

**Report of the Trustees and
Financial Statements for the Year Ended 5 April 2018
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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ARTISTS GENERAL BENEVOLENT INSTITUTION

Report of the Trustees for the year ended 5 April 2018

The Trustees present their report with the financial statements of the charity for the year ended 5 April 2018. The Trustees have adopted the provision of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015).

OBJECTIVES and ACTIVITIES

Objectives and aims

The objective of the AGBI is to provide a grant giving programme that assists professional artists, whose work has been known to the public for some time who, due to accident, illness or older age are unable to work and earn, and to assist their widows/widowers and dependents. The overall charitable aim of the AGBI is the prevention of poverty and the alleviation of stress in the professional artists who fulfil the criteria and to seek additional finances to further these aims.

Statement of Public Benefit

The Trustees have referred to the guidance in the Charity Commission's general guidance on public benefit. The Trustees consider the activities of the AGBI have provided public benefit through the prevention of poverty, and the support and guidance that it provides to its applicants whom it supports. The activities of the AGBI are exclusively charitable for the benefit of our applicants.

Grantmaking Policy

The AGBI accepts applications for charitable grants from professional artists (painters, sculptors and their widows/widowers and dependent children) living in England, Wales or Northern Ireland, who due to accident, illness or older age are unable to work or 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 examples of their work, sketchbooks etc together with letters from two referees and a letter from their doctor or consultant (if applicable) evidencing their medical situation 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 will only be continued if the need for assistance persists and are automatically stopped should an applicant die and no widows/widowers or dependent children remain.

Grants are never awarded to fund any legal difficulties or, in the case of career difficulties, loss of earnings due to poor sales or expenses associated with exhibitions.

The AGBI manages a restricted fund specifically to assist the orphans of professional artists. These funds are now called the AGBI Children's Fund. The revised bye-laws (2016) state the term orphan as a child no more than the age of 25 who remains in full-time education who has lost the support of one or both parents through death, absence or disability.

ACHIEVEMENT and PERFORMANCE

Charitable Objectives

Number of Applicants and Grants

In the financial year 2017/18, the AGBI supported a total of 123 professional artists in need and their dependents living in England, Wales or Northern Ireland who cannot work or earn due to accident, illness or older age. This was a slight decrease on the previous financial year when the AGBI supported 127 artists in need.

The AGBI Council assessed all the applicants on a case-by-case basis and agreed total funding of £405,760, which was also a slight decrease on the previous year when £408,911 was disbursed.

Of the 123 artists helped, 84 needed continuing help, 15 were new applicants, 11 distinguished artists received the AGBI Jubilee Award and 13 children under the age of 25 and still in full-time education were supported by the AGBI Children's Fund (previously called the Artists' Orphan Fund).

ARTISTS GENERAL BENEVOLENT INSTITUTION

Report of the Trustees for the year ended 5 April 2018

Fundraising Activities

The Council would like to thank our Stewards who raised £24,826 in 2017/18.

The Commitment and fundraising efforts of our stewards, who not only fundraise, but identify potential applicants from within their networks, enables the AGBI to continue helping artists in need. The Council and the staff wish to express their appreciation to all the stewards for the work for the AGBI over the year.

The AGBI received £426,003 in legacies received or bequeathed and the Council is extremely grateful for these gifts. Donations in memory of relatives, friends and fellow artists provide a poignant commemoration and the Council is again incredibly grateful for these donations.

Full details of legacies and gifts in memory can be found in our Impact Report 2017/18 which is available on request from the office and available on our website at the following address: www.agbi.org.uk/impact.html

FINANCIAL REVIEW

Principal Funding Sources

The AGBI relies on two principal sources of income, the voluntary income by which we mean annual subscriptions, one-off donations and the amounts raised by our stewards, and the investment income generated from the investment portfolios currently managed by Cazenove Capital and OLIM Investment Managers.

The AGBI's broad financial objective continues to be 'to maximise the total level of voluntary and investment income received each year, to enable the Council to maintain or increase if necessary the level and numbers of grants to the applicants'.

During the financial year to the 5th of April 2018, the AGBI's incoming resources (not including legacies) totalled £594,396 compared to £579,813 in the previous year.

Legacies for the year to the 5th April 2018 totalled £426,033 compared with £10,885 in the previous financial year.

Annual subscriptions, donations and amounts collected by our stewards totalled £68,790 compared to £64,024 in the previous financial year.

The level of grants paid and associated costs increased from £648,002 to £655,087.

Results for Period and Funds Carried Forward

This resulted in a surplus of £324,458 prior to the unrealised loss on the investments which totalled £167,856.

The funds carried forward to the financial year 2018/19 amounted to £15,078,345.

Investment Policy

Members of the Investment Committee receive quarterly Investment Reports from both Cazenove Capital and OLIM Investment Managers. The Investment Committee meets annually to review the performance of both investment managers and to ensure that the income yields from the portfolios are available to maintain the AGBI grants programme and operational costs of the charity.

The Investment Committee's objectives in respect of the 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 the future demands in terms of long term growth of the charity's assets.

The AGBI is a long term investor and the Investment Committee agrees that the best policy is to continue holding a mixed portfolio of equities, bonds, cash and other investments to provide a steady income to cover the costs of the grantmaking programme and potential investment gains.

ARTISTS GENERAL BENEVOLENT INSTITUTION

Report of the Trustees for the year ended 5 April 2018

Investment Performance

In the financial year 2017/18, the yield on investments managed by both investment managers after fees was £459,656 or 3.2%.

The Investment Committee views this overall performance as a satisfactory return on the investments in light of lower yields in today's continuing financial climate. The Investment Committee monitors the performance of the investment managers on a quarterly basis via the investment reports it receives from the investment managers. On an annual basis, the Investment Committee meets the Investment Managers face-to-face and reviews their performances over the last 12 months.

Reserves Policy

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

As at 5th April 2018, the total funds amounted to £15,078,345 all of which is unrestricted apart from the AGBI Children's Fund which totalled £2,023,896.

STRUCTURE, GOVERNANCE and MANAGEMENT

Governing Document

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

Governance and Management

The AGBI Trustees during the financial year 2017/18 are listed in the Reference and Administrative Details section. The revised bye-laws (2016) state that the AGBI has seven trustees and they will be the three honorary officers and four members of 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 Honorary Officers (the President, the Honorary Secretary and the Honorary Treasurer) serve a four year term, after which, they can opt to serve an additional two years if they and the Council are in agreement. This policy assists with the succession planning on the AGBI.

The Council meets eight times a year to consider new cases and review existing cases and to agree the broad strategy and areas of charitable activity. 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 the grants and the processing of the applications prior to consideration by the Council is delegated to the Secretary of the Trustees.

Casual vacancies among the trustees may be filled by the trustees from among the other members of the Council. Trustees have historically been individuals who have connections with the Royal Academy and other major art societies and who 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 Commission publication 'The Essential Trustee, 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 adopted in 2016. Newly appointed Council Members receive a more concise induction pack containing the main information needed to perform the role.

ARTISTS GENERAL BENEVOLENT INSTITUTION

Report of the Trustees for the year ended 5 April 2018

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity Number 212667

Principal Address

Burlington House
Piccadilly
London
W1J 0BB

Telephone

020 7734 1193

Royal Patron, Council Members and Committee Members

(As at 6th April 2017)

Royal Patron

HRH The Prince of Wales

President

Nicola Hicks MBE

Honorary Secretary

Simon Burton

Honorary Treasurer

Marcelo Scenna, CFA

Honorary President

Christopher Le Brun President of the Royal Academy of Arts

Trustees

Simon Burton
Eliza Bonham Carter
Richard Gault
Charlotte Halliday RWS NEAC
Nicola Hicks MBE
Professor Gerald Libby FCRP FRCPsych - retired 10th July 2018
Marcelo Scenna, CFA

Applications Committee

Martin Bailey DiplArch FRIBA - retired 2 April 2018
Stephen Bartlett DesRCA
Isabel Bingley
Francis Bowyer PPRWS NEAC - elected October 2017
Brad Faine
Christian Furr
Jonathan Horwich
Sam McKechnie - elected October 2017
Professor Brendan Neiland
William Packer Hon FRCA NEAC
Veronica Ricks
Susie Thomson

ARTISTS GENERAL BENEVOLENT INSTITUTION

Report of the Trustees for the year ended 5 April 2018

REFERENCE AND ADMINISTRATIVE DETAILS - continued

Investment Committee

Simon Burton
Nicola Hicks MBE
David Hicks
Damon de Laszlo DL
Professor Gerald Libby FRCP FRCPsych - retired 10th July 2018
Marcelo Scenna, CFA

Vice-Presidents

Gus Cummins RA
Bernard Dunstan RA
David Gentleman RDI
Phillip Hicks
Ken Howard OBE RA
Ronald Maddox Hon PRI Hon RWS Hon RBA
William Pye
Jacqueline Rizvi RBA RWS NEAC

Honorary Medical Advisor

Professor Gerald Libby FRCP FRCPsych - retired 10th July 2018

Secretary to the Trustees and Chief Executive

Brad Feltham

Assistant to the 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 & Co
Commercial Banking
440 Strand
London
WC2R 0QS

Solicitors

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

ARTISTS GENERAL BENEVOLENT INSTITUTION

**Report of the Trustees
for the year ended 5 April 2018**

REFERENCE AND ADMINISTRATIVE DETAILS – continued

Investment Managers

Cazenove Capital
12 Moorgate
London
EC2R 6DA

OLIM Investment Managers
1 King's Arms Yard
London
EC2R 7AF

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 2018**

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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 10th July 2018 and signed on its behalf by:

.....
Nicola Hicks MBE - President of the AGBI

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

Opinion

We have audited the financial statements of Artists General Benevolent Institution (the 'charity') for the year ended 5 April 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 5 April 2018 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; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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.

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, the trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

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 2018**

	Notes	Unrestricted fund £	Restricted funds £	2018 Total funds £	2017 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	144,793	350,000	494,793	74,909
Charitable activities					
Grants	6	-	-	-	2,000
Other trading activities	4	14,649	-	14,649	26,658
Investment income	5	<u>458,820</u>	<u>52,137</u>	<u>510,957</u>	<u>487,131</u>
Total		618,262	402,137	1,020,399	590,698
 EXPENDITURE ON					
Raising funds	7	32,371	4,483	36,854	28,036
Charitable activities					
Grants paid and associated costs	8	<u>611,488</u>	<u>43,599</u>	<u>655,087</u>	<u>648,002</u>
Total		643,859	48,082	691,941	676,038
Net gains/(losses) on investments		<u>(159,134)</u>	<u>(8,722)</u>	<u>(167,856)</u>	<u>1,800,403</u>
NET INCOME/(EXPENDITURE)		(184,731)	345,333	160,602	1,715,063
 RECONCILIATION OF FUNDS					
Total funds brought forward		13,239,179	1,678,564	14,917,743	13,202,680
TOTAL FUNDS CARRIED FORWARD		<u>13,054,448</u>	<u>2,023,897</u>	<u>15,078,345</u>	<u>14,917,743</u>

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

ARTISTS GENERAL BENEVOLENT INSTITUTION

**Balance Sheet
At 5 April 2018**

	Notes	Unrestricted fund £	Restricted funds £	2018 Total funds £	2017 Total funds £
FIXED ASSETS					
Tangible assets	15	5,531	-	5,531	6,569
Investments	16	<u>12,738,424</u>	<u>1,644,166</u>	<u>14,382,590</u>	<u>14,574,988</u>
		12,743,955	1,644,166	14,388,121	14,581,557
CURRENT ASSETS					
Stocks	17	1,561	-	1,561	1,561
Debtors	18	69,500	354,081	423,581	77,698
Cash at bank and in hand		<u>258,062</u>	<u>27,399</u>	<u>285,461</u>	<u>270,349</u>
		329,123	381,480	710,603	349,608
CREDITORS					
Amounts falling due within one year	19	(18,629)	(1,750)	(20,379)	(13,422)
		<u>310,494</u>	<u>379,730</u>	<u>690,224</u>	<u>336,186</u>
NET CURRENT ASSETS					
		<u>310,494</u>	<u>379,730</u>	<u>690,224</u>	<u>336,186</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>13,054,449</u>	<u>2,023,896</u>	<u>15,078,345</u>	<u>14,917,743</u>
NET ASSETS					
		<u><u>13,054,449</u></u>	<u><u>2,023,896</u></u>	<u><u>15,078,345</u></u>	<u><u>14,917,743</u></u>
FUNDS					
Unrestricted funds	21			13,054,449	13,239,179
Restricted funds				<u>2,023,896</u>	<u>1,678,564</u>
TOTAL FUNDS					
				<u><u>15,078,345</u></u>	<u><u>14,917,743</u></u>

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

.....
M Scenna CFA – Honorary Treasurer

The notes form part of these financial statements

ARTISTS GENERAL BENEVOLENT INSTITUTION

**Cash Flow Statement
for the year ended 5 April 2018**

	Notes	2018 £	2017 £
Cash flows from operating activities:			
Cash generated from operations	1	(476,489)	(530,509)
Tax paid		<u>938</u>	<u>-</u>
Net cash provided by (used in) operating activities		<u>(475,551)</u>	<u>(530,509)</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(937)	(2,466)
Interest received		1,345	2,106
Dividends received		<u>490,255</u>	<u>481,446</u>
Net cash provided by (used in) investing activities		<u>490,663</u>	<u>481,086</u>
Change in cash and cash equivalents in the reporting period		15,112	(49,423)
Cash and cash equivalents at the beginning of the reporting period		<u>270,349</u>	<u>319,772</u>
Cash and cash equivalents at the end of the reporting period		<u><u>285,461</u></u>	<u><u>270,349</u></u>

The notes form part of these financial statements

ARTISTS GENERAL BENEVOLENT INSTITUTION

**Notes to the Cash Flow Statement
for the year ended 5 April 2018**

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2018	2017
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	160,602	1,715,063
Adjustments for:		
Depreciation charges	1,975	1,838
Gain on investments	(3,506)	(88,940)
Interest received	(1,345)	(2,106)
Dividends received	(490,281)	(481,446)
Charges paid from investments	24,569	20,213
Unrealised gain/loss on investments	171,361	(1,711,463)
(Increase)/decrease in debtors	(346,821)	16,991
Increase/(decrease) in creditors	<u>6,957</u>	<u>(659)</u>
Net cash provided by (used in) operating activities	<u>(476,489)</u>	<u>(530,509)</u>

ARTISTS GENERAL BENEVOLENT INSTITUTION

Notes to the Financial Statements for the year ended 5 April 2018

1. STATUTORY INFORMATION

The Artists' General Benevolent Institution is an unincorporated charity association. The Charity is registered in England and Wales, Registered Charity number 212667.

2. ACCOUNTING POLICIES

BASIS OF PREPARING THE FINANCIAL STATEMENTS

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value.

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 costs 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 2018.

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 2018**

2. ACCOUNTING POLICIES - continued

TRADE AND OTHER DEBTORS

Trade and other debtors that are receivable within one year and do not constitute a financing transaction are recorded at the undiscounted amount expected to be received, net of any impairment.

Those that are receivable after more than one year or constitute a financing transaction are recorded initially at fair value less transaction costs and subsequently at amortised costs, net of impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings or current liabilities.

Trade and other creditors

Trade and other creditors are initially recognised at the transaction price and are thereafter stated at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

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.

3. DONATIONS AND LEGACIES

	Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
Annual subscriptions, donations and amounts collected by stewards	68,790	-	68,790	64,024
Legacies received	<u>76,003</u>	<u>350,000</u>	<u>426,003</u>	<u>10,885</u>
	<u>144,793</u>	<u>350,000</u>	<u>494,793</u>	<u>74,909</u>

4. OTHER TRADING ACTIVITIES

	Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
Christmas card sales	12,799	-	12,799	12,588
Bi-centenary print	1,750	-	1,750	5,752
Royal Academy Contribution	-	-	-	8,318
Other income	<u>100</u>	<u>-</u>	<u>100</u>	<u>-</u>
	<u>14,649</u>	<u>-</u>	<u>14,649</u>	<u>26,658</u>

ARTISTS GENERAL BENEVOLENT INSTITUTION

**Notes to the Financial Statements - continued
for the year ended 5 April 2018**

5. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
Income from investments	438,143	52,137	490,280	481,446
Royalty and legacy income	19,332	-	19,332	3,579
Deposit account interest	<u>1,345</u>	<u>-</u>	<u>1,345</u>	<u>2,106</u>
	<u>458,820</u>	<u>52,137</u>	<u>510,957</u>	<u>487,131</u>

6. INCOME FROM CHARITABLE ACTIVITIES

Activity	2018 £	2017 £
Grants	<u>-</u>	<u>2,000</u>

Grants received, included in the above, are as follows:

	2018 £	2017 £
Francis Reckitt Trust	<u>-</u>	<u>2,000</u>

7. RAISING FUNDS

Raising donations and legacies

	Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
Stewards' expenses	<u>58</u>	<u>-</u>	<u>58</u>	<u>200</u>

Other trading activities

	Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
Purchases	6,172	-	6,172	3,860
Other event expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,076</u>
	<u>6,172</u>	<u>-</u>	<u>6,172</u>	<u>5,936</u>

ARTISTS GENERAL BENEVOLENT INSTITUTION

**Notes to the Financial Statements - continued
for the year ended 5 April 2018**

7. RAISING FUNDS - continued

Investment management costs

	Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
Support costs	<u>26,141</u>	<u>4,483</u>	<u>30,624</u>	<u>21,900</u>
Aggregate amounts	<u>32,371</u>	<u>4,483</u>	<u>36,854</u>	<u>28,036</u>

8. CHARITABLE ACTIVITIES COSTS

	Grant funding of activities (See note 9) £	Support costs (See note 10) £	Totals £
Grants paid and associated costs	<u>405,760</u>	<u>249,327</u>	<u>655,087</u>

9. GRANTS PAYABLE

	2018 £	2017 £
Grants paid and associated costs	<u>405,760</u>	<u>408,911</u>

All grants were paid to individuals for both the years ended 5 April 2018 and 2017.

10. SUPPORT COSTS

	Investment management £	Human resources £	Other £	Governance costs £	Totals £
Investment management costs	30,624	-	-	-	30,624
Grants paid and associated costs	<u>-</u>	<u>150,177</u>	<u>66,283</u>	<u>32,867</u>	<u>249,327</u>
	<u>30,624</u>	<u>150,177</u>	<u>66,283</u>	<u>32,867</u>	<u>279,951</u>

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 5 April 2018 nor for the year ended 5 April 2017.

TRUSTEES' EXPENSES

No travel expenses were paid to trustees during 2018 or 2017.

ARTISTS GENERAL BENEVOLENT INSTITUTION

**Notes to the Financial Statements - continued
for the year ended 5 April 2018**

12. STAFF COSTS

	2018	2017
	£	£
Wages and salaries	137,668	133,591
Social security costs	12,586	12,053
Other pension costs	<u>6,166</u>	<u>5,900</u>
	<u>156,420</u>	<u>151,544</u>

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

	2018	2017
Average number of employees in the year	<u>3</u>	<u>3</u>

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

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	74,909	-	74,909
Charitable activities			
Grants	-	2,000	2,000
Other trading activities	26,658	-	26,658
Investment income	<u>436,478</u>	<u>50,653</u>	<u>487,131</u>
Total	538,045	52,653	590,698
EXPENDITURE ON			
Raising funds	24,787	3,249	28,036
Charitable activities			
Grants paid and associated costs	<u>600,580</u>	<u>47,422</u>	<u>648,002</u>
Total	625,367	50,671	676,038
Net gains/(losses) on investments	<u>1,567,174</u>	<u>233,229</u>	<u>1,800,403</u>
NET INCOME/(EXPENDITURE)	1,479,852	235,211	1,715,063
RECONCILIATION OF FUNDS			
Total funds brought forward	11,759,327	1,443,353	13,202,680
TOTAL FUNDS CARRIED FORWARD	<u>13,239,179</u>	<u>1,678,564</u>	<u>14,917,743</u>

14. AUDITORS' REMUNERATION

Auditors' remuneration for the year was £8,500 (2017: 9,100)

ARTISTS GENERAL BENEVOLENT INSTITUTION

**Notes to the Financial Statements - continued
for the year ended 5 April 2018**

15. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 6 April 2017	14,360	5,701	20,061
Additions	-	937	937
Disposals	<u>-</u>	<u>(3,030)</u>	<u>(3,030)</u>
At 5 April 2018	<u>14,360</u>	<u>3,608</u>	<u>17,968</u>
DEPRECIATION			
At 6 April 2017	8,997	4,495	13,492
Charge for year	1,072	903	1,975
Eliminated on disposal	<u>-</u>	<u>(3,030)</u>	<u>(3,030)</u>
At 5 April 2018	<u>10,069</u>	<u>2,368</u>	<u>12,437</u>
NET BOOK VALUE			
At 5 April 2018	<u>4,291</u>	<u>1,240</u>	<u>5,531</u>
At 5 April 2017	<u>5,363</u>	<u>1,206</u>	<u>6,569</u>

16. FIXED ASSET INVESTMENTS

	Listed investments £	Cash and settlements pending £	Donated paintings £	Total £
MARKET VALUE				
At 6 April 2017	13,848,058	703,440	23,490	14,574,988
Additions	235,819	236,179	-	471,998
Disposals	(236,163)	(235,819)	-	(471,982)
Revaluations	(167,846)	-	-	(167,846)
Management Fees	<u>-</u>	<u>(24,568)</u>	<u>-</u>	<u>(24,568)</u>
At 5 April 2018	<u>13,679,868</u>	<u>679,232</u>	<u>23,490</u>	<u>14,382,590</u>

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.

ARTISTS GENERAL BENEVOLENT INSTITUTION

**Notes to the Financial Statements - continued
for the year ended 5 April 2018**

16. FIXED ASSET INVESTMENTS - continued

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	
	2018	2017
	£	£
Cazenove Investment Fund Management Equity Income Trust for Charities	2,049,582	2,310,716
OLIM Charity Value and Income Fund	2,934,377	3,052,378
Charities Property Fund	802,275	752,054
Vangard FTSE All Share Index	764,991	767,979
Majedie UK Equity Fund	936,228	922,634
Schroder Charity equity fund	787,419	771,839
Trojan Income Fund	910,217	975,544
Findlay Park FDS American	744,345	706,899

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

17. STOCKS

	2018	2017
	£	£
Stocks	<u>1,561</u>	<u>1,561</u>

18. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Other debtors	<u>423,581</u>	<u>77,698</u>

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Other creditors	<u>20,379</u>	<u>13,422</u>

20. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2018	2017
	£	£
Within one year	9,703	42,608
Between one and five years	<u>-</u>	<u>10,153</u>
	<u>9,703</u>	<u>52,761</u>

ARTISTS GENERAL BENEVOLENT INSTITUTION

**Notes to the Financial Statements - continued
for the year ended 5 April 2018**

21. MOVEMENT IN FUNDS

	At 6.4.17 £	Net movement in funds £	At 5.4.18 £
Unrestricted funds			
General fund	13,239,179	(184,731)	13,054,448
Restricted funds			
AGBI - The Children's Fund	1,676,564	347,333	2,023,897
Francis Reckitt Trust	<u>2,000</u>	<u>(2,000)</u>	<u>-</u>
	<u>1,678,564</u>	<u>345,333</u>	<u>2,023,897</u>
TOTAL FUNDS	<u><u>14,917,743</u></u>	<u><u>160,602</u></u>	<u><u>15,078,345</u></u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	618,262	(643,859)	(159,134)	(184,731)
Restricted funds				
AGBI - The Children's Fund	402,137	(46,082)	(8,722)	347,333
Francis Reckitt Trust	<u>-</u>	<u>(2,000)</u>	<u>-</u>	<u>(2,000)</u>
	<u>402,137</u>	<u>(48,082)</u>	<u>(8,722)</u>	<u>345,333</u>
TOTAL FUNDS	<u><u>1,020,399</u></u>	<u><u>(691,941)</u></u>	<u><u>(167,856)</u></u>	<u><u>160,602</u></u>

ARTISTS GENERAL BENEVOLENT INSTITUTION

**Notes to the Financial Statements - continued
for the year ended 5 April 2018**

21. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 6.4.16 £	Net movement in funds £	At 5.4.17 £
Unrestricted Funds			
General fund	11,759,327	1,479,852	13,239,179
Restricted Funds			
AGBI - The Children's Fund	1,443,353	233,211	1,676,564
Francis Reckitt Trust	<u>-</u>	<u>2,000</u>	<u>2,000</u>
	1,443,353	235,211	1,678,564
	<u>13,202,680</u>	<u>1,715,063</u>	<u>14,917,743</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	538,045	(625,367)	1,567,174	1,479,852
Restricted funds				
AGBI - The Children's Fund	50,653	(50,671)	233,229	233,211
Francis Reckitt Trust	<u>2,000</u>	<u>-</u>	<u>-</u>	<u>2,000</u>
	52,653	(50,671)	233,229	235,211
	<u>590,698</u>	<u>(676,038)</u>	<u>1,800,403</u>	<u>1,715,063</u>

ARTISTS GENERAL BENEVOLENT INSTITUTION

Notes to the Financial Statements - continued for the year ended 5 April 2018

21. MOVEMENT IN FUNDS - continued

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.

22. PENSION COMMITMENTS

The charity operates a defined contribution pension scheme. Total contributions for the year are disclosed in note 12. There were no outstanding or prepaid contributions at the balance sheet date.

23. RELATED PARTY DISCLOSURES

During the year, annual Jubilee Awards totalling £4,000 (2017 - £4,000) 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 £240 (2017 - £180), who is a related party of one of the trustees, David Gentleman.

ARTISTS GENERAL BENEVOLENT INSTITUTION

**Detailed Statement of Financial Activities
for the year ended 5 April 2018**

	2018 £	2017 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Annual subscriptions, donations and amounts collected by stewards	68,790	64,024
Legacies received	<u>426,003</u>	<u>10,885</u>
	494,793	74,909
Other trading activities		
Christmas card sales	12,799	12,588
Bi-centenary print	1,750	5,752
Royal Academy Contribution	-	8,318
Other income	<u>100</u>	<u>-</u>
	14,649	26,658
Investment income		
Income from investments	490,280	481,446
Royalty and legacy income	19,332	3,579
Deposit account interest	<u>1,345</u>	<u>2,106</u>
	510,957	487,131
Charitable activities		
Grants	<u>-</u>	<u>2,000</u>
Total incoming resources	1,020,399	590,698
EXPENDITURE		
Raising donations and legacies		
Stewards' expenses	58	200
Other trading activities		
Cost of Christmas cards	6,172	3,860
Other event expenses	<u>-</u>	<u>2,076</u>
	6,172	5,936
Charitable activities		
Grants to individuals	405,760	408,911
Support costs		
Investment management costs		
Investment management fees	30,624	21,900
Human resources		
Wages	130,797	126,920
Social security	11,807	11,300
Pensions	5,858	5,605
Visiting expenses	<u>1,715</u>	<u>2,357</u>
	150,177	146,182

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 2018**

	2018	2017
	£	£
Other		
Archer Street rent	41,151	31,600
Archer Street expenses	1,323	8,202
Postage	2,693	1,707
Telephone	2,763	2,438
Office stationery	1,734	1,705
Advertising	-	360
Computer expenses	1,637	1,339
Repairs and renewals	409	192
Cleaning	2,965	3,789
Bank charges	2,175	2,158
Sundry expenses	1,816	567
Other gifts	33	402
Insurance and service charges	4,837	3,746
Subscriptions	772	679
Training	-	311
Fixtures and fittings	1,072	1,341
Computer equipment	<u>903</u>	<u>497</u>
	66,283	61,033
Governance costs		
Wages	6,871	6,671
Social security	779	753
Pensions	308	295
Auditors' remuneration	8,500	9,100
Annual report and AGM	10,709	10,271
Trustee meeting expenses	1,598	2,950
Legal and professional	<u>4,102</u>	<u>1,836</u>
	<u>32,867</u>	<u>31,876</u>
Total resources expended	<u>691,941</u>	<u>676,038</u>
Net income/(expenditure) before gains and losses	328,458	(85,340)
Realised recognised gains and losses		
Realised gains/(losses) on fixed asset investments	<u>3,506</u>	<u>88,940</u>
Net income	<u><u>331,964</u></u>	<u><u>3,600</u></u>