meets annually to discuss investment performance, reserves and risk management.

The day to day administration of grants and the processing of applications prior to consideration by the Council is delegated to the Secretary.

Casual vacancies among the trustees may be filled by the trustees from among the other members of Council. Trustees have historically been individuals who have connections with the Royal Academy and other major art societies and have an interest in promoting the charitable objectives of the AGBI. Newly appointed trustees receive an induction pack containing details of the structure of the charity, a copy of the bye-laws (2016) and the Charity Commissions publication 'The Essential Trustees, what you need to know, what you need to do (CC3)' and are supported by the Council and the Secretary. New trustees are given a copy of the charity's 'Conflict of Interest Policy' which was also adopted in 2016.

# ARTISTS GENERAL BENEVOLENT INSTITUTION

## Report of the Trustees for the year ended 5 April 2016

### REFERENCE AND ADMINISTRATIVE DETAILS

#### Registered Charity number

212667

#### Principal address

Burlington House  
Piccadilly  
London  
W1J 0BB

#### Telephone

020 7734 1193

#### Royal Patron

HRH The Prince of Wales

#### President

Ronald Maddox Hon PRI Hon RWS Hon RBA

#### Honorary President

Christopher Le Brun President of the Royal Academy

#### Honorary Treasurer

Martin Bailey DiplArch FRIBA (retired 5 April 2016)  
Professor Gerald Libby FRCP FRCPsych (elected 5 April 2016)

#### Honorary Secretary

Nicola Hicks MBE

#### Trustees

Martin Bailey DiplArch FRIBA (retired 5 April 2016)  
Eliza Bonham Carter  
Richard Gault  
Charlotte Halliday  
Nicola Hicks MBE  
Professor Gerald Libby FRCP FRCPsych  
Ronald Maddox Hon PRI Hon RWS Hon RBA

#### Applications Committee

Stephen Bartlett DesRCA  
Isabel Bingley  
Simon Burton  
Brad Faine  
Christian Furr  
Jonathan Horwich  
Ken Howard OBE RA  
Professor Brendan Neiland  
William Packer  
Susie Thomson

#### Investment Committee

Martin Bailey DiplArch FRIBA  
David Hicks  
Nicola Hicks MBE  
Damon de Laszlo DL  
Professor Gerald Libby FRCP FRCPsych  
Ronald Maddox Hon PRI Hon RWS Hon RBA

# ARTISTS GENERAL BENEVOLENT INSTITUTION

## Report of the Trustees for the year ended 5 April 2016

### REFERENCE AND ADMINISTRATIVE DETAILS

#### Vice Presidents

Gus Cummins RA  
Bernard Dunstan RA  
David Gentleman RDI  
Philip Hicks  
William Pye  
Jacqueline Rizvi RBA RWS NEAC

#### Honorary Medical Advisor

Professor Gerald Libby FRCP FRCPsych

#### Secretary

Brad Feltham

#### Assistant Secretary

Barbara Galloway

#### Financial Controller

Jacki Gosling

#### Auditors

Tudor John LLP  
Chartered Accountants  
and Statutory Auditors  
Nightingale House  
46-48 East Street  
Epsom  
Surrey  
KT17 1HQ

#### Bankers

Coutts and Co  
Commercial Banking  
440 The Strand  
London  
WC2R 0QS

#### Solicitors

Thomas Cooper,  
Ibex House,  
42-47 Minories,  
London,  
EC3N 1HA.

#### Investment Managers

Cazenove Capital Management Ltd,  
12 Moorgate,  
London,  
EC2R 6DA.

OLIM Investment Managers Ltd,  
15 Berkeley Street,  
London,  
W1J 8DY.

#### Insurers

Hiscox Insurance Company Limited,  
1 Great St. Helens,  
London,  
EC3A 6HX.



**ARTISTS GENERAL BENEVOLENT INSTITUTION**

**Report of the Trustees  
for the year ended 5 April 2016**

**STATEMENT OF TRUSTEES RESPONSIBILITIES**

The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed 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 charity for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- 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 charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. 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.

Approved by order of the board of trustees on 12<sup>th</sup> July 2016 and signed on its behalf by:

.....  
R Maddox Hon PRI Hon RWS Hon RBA - President

## **Report of the Independent Auditors to the Trustees of Artists General Benevolent Institution**

We have audited the financial statements of Artists General Benevolent Institution for the year ended 5 April 2016 on pages ten to nineteen. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the charity's trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and regulations made under Section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of trustees and auditors**

As explained more fully in the Statement of Trustees Responsibilities set out on page seven, the trustees are responsible for the preparation of the financial statements which give a true and fair view.

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with regulations made under Section 154 of that Act.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors, including APB Ethical Standard - Provisions Available for Small Entities (Revised), in the circumstances set out in note 20 to the financial statements

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Trustees to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 5 April 2016 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

**Report of the Independent Auditors to the Trustees of  
ARTISTS GENERAL BENEVOLENT INSTITUTION**

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

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements ; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Tudor John LLP  
Chartered Accountants  
and Statutory Auditors  
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006  
Nightingale House  
46-48 East Street  
Epsom  
Surrey  
KT17 1HQ

Date: .....

**ARTISTS GENERAL BENEVOLENT INSTITUTION**

**Statement of Financial Activities  
for the year ended 5 April 2016**

|  |       | Unrestricted<br>fund     | Restricted<br>fund      | 2016<br>Total funds      | 2015<br>Total funds      |
|--|-------|--------------------------|-------------------------|--------------------------|--------------------------|
|  | Notes | £                        | £                       | £                        | £                        |
| <b>INCOME AND ENDOWMENTS FROM</b>          |       |                          |                         |                          |                          |
| Donations and legacies                     | 2     | 157,914                  | -                       | 157,914                  | 64,498                   |
| Other trading activities                   | 3     | 8,044                    | -                       | 8,044                    | 33,228                   |
| Investment income                          | 4     | <u>410,587</u>           | <u>54,567</u>           | <u>465,154</u>           | <u>437,786</u>           |
| <b>Total</b>                               |       | 576,545                  | 54,567                  | 631,112                  | 535,512                  |
| <br><b>EXPENDITURE ON</b>                  |       |                          |                         |                          |                          |
| Raising funds                              | 5     | 28,578                   | 2,740                   | 31,318                   | 31,075                   |
| <b>Charitable activities</b>               | 6     |                          |                         |                          |                          |
| Grants                                     |       | <u>525,980</u>           | <u>55,185</u>           | <u>581,165</u>           | <u>564,579</u>           |
| <b>Total</b>                               |       | 554,558                  | 57,925                  | 612,483                  | 595,654                  |
| <br><b>NET INCOME/(EXPENDITURE)</b>        |       |                          |                         |                          |                          |
|  |       | 21,987                   | (3,358)                 | 18,629                   | (60,142)                 |
| <br><b>Other recognised gains/(losses)</b> |       |                          |                         |                          |                          |
| Gains/(losses) on investment assets        |       | <u>(634,166)</u>         | <u>(96,592)</u>         | <u>(730,758)</u>         | <u>505,083</u>           |
| <b>Net movement in funds</b>               |       | (612,179)                | (99,950)                | (712,129)                | 444,941                  |
| <br><b>RECONCILIATION OF FUNDS</b>         |       |                          |                         |                          |                          |
| <b>Total funds brought forward</b>         |       | <u>12,371,507</u>        | <u>1,543,302</u>        | <u>13,914,809</u>        | <u>13,469,868</u>        |
| <b>TOTAL FUNDS CARRIED FORWARD</b>         |       | <u><u>11,759,328</u></u> | <u><u>1,443,352</u></u> | <u><u>13,202,680</u></u> | <u><u>13,914,809</u></u> |

The notes form part of these financial statements

**ARTISTS GENERAL BENEVOLENT INSTITUTION**

**Balance Sheet  
At 5 April 2016**

|  |       | Unrestricted<br>fund | Restricted<br>fund | 2016<br>Total funds | 2015<br>Total funds |
|--|-------|----------------------|--------------------|---------------------|---------------------|
|  | Notes | £                    | £                  | £                   | £                   |
| <b>FIXED ASSETS</b>                          |       |                      |                    |                     |                     |
| Tangible assets                              | 12    | 5,941                | -                  | 5,941               | 2,326               |
| Investments                                  | 13    | <u>11,368,502</u>    | <u>1,426,296</u>   | <u>12,794,798</u>   | <u>13,543,706</u>   |
|  |       | 11,374,443           | 1,426,296          | 12,800,739          | 13,546,032          |
| <b>CURRENT ASSETS</b>                        |       |                      |                    |                     |                     |
| Stocks                                       | 14    | 1,561                | -                  | 1,561               | 1,561               |
| Debtors                                      | 15    | 89,880               | 4,809              | 94,689              | 98,173              |
| Cash at bank and in hand                     |       | <u>304,867</u>       | <u>14,905</u>      | <u>319,772</u>      | <u>278,444</u>      |
|  |       | 396,308              | 19,714             | 416,022             | 378,178             |
| <b>CREDITORS</b>                             |       |                      |                    |                     |                     |
| Amounts falling due within one year          | 16    | (11,423)             | (2,658)            | (14,081)            | (9,401)             |
|  |       | <u>384,885</u>       | <u>17,056</u>      | <u>401,941</u>      | <u>368,777</u>      |
| <b>NET CURRENT ASSETS</b>                    |       |                      |                    |                     |                     |
|  |       | <u>11,759,328</u>    | <u>1,443,352</u>   | <u>13,202,680</u>   | <u>13,914,809</u>   |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> |       |                      |                    |                     |                     |
|  |       | <u>11,759,328</u>    | <u>1,443,352</u>   | <u>13,202,680</u>   | <u>13,914,809</u>   |
| <b>NET ASSETS</b>                            |       |                      |                    |                     |                     |
|  |       | <u>11,759,328</u>    | <u>1,443,352</u>   | <u>13,202,680</u>   | <u>13,914,809</u>   |
| <b>FUNDS</b>                                 |       |                      |                    |                     |                     |
|  | 17    |                      |                    |                     |                     |
| Unrestricted funds                           |       |                      |                    | 11,759,327          | 12,371,507          |
| Restricted funds                             |       |                      |                    | <u>1,443,353</u>    | <u>1,543,302</u>    |
| <b>TOTAL FUNDS</b>                           |       |                      |                    |                     |                     |
|  |       |                      |                    | <u>13,202,680</u>   | <u>13,914,809</u>   |

The financial statements were approved by the Board of Trustees on 12<sup>th</sup> July 2016 and were signed on its behalf by:

.....  
Professor Gerald Libby FRCP FRCPsych- Honorary Treasurer

The notes form part of these financial statements

# ARTISTS GENERAL BENEVOLENT INSTITUTION

## Notes to the Financial Statements for the year ended 5 April 2016

### 1. ACCOUNTING POLICIES

#### **BASIS OF PREPARING THE FINANCIAL STATEMENTS**

The financial statements of the charity have been prepared in accordance with the Charities SORP (FRSSE) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities (the FRSSE) (effective 1 January 2015)', the Financial Reporting Standard for Smaller Entities (effective January 2015) 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.

#### **INCOME**

All 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.

#### **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.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

#### **TANGIBLE FIXED ASSETS**

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

|                       |                           |
|-----------------------|---------------------------|
| Fixtures and fittings | - 20% on reducing balance |
| Computer equipment    | - 25% on cost             |

#### **STOCKS**

Stocks represent the lower of cost and net realisable value of the Bi-Centenary prints unsold as at 5th April 2016.

#### **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 be used only for the particular restricted purposes within the object of the charity. Restricted funds represent the funds of the Artists Orphan Fund, a charity merged with the Artists General Benevolent Institution during the year ended 5th April 2015.

Further explanation of the nature of the restricted fund is included in the notes to the financial statements.

#### **PENSION COSTS AND OTHER POST-RETIREMENT BENEFITS**

The charity operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

**ARTISTS GENERAL BENEVOLENT INSTITUTION**

**Notes to the Financial Statements - continued  
for the year ended 5 April 2016**

**1. ACCOUNTING POLICIES - continued**

**FIXED ASSET INVESTMENTS**

Investments are included at closing mid-market value at the balance sheet date. Any gain or loss on revaluation is taken to the Statement of Financial Activities.

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening market value (purchase date if later). Unrealised gains and losses are calculated as the difference between the market value at the year end and opening market value (or purchase date if later). Realised and unrealised gains are not separated in the Statement of Financial Activities.

**IRRECOVERABLE VAT**

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

**2. DONATIONS AND LEGACIES**

|   | 2016           | 2015           |
|---|----------------|----------------|
|   | £              | £              |
| Annual subscriptions, donations and amounts collected by stewards | 70,125         | 72,946         |
| Legacies received   | <u>87,789</u>  | <u>(8,448)</u> |
|   | <u>157,914</u> | <u>64,498</u>  |

**3. OTHER TRADING ACTIVITIES**

|                      | 2016         | 2015          |
|----------------------|--------------|---------------|
|                      | £            | £             |
| Christmas card sales | 5,056        | 6,728         |
| Other event income   | <u>2,988</u> | <u>26,500</u> |
|                      | <u>8,044</u> | <u>33,228</u> |

**4. INVESTMENT INCOME**

|                           | 2016           | 2015           |
|---------------------------|----------------|----------------|
|                           | £              | £              |
| Income from investments   | 441,620        | 401,549        |
| Royalty and legacy income | 20,744         | 31,771         |
| Deposit account interest  | <u>2,790</u>   | <u>4,466</u>   |
|                           | <u>465,154</u> | <u>437,786</u> |

**5. RAISING FUNDS**

**Raising donations and legacies**

|                    | 2016         | 2015         |
|--------------------|--------------|--------------|
|                    | £            | £            |
| Stewards' expenses | <u>6,146</u> | <u>8,579</u> |

**ARTISTS GENERAL BENEVOLENT INSTITUTION**

**Notes to the Financial Statements - continued  
for the year ended 5 April 2016**

**5. RAISING FUNDS - continued**

**Other trading activities**

|                         | 2016         | 2015         |
|-------------------------|--------------|--------------|
|                         | £            | £            |
| Cost of Christmas cards | 3,164        | 2,424        |
| Other event expenses    | <u>-</u>     | <u>6,506</u> |
|                         | <u>3,164</u> | <u>8,930</u> |

**Investment management costs**

|                   | 2016          | 2015          |
|-------------------|---------------|---------------|
|                   | £             | £             |
| Support costs     | <u>22,008</u> | <u>13,566</u> |
| Aggregate amounts | <u>31,318</u> | <u>31,075</u> |

**6. CHARITABLE ACTIVITIES COSTS**

|        | Grant funding<br>of activities<br>(See note 7) | Support costs<br>(See note 8) | Totals         |
|--------|--|-------------------------------|----------------|
|        | £  | £                             | £              |
| Grants | <u>389,177</u>                                 | <u>191,988</u>                | <u>581,165</u> |

**7. GRANTS PAID**

|        | 2016           | 2015           |
|--------|----------------|----------------|
|        | £              | £              |
| Grants | <u>389,177</u> | <u>370,592</u> |

All grants were paid to individuals for both the years ended 5 April 2016 and 2015.

**8. SUPPORT COSTS**

|                             | Investment<br>management<br>£ | Human<br>resources<br>£ | Other<br>£    | Governance<br>costs<br>£ | Totals<br>£    |
|-----------------------------|-------------------------------|-------------------------|---------------|--------------------------|----------------|
| Investment management costs | 22,009                        | -                       | -             | -                        | 22,009         |
| Grants                      | <u>-</u>                      | <u>141,938</u>          | <u>20,008</u> | <u>30,042</u>            | <u>191,988</u> |
|                             | <u>22,009</u>                 | <u>141,938</u>          | <u>20,008</u> | <u>30,042</u>            | <u>213,997</u> |

**9. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 5 April 2016 nor for the year ended 5 April 2015.



**ARTISTS GENERAL BENEVOLENT INSTITUTION**

**Notes to the Financial Statements - continued  
for the year ended 5 April 2016**

**9. TRUSTEES' REMUNERATION AND BENEFITS**

**TRUSTEES' EXPENSES**

Travel expenses were paid to one trustee during the year amounting to £289 (2015-£255)

There were no other expenses paid to trustees for the year ended 5 April 2016 nor for the year ended 5 April 2015.

**10. STAFF COSTS**

|                       | 2016           | 2015           |
|-----------------------|----------------|----------------|
|                       | £              | £              |
| Wages and salaries    | 129,261        | 125,624        |
| Social security costs | 12,450         | 11,825         |
| Pension costs         | <u>5,700</u>   | <u>6,528</u>   |
|                       | <u>147,411</u> | <u>143,977</u> |

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

|   | 2016     | 2015     |
|---|----------|----------|
| Average number of employees in the year | <u>3</u> | <u>3</u> |

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

**11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

|  | Unrestricted<br>fund<br>£ | Restricted<br>fund<br>£ | Total funds<br>£  |
|--|---------------------------|-------------------------|-------------------|
| <b>INCOME AND ENDOWMENTS FROM</b>      |                           |                         |                   |
| Donations and legacies                 | 64,498                    | -                       | 64,498            |
| Other trading activities               | 33,228                    | -                       | 33,228            |
| Investment income                      | <u>387,276</u>            | <u>50,510</u>           | <u>437,786</u>    |
| <b>Total</b>                           | 485,002                   | 50,510                  | 535,512           |
| <b>EXPENDITURE ON</b>                  |                           |                         |                   |
| Raising funds                          | 28,927                    | 2,148                   | 31,075            |
| <b>Charitable activities</b>           |                           |                         |                   |
| Grants paid and associated costs       | <u>512,666</u>            | <u>51,913</u>           | <u>564,579</u>    |
| <b>Total</b>                           | <u>541,593</u>            | <u>54,061</u>           | <u>595,654</u>    |
| <b>NET INCOME/(EXPENDITURE)</b>        | (56,591)                  | (3,551)                 | (60,142)          |
| <b>Other recognised gains/(losses)</b> |                           |                         |                   |
| Gains/(losses) on investment assets    | <u>447,235</u>            | <u>57,848</u>           | <u>505,083</u>    |
| <b>Net movement in funds</b>           | 390,644                   | 54,297                  | 444,941           |
| <b>RECONCILIATION OF FUNDS</b>         |                           |                         |                   |
| <b>Total funds brought forward</b>     | <u>11,980,863</u>         | <u>1,489,005</u>        | <u>13,469,868</u> |
| <b>TOTAL FUNDS CARRIED FORWARD</b>     | <u>12,371,507</u>         | <u>1,543,302</u>        | <u>13,914,809</u> |

**ARTISTS GENERAL BENEVOLENT INSTITUTION**

**Notes to the Financial Statements - continued  
for the year ended 5 April 2016**

**12. TANGIBLE FIXED ASSETS**

|                           | Fixtures and<br>fittings<br>£ | Computer<br>equipment<br>£ | Totals<br>£   |
|---------------------------|-------------------------------|----------------------------|---------------|
| <b>COST</b>               |                               |                            |               |
| At 6 April 2015           | 7,340                         | 4,913                      | 12,253        |
| Additions                 | <u>5,233</u>                  | <u>109</u>                 | <u>5,342</u>  |
| At 5 April 2016           | <u>12,573</u>                 | <u>5,022</u>               | <u>17,595</u> |
| <br><b>DEPRECIATION</b>   |                               |                            |               |
| At 6 April 2015           | 6,426                         | 3,501                      | 9,927         |
| Charge for year           | <u>1,230</u>                  | <u>497</u>                 | <u>1,727</u>  |
| At 5 April 2016           | <u>7,656</u>                  | <u>3,998</u>               | <u>11,654</u> |
| <br><b>NET BOOK VALUE</b> |                               |                            |               |
| At 5 April 2016           | <u>4,917</u>                  | <u>1,024</u>               | <u>5,941</u>  |
| At 5 April 2015           | <u>914</u>                    | <u>1,412</u>               | <u>2,326</u>  |

**13. FIXED ASSET INVESTMENTS**

|   | Total funds<br>£  |
|---|-------------------|
| <b>Investment funds</b>                         |                   |
| Market value as at 6 April 2015                 | 13,526,252        |
| Realised profit/(loss) for the year             | (94,226)          |
| Cash movements etc                              | <u>(18,148)</u>   |
|   | 13,413,878        |
| Increase in market value                        | <u>(642,570)</u>  |
| Market value as at 5 April 2016                 | 12,771,308        |
| <br><b>Donated paintings</b>                    |                   |
| Valuation as at 6 April 2015                    | 17,454            |
| Revaluation                                     | <u>6,036</u>      |
|   | <u>23,490</u>     |
| <br><b>Total investments as at 5 April 2016</b> | <u>12,794,798</u> |
| <br>Being:                                      |                   |
| Investments                                     | 12,041,293        |
|   | <u>730,015</u>    |
|   | 12,771,308        |
| Donated paintings                               | <u>23,490</u>     |
|   | <u>12,794,798</u> |

**ARTISTS GENERAL BENEVOLENT INSTITUTION**

**Notes to the Financial Statements - continued  
for the year ended 5 April 2016**

**13. FIXED ASSET INVESTMENTS - continued**

Cost as at 5 April 2016 12,026,287

The charity's investments are managed by an independent firm of investment managers with no known restrictions over realisation and are held in UK stock exchange listed investments or ones valued by reference to such investments, such as unit trusts and common investment funds. All investments are held primarily for an investment return.

Included within investments are the following investments in UK securities and common investment funds with market values exceeding 5% of the portfolio value.

|   | Market value |           |
|---|--------------|-----------|
|   | 2016         | 2015      |
|   | £            | £         |
| Cazenove Investment Fund Management Equity Income Trust for Charities | 2,762,573    | 4,086,321 |
| Cazenove Investment Fund Management Growth Trust for Charities        | -            | 1,078,883 |
| OLIM Charity Value and Income Fund                                    | 2,782,360    | -         |
| Charities Property Fund   | -            | 697,503   |
| Schroder Strategic Credit Fund  | -            | 720,488   |
| Findley Park American Fund  | -            | 678,999   |
| M&G Global Dividend Fund  | -            | 768,061   |
| Majedie UK Equity Fund  | 783,889      | 939,348   |
| CG Portfolio Funds Plc - Dollar Fund                                  | -            | 680,447   |
| Trojan Income Fund  | 899,907      | 1,073,129 |

The valuation of the donated paintings is based on guidance of the estimated sales values from Bonhams' Auction House.

**14. STOCKS**

|        | 2016         | 2015         |
|--------|--------------|--------------|
|        | £            | £            |
| Stocks | <u>1,561</u> | <u>1,561</u> |

**15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|               | 2016          | 2015          |
|---------------|---------------|---------------|
|               | £             | £             |
| Other debtors | <u>94,689</u> | <u>98,173</u> |

**16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|                 | 2016          | 2015         |
|-----------------|---------------|--------------|
|                 | £             | £            |
| Other creditors | <u>14,081</u> | <u>9,401</u> |

**ARTISTS GENERAL BENEVOLENT INSTITUTION**

**Notes to the Financial Statements - continued  
for the year ended 5 April 2016**

**17. MOVEMENT IN FUNDS**

|                           | At 6.4.15<br>£    | Net movement<br>in funds<br>£ | At 5.4.16<br>£    |
|---------------------------|-------------------|-------------------------------|-------------------|
| <b>Unrestricted funds</b> |                   |                               |                   |
| General fund              | 12,371,507        | (612,179)                     | 11,759,328        |
| <b>Restricted funds</b>   |                   |                               |                   |
| AGBI - Orphan Fund        | 1,543,302         | (99,950)                      | 1,443,352         |
|                           | <hr/>             | <hr/>                         | <hr/>             |
| <b>TOTAL FUNDS</b>        | <u>13,914,809</u> | <u>(712,129)</u>              | <u>13,202,680</u> |

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

|                           | Incoming<br>resources<br>£ | Resources<br>expended<br>£ | Gains and<br>losses<br>£ | Movement in<br>funds<br>£ |
|---------------------------|----------------------------|----------------------------|--------------------------|---------------------------|
| <b>Unrestricted funds</b> |                            |                            |                          |                           |
| General fund              | 576,545                    | (554,558)                  | (634,166)                | (612,179)                 |
| <b>Restricted funds</b>   |                            |                            |                          |                           |
| AGBI - Orphan Fund        | 54,567                     | (57,925)                   | (96,592)                 | (99,950)                  |
|                           | <hr/>                      | <hr/>                      | <hr/>                    | <hr/>                     |
| <b>TOTAL FUNDS</b>        | <u>631,112</u>             | <u>(612,483)</u>           | <u>(730,758)</u>         | <u>(712,129)</u>          |

**Unrestricted funds**

Included within unrestricted funds are the following endowment funds which were transferred into the main funds during 2005 and 2007 in accordance with the Charities Commission Guidance. Their market value at the time of transfer was:

|  | £             |
|--|---------------|
| The Ethel Wright Fund - To assist artists of British nationality and their widows  | 1,317         |
| The Kate La Thangue Fund - To assist artists and their dependants  | 4,840         |
| The Proby Adams Bequest - To assist artists and their dependants   | 1,830         |
| The Margaret Agnes Babington Fund - To assist artists, their dependants and widows who are members of The Church of England                | 2,317         |
| The Inez Topham (Board) Fund - For relief of distressed artists and their dependants   | 830           |
| The Langdon Fund - To assist practising artists in temporary difficulties  | 1,332         |
| The Sigismund Goetze Memorial Trust - To assist artists of the United Kingdom with professional expenses, convalescence and rehabilitation | 1,294         |
| The Frances Webb Trust - For the relief of distressed artists  | 4,563         |
| The Sir Geoffrey Agnew Memorial Fund - To assist professional artists in distress  | 5,623         |
| The Donia Rosen Fund - To assist young artists in difficulties due to accident, illness, or other such misfortunes                         | 47            |
| The Cecil Lawson Grant - To assist artists and their dependants  | 58,087        |
|  | <hr/>         |
|  | <u>82,080</u> |

**Restricted funds**

Restricted funds comprise of the funds of the Artists Orphan Fund, a charity merged with the Artists General Benevolent Institution on 25th March 2015. The Artists Orphan Fund pays grants to the orphaned children of artists.

## **ARTISTS GENERAL BENEVOLENT INSTITUTION**

### **Notes to the Financial Statements - continued for the year ended 5 April 2016**

#### **18. PENSION COMMITMENTS**

The charity operates a defined contribution pension scheme. Total contributions for the year are disclosed in note 1. There were no outstanding or prepaid contributions at the balance sheet date.

#### **19. RELATED PARTY DISCLOSURES**

During the year, annual Jubilee Awards totalling £4,000 (2015 - £6,000) were awarded to former trustees. Two remain as Vice presidents of the Artists' General Benevolent Institution.

During the year, payments for office services were made to Sue Gentleman of £210 (2015 - £240), who is a related party of one of the trustees, David Gentleman.

#### **20. APB ETHICAL STANDARD - PROVISIONS AVAILABLE FOR SMALL ENTITIES**

In common with many other charities of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

**ARTISTS GENERAL BENEVOLENT INSTITUTION**

**Detailed Statement of Financial Activities  
for the year ended 5 April 2016**

|   | 2016           | 2015           |
|---|----------------|----------------|
|   | £              | £              |
| <b>INCOME AND ENDOWMENTS</b>                                      |                |                |
| <b>Donations and legacies</b>                                     |                |                |
| Annual subscriptions, donations and amounts collected by stewards | 70,125         | 72,946         |
| Legacies received   | <u>87,789</u>  | <u>(8,448)</u> |
|   | 157,914        | 64,498         |
| <b>Other trading activities</b>                                   |                |                |
| Christmas card sales  | 5,056          | 6,728          |
| Other event income  | <u>2,988</u>   | <u>26,500</u>  |
|   | 8,044          | 33,228         |
| <b>Investment income</b>  |                |                |
| Income from investments   | 441,620        | 401,549        |
| Royalty and legacy income   | 20,744         | 31,771         |
| Deposit account interest  | <u>2,790</u>   | <u>4,466</u>   |
|   | <u>465,154</u> | <u>437,786</u> |
| <b>Total incoming resources</b>                                   | 631,112        | 535,512        |
| <b>EXPENDITURE</b>  |                |                |
| <b>Raising donations and legacies</b>                             |                |                |
| Stewards' expenses  | 6,146          | 8,579          |
| <b>Other trading activities</b>                                   |                |                |
| Cost of Christmas cards   | 3,164          | 2,424          |
| Other event expenses  | <u>-</u>       | <u>6,506</u>   |
|   | 3,164          | 8,930          |
| <b>Charitable activities</b>                                      |                |                |
| Grants to individuals   | 389,177        | 370,592        |
| <b>Support costs</b>  |                |                |
| <b>Investment management</b>                                      |                |                |
| Investment management fees  | 22,009         | 13,566         |
| <b>Human resources</b>  |                |                |
| Wages   | 129,261        | 125,624        |
| Social security   | 12,450         | 11,825         |
| Pensions  | 5,700          | 6,528          |
| Visiting expenses   | <u>1,987</u>   | <u>489</u>     |
|   | 149,398        | 144,466        |
| <b>Other</b>  |                |                |
| Postage   | 1,959          | 3,714          |
| Telephone   | <u>1,912</u>   | <u>1,951</u>   |
| Carried forward   | 3,871          | 5,665          |

This page does not form part of the statutory financial statements

**ARTISTS GENERAL BENEVOLENT INSTITUTION**

**Detailed Statement of Financial Activities  
for the year ended 5 April 2016**

|   | 2016                   | 2015                    |
|---|------------------------|-------------------------|
|   | £                      | £                       |
| <b>Other</b>  |                        |                         |
| Brought forward   | 3,871                  | 5,665                   |
| Office stationery                                       | 2,684                  | 3,357                   |
| Computer expenses                                       | 1,205                  | 1,248                   |
| Legal fees  | 210                    | 7,483                   |
| Repairs and renewals                                    | 965                    | 106                     |
| Cleaning  | 3,769                  | 3,404                   |
| Bank charges  | 2,100                  | 2,209                   |
| Sundry expenses   | 654                    | 3,047                   |
| Luncheon vouchers                                       | -                      | 117                     |
| Other gifts   | (54)                   | 201                     |
| Gain/loss on foreign exchange                           | (19)                   | (77)                    |
| Insurance and service charges                           | 2,566                  | 2,566                   |
| Subscriptions   | 540                    | 587                     |
| Trustee Meeting Expenses                                | 3,187                  | 2,986                   |
| Cost of Annual Report & AGM                             | 9,344                  | 6,633                   |
| Audit and Accountancy                                   | 9,840                  | 8,880                   |
| Fixtures and fittings                                   | 1,230                  | 228                     |
| Computer equipment                                      | <u>497</u>             | <u>881</u>              |
|   | <u>42,589</u>          | <u>49,521</u>           |
| <b>Total resources expended</b>                         | <u>612,483</u>         | <u>595,654</u>          |
| <b>Net income/(expenditure) before gains and losses</b> | 18,629                 | (60,142)                |
| <b>Realised recognised gains and losses</b>             |                        |                         |
| Realised gains/(losses) on fixed asset investments      | <u>(94,225)</u>        | <u>(110,322)</u>        |
| <b>Net expenditure</b>                                  | <u><u>(75,596)</u></u> | <u><u>(170,464)</u></u> |