

**Report of the Trustees and
Financial Statements for the Year Ended 5 April 2019
for
ARTISTS GENERAL BENEVOLENT INSTITUTION**

Tudor John Limited
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 2019**

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ARTISTS GENERAL BENEVOLENT INSTITUTION

Report of the Trustees for the year ended 5 April 2019

The Trustees present their report with the financial statements of the charity for the year ended 5th April 2019. The Trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 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 its criteria and to seek additional funding to further these aims.

Statement of Public Benefit

The Trustees confirm that the AGBI has complied with the duty in section 17 of the Charities Act 2011 to have due regard to Public Benefit Guidance published by the Charity Commission in determining the activities undertaken by the charity.

The Trustees consider the activities of the AGBI have provided public benefit by means of the prevention of poverty provided by the charity's grants programme, and by the support, information and guidance that it provides to the applicants whom it supports.

The Achievement and Performance section of this report illustrates the activities which the charity carries out for the public benefit. 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 telephone, 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 assess 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 GP or consultant (if applicable) evidencing their medical situation for examination by the Council at its 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 and 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 2018/19, the AGBI supported a total of 115 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 decrease on the previous financial year when the AGBI supported 123 artists in need.

The AGBI Council Members assessed all the 115 applicants on a case-by-case basis and agreed total funding of £374,335.

Of the 115 artists helped, 78 needed continuing help, 15 were new applicants, 10 distinguished artists received the AGBI Jubilee Award, and 12 children under the age of 25 and still in full-time education were supported by the AGBI Children's Fund.

ARTISTS GENERAL BENEVOLENT INSTITUTION

Report of the Trustees for the year ended 5 April 2019

ACHIEVEMENT AND PERFORMANCE

Fundraising Activities

The AGBI Council would like to thank all our Stewards who raised £30,184 in 2018/19.

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 their work for the AGBI over the year.

The AGBI received £125,634 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 2018/19 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 meet the needs of the AGBI applicants.

During the financial year to 5th April 2019, the AGBI's incoming resources (not including legacies) totalled £549,871 compared to £594,396 in the previous year.

Legacies for the year to 5th April 2019 totalled £125,634, compared to £426,003 in the previous financial year.

Annual subscriptions, donations and amounts collected by our Stewards for the year to the 5th April 2019 totalled £75,714, compared to £68,790 in the previous financial year.

The level of grants paid and associated costs increased from £655,087 to £677,809.

Results for Period and Funds Carried Forward

This resulted in a loss of £56,456 prior to the unrealised net gains on the investments which totalled £468,555.

The funds carried forward to the financial year 2019/20 amounted to £15,490,444, which is an increase on the previous year when it was £15,078,345.

ARTISTS GENERAL BENEVOLENT INSTITUTION

Report of the Trustees for the year ended 5 April 2019

FINANCIAL REVIEW

Investment Policy and Performance

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 objective 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 future demands through 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 to secure potential investment gains.

Investment Performance

In the financial year 2018/19, the yield on investments managed by both investment managers, after fees, was £390,739 or 2.6%.

The Investment Committee views this overall performance as a satisfactory return on the investments in light of lower yields in today's financial climate.

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 2019, the total funds amounted to £15,490,444 all of which were unrestricted, apart from the AGBI Children's Fund which totalled £2,072,592.

These funds allow the charity to continue its current activities and ensure a sound financial basis for the future. The Trustees consider holding this level of investment appropriate as the investment income in 2018/19 from these assets did not cover the grants programme and the associated costs of the charity.

FUTURE DEVELOPMENTS

Property Acquisition

In 2018/2019, following extensive investigations with legal advisors and property advisors, the AGBI made an offer on a freehold property in London to house the charity which was accepted by the vendors (one freeholder/leaseholder and one leaseholder) in May 2018.

It is hoped the property will become the permanent offices of the AGBI and provide space for Council Meetings, archive materials, fundraising events, gallery space, a private consultation room for our applicants in need and more office space to allow the AGBI to develop.

As at 6th April 2019, the property was still under offer. The Trustees will report fully on the property transaction in the next Trustees Report as they expect the transaction to be completed in 2019/2020.

Governance Review

The AGBI will carry out a Governance Review in 2019/2020. Adhering to charity good practice, a governance review is recommended every 5 years. The previous Governance Review took place in 2015/2016 when the Artists' Orphan Fund was merged with the AGBI. The AGBI will take appropriate professional advice from a solicitor to ensure the Governance Review is carried out effectively.

Strategic Planning

The AGBI will embark on a formalised strategic planning exercise with an external facilitator during the next financial year. This strategic review will be coordinated with the above Governance Review and the potential purchase of a property. Strategic planning will be an on-going exercise involving all the Council Members and staff to ensure organisation-wide engagement. The AGBI will hold a 'strategic planning away-day' for all Council Members and staff in September 2019, and expects to do so annually thereafter.

ARTISTS GENERAL BENEVOLENT INSTITUTION

Report of the Trustees for the year ended 5 April 2019

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 19th January 2016. The Royal Charter was not amended.

Governance and Management

The AGBI Trustees during the financial year 2018/19 are listed in the Reference and Administrative Details section. The revised bye-laws (2016) recommends that the AGBI has seven Trustees and that they should 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 then eligible for re-election. The Trustees are supported 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 succession planning for 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.

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.

The AGBI is registered with the Information Commissioner's Office (ICO) to comply with General Data Protection Regulation (2018). The AGBI's ICO reference is ZA353188.

The AGBI is a member of the Association of Charitable Organisations (ACO) which is the national UK umbrella body for charities that give grants and welfare support to individuals in need. Founded in 1946, the ACO is a powerful and growing network of over 100 members, all joined by the common goal of offering support to help people in need.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

212667

Principal address

Burlington House
Piccadilly
London
W1J 0BB

ARTISTS GENERAL BENEVOLENT INSTITUTION

Report of the Trustees for the year ended 5 April 2019

REFERENCE AND ADMINISTRATIVE DETAILS

Telephone

020 7734 1193

Royal Patron, Council Members and Committee Members

Royal Patron

HRH The Prince of Wales

Honorary President

Christopher Le Brun President of the Royal Academy of Arts

AGBI President

Nicola Hicks MBE

Honorary Secretary

Simon Burton (resigned June 2019)

Honorary Treasurer

Marcelo Scenna, CFA (resigned June 2019)

Patrick Crawford CB (elected July 2019)

Trustees

Simon Burton (resigned June 2019)

Eliza Bonham Carter (resigned May 2019)

Richard Gault

Charlotte Halliday RWS NEAC

Nicola Hicks MBE

Marcelo Scenna, CFA (resigned June 2019)

Applications Committee

Stephen Bartlett DesRCA

Isabel Bingley

Francis Bowyer PPRWS NEAC

Viscountess Bridgeman CBE FRSA (elected August 2019)

Brad Faine (resigned June 2019)

Christian Furr

Jonathan Horwich

Sam McKechnie

Professor Brendan Neiland

William Packer Hon FRCA NEAC

Veronica Ricks

Jamie Routley (elected October 2018)

Susie Thomson

Investment Committee

Patrick Crawford CB (elected July 2019)

Nicola Hicks MBE

David Hicks

Damon de Laszlo DL

Vice Presidents

Gus Cummins RA

David Gentleman RDI

Phillip Hicks Dipl RAS

Ken Howard OBE RA

William Pye

Jacqueline Rizvi RBA RWS NEAC

ARTISTS GENERAL BENEVOLENT INSTITUTION

Report of the Trustees for the year ended 5 April 2019

REFERENCE AND ADMINISTRATIVE DETAILS

Honorary Medical Advisor

Professor Gerald Libby FRCP FRCPsych (resigned July 2018)

Dr Anand Saggar MBBS MD FRCP (elected November 2018)

Secretary to the Trustees and Chief Executive Officer

Brad Feltham

Assistant Secretary

Barbara Galloway

Financial Controller

Jacki Haggard

Auditors

Tudor John Limited

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

Penningtons Manches Cooper LLP

31 Chertsey Street

Guildford

Surrey

GU1 4HD

Investment Managers

Cazenove Capital

1 London Wall Place

London

EC2Y 5AU

OLIM Investment Managers

1 Benjamin Street

Farringdon

London

EC1M 5QL

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 2019**

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 and signed on its behalf by:

.....
Nicola Hicks MBE - Trustee

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 2019 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).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 5 April 2019 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, except to the extent otherwise explicitly stated in our report, 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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

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.

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

Responsibilities of trustees

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.

Use of our report

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.

Tudor John Limited
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 2019**

		Unrestricted fund	Restricted funds	2019 Total funds	2018 Total funds
	Notes	£	£	£	£
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	201,348	-	201,348	494,793
Other trading activities	4	8,641	2,500	11,141	14,649
Investment income	5	410,865	52,151	463,016	510,957
Total		<u>620,854</u>	<u>54,651</u>	<u>675,505</u>	<u>1,020,399</u>
 EXPENDITURE ON					
Raising funds	6	54,152	-	54,152	36,854
Charitable activities	7				
Grants paid and associated costs		623,920	53,889	677,809	655,087
Total		<u>678,072</u>	<u>53,889</u>	<u>731,961</u>	<u>691,941</u>
Net gains/(losses) on investments		420,621	47,934	468,555	(167,856)
NET INCOME		363,403	48,696	412,099	160,602
 RECONCILIATION OF FUNDS					
Total funds brought forward		13,054,449	2,023,896	15,078,345	14,917,743
TOTAL FUNDS CARRIED FORWARD		<u><u>13,417,852</u></u>	<u><u>2,072,592</u></u>	<u><u>15,490,444</u></u>	<u><u>15,078,345</u></u>

The notes form part of these financial statements

ARTISTS GENERAL BENEVOLENT INSTITUTION

**Balance Sheet
At 5 April 2019**

	Notes	Unrestricted fund £	Restricted funds £	2019 Total funds £	2018 Total funds £
FIXED ASSETS					
Tangible assets	13	4,241	-	4,241	5,531
Investments	14	13,116,571	1,684,964	14,801,535	14,382,590
		<u>13,120,812</u>	<u>1,684,964</u>	<u>14,805,776</u>	<u>14,388,121</u>
CURRENT ASSETS					
Stocks	15	1,561	-	1,561	1,561
Debtors	16	79,581	353,748	433,329	423,581
Cash at bank and in hand		242,769	35,578	278,347	285,461
		<u>323,911</u>	<u>389,326</u>	<u>713,237</u>	<u>710,603</u>
CREDITORS					
Amounts falling due within one year	17	(26,871)	(1,698)	(28,569)	(20,379)
		<u>297,040</u>	<u>387,628</u>	<u>684,668</u>	<u>690,224</u>
NET CURRENT ASSETS					
		<u>297,040</u>	<u>387,628</u>	<u>684,668</u>	<u>690,224</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>13,417,852</u>	<u>2,072,592</u>	<u>15,490,444</u>	<u>15,078,345</u>
NET ASSETS					
		<u>13,417,852</u>	<u>2,072,592</u>	<u>15,490,444</u>	<u>15,078,345</u>
FUNDS					
Unrestricted funds	19			13,417,852	13,054,449
Restricted funds				2,072,592	2,023,896
				<u>15,490,444</u>	<u>15,078,345</u>
TOTAL FUNDS					
				<u>15,490,444</u>	<u>15,078,345</u>

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

.....
Nicola Hicks MBE -Trustee

The notes form part of these financial statements

ARTISTS GENERAL BENEVOLENT INSTITUTION

**Cash Flow Statement
for the year ended 5 April 2019**

	Notes	2019 £	2018 £
Cash flows from operating activities:			
Cash generated from operations	1	(458,274)	(476,490)
Tax paid		(587)	938
		<hr/>	<hr/>
Net cash provided by (used in) operating activities		(458,861)	(475,552)
		<hr/>	<hr/>
Cash flows from investing activities:			
Purchase of tangible fixed assets		-	(936)
Interest received		11,368	1,345
Dividends received		440,379	490,255
		<hr/>	<hr/>
Net cash provided by (used in) investing activities		451,747	490,664
		<hr/>	<hr/>
Change in cash and cash equivalents in the reporting period		(7,114)	15,112
Cash and cash equivalents at the beginning of the reporting period		285,461	270,349
		<hr/>	<hr/>
Cash and cash equivalents at the end of the reporting period		278,347	285,461
		<hr/> <hr/>	<hr/> <hr/>

The notes form part of these financial statements

ARTISTS GENERAL BENEVOLENT INSTITUTION

**Notes to the Cash Flow Statement
for the year ended 5 April 2019**

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES		
	2019	2018
	£	£
Net income for the reporting period (as per the statement of financial activities)	412,099	160,602
Adjustments for:		
Depreciation charges	1,290	1,975
Gain on investments	(143,921)	(3,506)
Interest received	(11,368)	(1,345)
Dividends received	(440,379)	(490,281)
Charges paid from investments	49,610	24,569
Unrealised gain/loss on investments	(324,634)	171,361
Increase in debtors	(9,161)	(346,821)
Increase in creditors	8,190	6,956
	<hr/>	<hr/>
Net cash provided by (used in) operating activities	(458,274)	(476,490)
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ARTISTS GENERAL BENEVOLENT INSTITUTION

Notes to the Financial Statements for the year ended 5 April 2019

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 2019.

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 2019**

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 £	2019 Total funds £	2018 Total funds £
Annual subscriptions, donations and amounts collected by stewards	75,714	-	75,714	68,790
Legacies received	125,634	-	125,634	426,003
	<u>201,348</u>	<u>-</u>	<u>201,348</u>	<u>494,793</u>

4. OTHER TRADING ACTIVITIES

	Unrestricted funds £	Restricted funds £	2019 Total funds £	2018 Total funds £
Christmas card sales	6,129	-	6,129	12,799
Bi-centenary print	2,512	-	2,512	1,750
Other income	-	2,500	2,500	100
	<u>8,641</u>	<u>2,500</u>	<u>11,141</u>	<u>14,649</u>

ARTISTS GENERAL BENEVOLENT INSTITUTION

**Notes to the Financial Statements - continued
for the year ended 5 April 2019**

5. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	2019 Total funds £	2018 Total funds £
Income from investments	388,228	52,151	440,379	490,280
Royalty and legacy income	11,270	-	11,270	19,332
Deposit account interest	11,367	-	11,367	1,345
	<u>410,865</u>	<u>52,151</u>	<u>463,016</u>	<u>510,957</u>

6. RAISING FUNDS

Raising donations and legacies

	Unrestricted funds £	Restricted funds £	2019 Total funds £	2018 Total funds £
Stewards' expenses	<u>170</u>	<u>-</u>	<u>170</u>	<u>58</u>

Other trading activities

	Unrestricted funds £	Restricted funds £	2019 Total funds £	2018 Total funds £
Purchases	<u>4,342</u>	<u>-</u>	<u>4,342</u>	<u>6,172</u>

Investment management costs

	Unrestricted funds £	Restricted funds £	2019 Total funds £	2018 Total funds £
Support costs	<u>49,640</u>	<u>-</u>	<u>49,640</u>	<u>30,624</u>

Aggregate amounts	<u>54,152</u>	<u>-</u>	<u>54,152</u>	<u>36,854</u>
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7. CHARITABLE ACTIVITIES COSTS

	Grant funding of activities (See note 8) £	Support costs (See note 9) £	Totals £
Grants paid and associated costs	<u>374,335</u>	<u>303,474</u>	<u>677,809</u>

ARTISTS GENERAL BENEVOLENT INSTITUTION

**Notes to the Financial Statements - continued
for the year ended 5 April 2019**

8. GRANTS PAYABLE

	2019	2018
	£	£
Grants paid and associated costs	<u>374,335</u>	<u>405,760</u>

All grants were paid to individuals for both the years ended 5 April 2019 and 2018.

9. SUPPORT COSTS

	Information technology £	Human resources £	Other £	Governance costs £	Totals £
Investment management costs	49,640	-	-	-	49,640
Grants paid and associated costs	-	163,744	98,805	40,925	303,474
	<u>49,640</u>	<u>163,744</u>	<u>98,805</u>	<u>40,925</u>	<u>353,114</u>

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 5 April 2019 nor for the year ended 5 April 2018.

TRUSTEES' EXPENSES

No travel expenses were paid to trustees during 2019 or 2018.

11. STAFF COSTS

During the year there was one employee who received emoluments between £70,000 and £80,000.

	2019	2018
	£	£
Gross Wages	142,144	130,797
Social Security	13,303	11,807
Pensions	6,360	5,858
Total	<u>161,807</u>	<u>148,462</u>

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

	2019	2018
Average number of employees in the year	<u>3</u>	<u>3</u>

ARTISTS GENERAL BENEVOLENT INSTITUTION

**Notes to the Financial Statements - continued
for the year ended 5 April 2019**

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	144,793	350,000	494,793
Other trading activities	14,649	-	14,649
Investment income	458,820	52,137	510,957
Total	<u>618,262</u>	<u>402,137</u>	<u>1,020,399</u>
EXPENDITURE ON			
Raising funds	32,371	4,483	36,854
Charitable activities			
Grants paid and associated costs	611,488	43,599	655,087
Total	<u>643,859</u>	<u>48,082</u>	<u>691,941</u>
Net gains/(losses) on investments	<u>(159,134)</u>	<u>(8,722)</u>	<u>(167,856)</u>
NET INCOME	<u>(184,731)</u>	<u>345,333</u>	<u>160,602</u>
RECONCILIATION OF FUNDS			
Total funds brought forward	13,239,180	1,678,563	14,917,743
TOTAL FUNDS CARRIED FORWARD	<u><u>13,054,449</u></u>	<u><u>2,023,896</u></u>	<u><u>15,078,345</u></u>

13. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 6 April 2018 and 5 April 2019	<u>14,360</u>	<u>3,607</u>	<u>17,967</u>
DEPRECIATION			
At 6 April 2018	10,069	2,367	12,436
Charge for year	858	432	1,290
At 5 April 2019	<u>10,927</u>	<u>2,799</u>	<u>13,726</u>
NET BOOK VALUE			
At 5 April 2019	<u><u>3,433</u></u>	<u><u>808</u></u>	<u><u>4,241</u></u>
At 5 April 2018	<u><u>4,291</u></u>	<u><u>1,240</u></u>	<u><u>5,531</u></u>

ARTISTS GENERAL BENEVOLENT INSTITUTION

**Notes to the Financial Statements - continued
for the year ended 5 April 2019**

14. FIXED ASSET INVESTMENTS

MARKET VALUE	Listed investments £	Cash and settlements pending £	Donated paintings £	Total £
At 6 April 2018	13,679,868	679,232	23,490	14,382,590
Additions	615,888	1,991,188	-	2,607,076
Disposals	(1,991,188)	(615,888)	-	(2,607,076)
Revaluations	468,753	-	-	468,753
Management Fees	-	(49,808)	-	(49,808)
At 5 April 2019	<u>12,773,321</u>	<u>2,004,724</u>	<u>23,490</u>	<u>14,801,535</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.

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	
	2019 £	2018 £
Cazenove Investment Fund Management Equity Income Trust for Charities	959,710	2,049,582
OLIM Charity Value and Income Fund	2,948,525	2,934,377
Charities Property Fund	939,913	802,275
Vanguard FTSE All Share Index	813,221	764,991
Vanguard S & P	741,846	551,122
Majedie UK Equity Fund	753,470	936,228
Blackrock Sterling Liquidity Fund	1,970,242	500,062
Findlay Park FDS American	878,206	744,345

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

15. STOCKS

	2019 £	2018 £
Stocks	<u>1,561</u>	<u>1,561</u>

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Other debtors	<u>433,329</u>	<u>423,581</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Other creditors	<u>28,569</u>	<u>20,379</u>

ARTISTS GENERAL BENEVOLENT INSTITUTION

**Notes to the Financial Statements - continued
for the year ended 5 April 2019**

18. LEASING AGREEMENTS

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

	2019 £	2018 £
Within one year	<u>10,189</u>	<u>9,703</u>

19. MOVEMENT IN FUNDS

	At 6.4.18 £	Net movement in funds £	At 5.4.19 £
Unrestricted funds			
General fund	13,054,449	363,403	13,417,852
Restricted funds			
AGBI - The Children's Fund	2,023,896	46,196	2,070,092
Francis Reckitt Trust	-	2,500	2,500
	<u>2,023,896</u>	<u>48,696</u>	<u>2,072,592</u>
TOTAL FUNDS	<u>15,078,345</u>	<u>412,099</u>	<u>15,490,444</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	620,854	(678,072)	420,621	363,403
Restricted funds				
AGBI - The Children's Fund	52,151	(53,889)	47,934	46,196
Francis Reckitt Trust	2,500	-	-	2,500
	<u>54,651</u>	<u>(53,889)</u>	<u>47,934</u>	<u>48,696</u>
TOTAL FUNDS	<u>675,505</u>	<u>(731,961)</u>	<u>468,555</u>	<u>412,099</u>

ARTISTS GENERAL BENEVOLENT INSTITUTION

**Notes to the Financial Statements - continued
for the year ended 5 April 2019**

19. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 6.4.17 £	Net movement in funds £	At 5.4.18 £
Unrestricted Funds			
General fund	13,239,179	(184,730)	13,054,449
Restricted Funds			
AGBI - The Children's Fund	1,676,564	347,332	2,023,896
Francis Reckitt Trust	2,000	(2,000)	-
	<u>1,678,564</u>	<u>345,332</u>	<u>2,023,896</u>
TOTAL FUNDS	<u><u>14,917,743</u></u>	<u><u>160,602</u></u>	<u><u>15,078,345</u></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	618,262	(643,858)	(159,134)	(184,730)
Restricted funds				
AGBI - The Children's Fund	402,137	(46,083)	(8,722)	347,332
Francis Reckitt Trust	-	(2,000)	-	(2,000)
	<u>402,137</u>	<u>(48,083)</u>	<u>(8,722)</u>	<u>345,332</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>

A current year 12 months and prior year 12 months combined position is as follows:

	At 6.4.17 £	Net movement in funds £	At 5.4.19 £
Unrestricted funds			
General fund	13,239,179	178,673	13,417,852
Restricted funds			
AGBI - The Children's Fund	1,676,564	393,528	2,070,092
Francis Reckitt Trust	2,000	500	2,500
	<u>1,678,564</u>	<u>394,028</u>	<u>2,072,592</u>
TOTAL FUNDS	<u><u>14,917,743</u></u>	<u><u>572,701</u></u>	<u><u>15,490,444</u></u>

ARTISTS GENERAL BENEVOLENT INSTITUTION

**Notes to the Financial Statements - continued
for the year ended 5 April 2019**

19. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined 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	1,239,116	(1,321,930)	261,487	178,673
Restricted funds				
AGBI - The Children's Fund	454,288	(99,972)	39,212	393,528
Francis Reckitt Trust	2,500	(2,000)	-	500
	<u>456,788</u>	<u>(101,972)</u>	<u>39,212</u>	<u>394,028</u>
TOTAL FUNDS	<u><u>1,695,904</u></u>	<u><u>(1,423,902)</u></u>	<u><u>300,699</u></u>	<u><u>572,701</u></u>

20. PENSION COMMITMENTS

The charity operates a defined contribution pension scheme. Total contributions for the year are disclosed in note 11. There were no outstanding or prepaid contributions at the balance sheet date.

21. RELATED PARTY DISCLOSURES

During the year, annual Jubilee Awards totalling £4,000 (2018 - £4,000) were awarded to former trustees. Two remain as Vice Presidents of the Artists' General Benevolent Institution.

During the prior year (2018), payments for office services were made to Sue Gentleman of £240, 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 2019**

	2019 £	2018 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Annual subscriptions, donations and amounts collected by stewards	75,714	68,790
Legacies received	125,634	426,003
	<hr/>	<hr/>
	201,348	494,793
Other trading activities		
Christmas card sales	6,129	12,799
Bi-centenary print	2,512	1,750
Other income	2,500	100
	<hr/>	<hr/>
	11,141	14,649
Investment income		
Income from investments	440,378	490,280
Royalty and legacy income	11,270	19,332
Deposit account interest	11,367	1,345
	<hr/>	<hr/>
	463,016	510,957
Total incoming resources	675,505	1,020,399
EXPENDITURE		
Raising donations and legacies		
Stewards' expenses	170	58
Other trading activities		
Cost of Christmas cards	4,342	6,172
Charitable activities		
Grants to individuals	374,335	405,760
Support costs		
Information technology		
Investment management fees	49,640	30,624
Human resources		
Wages	142,144	130,797
Social security	13,303	11,807
Pensions	6,360	5,858
Visiting expenses	1,937	1,715
	<hr/>	<hr/>
	163,744	150,177
Other		
Archer Street rent	42,757	41,151
Churton Street Expenses	29,996	-
Archer Street expenses	85	1,323
Travelling	525	-
Carried forward	73,363	42,474

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ARTISTS GENERAL BENEVOLENT INSTITUTION

**Detailed Statement of Financial Activities
for the year ended 5 April 2019**

	2019	2018
	£	£
Other		
Brought forward	73,363	42,474
Catering expenses	1,871	-
Postage	2,528	2,693
Telephone	3,231	2,763
Office stationery	1,847	1,734
Computer expenses	1,146	1,637
Repairs and renewals	68	409
Cleaning	3,019	2,965
Bank charges	2,094	2,175
Sundry expenses	1,355	1,816
Other gifts	422	33
Insurance and service charges	5,697	4,837
Subscriptions	874	772
Christmas gifts	-	-
Fixtures and fittings	858	1,072
Computer equipment	432	903
	<hr/>	<hr/>
	98,805	66,283
Governance costs		
Wages	7,481	6,871
Social security	858	779
Pensions	335	308
Auditors' remuneration	8,620	8,500
Archer Street rent	-	-
Annual report and AGM	11,268	10,709
Trustee meeting expenses	2,213	1,598
Legal and professional	10,150	4,102
	<hr/>	<hr/>
	40,925	32,867
	<hr/>	<hr/>
Total resources expended	731,961	691,941
	<hr/>	<hr/>
Net (expenditure)/income before gains and losses	(56,456)	328,458
	<hr/>	<hr/>
Realised recognised gains and losses		
Realised gains/(losses) on fixed asset investments	143,921	3,506
	<hr/>	<hr/>
Net income	<u>87,465</u>	<u>331,964</u>

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